

FROM THE DESK OF BOB WILSON

Who Needs a Consultant?

Dear Fellow CEO:

I'm really not a very good prospect for a consultant. Over 21 years our business has averaged 28% yearly revenue growth. Our turnover is negligible. We've always made a reasonable profit. We've become the most successful of about 40 PIWW licensees in the Americas. We utilize our 16 very smart people to help us draft and execute our strategy. *We earn our living helping other organizations become successful.* What could I learn from a consultant? I didn't think there was anything I could learn from one until I did. And that's what this letter is about.

It all started when we crafted a very ambitious 5-year plan in September of last year. If we hit all of our targets, our revenues would increase by almost 3 times over the course of the plan while our client retention and value add (in the clients' eye) would increase. At the conclusion of the session we all left excited – convinced we had what it took to become what we thought we could become. Yes, it would be a stretch, but the targets were achievable. We had the people, the brains, the ideas and the plans to make it happen. We could do it!

And our next six months or so looked as though we would be plugging along on a course to hit our targets. Revenues were where they should be. We hit all of our early benchmarks. Profits were within the allotted parameters. All was going smoothly.

At about this time, two different opportunities presented themselves. I wasn't in the market to hire a consultant. I didn't want a consultant. I wouldn't have hired a consultant. But, there were opportunities for consultants to show us something they could do in a way that wasn't really consulting. I thought Advisa would make a good laboratory – though consultants would have a hard time finding anything really wrong, wouldn't they?

First, I invited Todd Gross (one of our most successful consultants) to demonstrate one of his new ideas on me and Advisa. Todd had built a new element – evaluating the organization to assess its ability to deliver strategic plan results – into the strategic planning process. I wanted to watch him display his techniques by evaluating our own organization and in the process better understand the value he might bring to a client.

At about the same time, we were looking to create an ongoing relationship with a sales consultant who delivers services that could dovetail with ours. In order to better understand what she did, I suggested she tear apart our current sales strategy and processes to see what she could find while I evaluated her technique and thinking.

I expected that both of these events would be non-events. I anticipated the consultants would come in, point up a couple of minor flaws in what we did and how we did it and I'd better understand how they approached problems as a result. I didn't anticipate that they'd cause me to re-think some of the basic fundamentals of how we did business. We were too good for them to find things that could be done significantly better.

Boy was I wrong.

They each spent a few hours going over what we did and how we did it. They each started from a "clean slate" perspective – they didn't have (even though Todd works in the business) the preconceived, already developed, sometimes calcified notions of what was right. They simply evaluated the strengths and weaknesses of what we did in a simple business context – and what we did, didn't all make as much sense as I thought it did. I was too close to the problem to see what was right in front of me.

Todd looked at what we did and what we were planning to do in relationship to who would be responsible for seeing that the results we desired were achieved. As we got further along, it was clear that the specific responsibilities for results were, at best muddied. The mechanisms to see that results would be achieved and the incentives to achieve them weren't as clear nor as well aligned as I thought they were.

The sales consultant came to many of the same conclusions as did Todd, but, her focus was somewhat different. Rather than looking at comparing our structure to what was to be accomplished, she focused on our sales process from start to finish – evaluating whether or not it yielded the best result for us and our clients. The flaws she found related to things that weren't being done, weren't being clearly evaluated or weren't being compensated in alignment with our goals. Because they weren't, it was obvious they needed to be changed. Her suggestions touched on compensation plans, client management, internal training; virtually all of the processes involved with client interaction. And, it was clear she had some good ideas about how we could do a better job throughout the process.



I'd like to say I was open and non-judgmental during both of these meetings. But, especially when flaws were found that were festering and oozing less than stellar results, I was defensive, argumentative and even, occasionally, difficult (if you can imagine). These are, I'm afraid, natural responses that I have when it's discovered that something could have been done better under my command. Oh well. Both of the consultants are professionals and eventually (I think) got over my, at times, immature responses. Once I was past the anger, it was clear it was time to roll up our sleeves and start fixing what wasn't as good as it could have been.

And the necessity for imminent action was intensified because this was when the wheels started coming off the progress on our strategic planning cart. Yes, the year was still going well. Yes, we were still making money. But, now we were tracking at our pre-plan projection and not the post-plan stretch projection results we'd generated our first few months into the plan. We were going back to achieving the kinds of results we'd always achieved – not the robust results we were convinced we could achieve when our plan was complete.

This wasn't what I'd hoped to see. But, hopes generally aren't a strong foundation on which to build a business.

While action plans were roiling in my head, I also came to the realization that Todd was right in the importance he placed in evaluating the structure of an organization as a part of the strategic plan. Typically, an organization's structure evolves in an ad hoc fashion in a way that doesn't stay in alignment with what an organization is attempting to accomplish. People are added and their responsibilities, even when clearly defined with performance measures, take on other duties that may or may not make sense to the organizational mission. Some of the intangibles that come to create success are left out of evaluation and thus, lead to unforeseen and unmeasured failures. Pieces are slapped on top of pieces with immediacy driving the actions taken as opposed to reflective thought. The result for us was that we created some goals in our plan that were impossible for us to achieve because we didn't have people who were specifically responsible for achieving them in a position to see that they would happen. Additionally, the processes we were using were processes built for the results we had achieved, not the ones we planned to achieve. We built a great plan but our current organizational structure and processes wouldn't allow us to achieve it.

Armed with all the good suggestions of both of these consultants, we started to think about the question: "How do we redeploy our people, processes and systems to accomplish our plan?" We needed to institute a number of changes to become the Advisa we had set out to become.

Our annual meeting will be taking place about the time you receive this letter. We've already come to consensus about several of the things we need to change to achieve our goals. We've laid out some future actions. We're attacking some of the other specifics that need to be fixed at our meeting. And other topics will be put off until '08.

As of now, I feel much more confident of being on track to accomplish our goals than I was 3 months ago. And I couldn't have done it without the help of consultants. I was too close to some of the issues to clearly see why they needed to be addressed.

Will we triple our revenues while improving client retention and service over the 5 year scope of our plan? I really don't know. But, looking back, I know we wouldn't be as successful as we will be because of the help we've received from the advice of consultants.

Thank you for reading and I hope you gained from the experience. And, if you'd like your organization evaluated in relation to your plans, feel free to call me or your consultant. I can't guarantee you'll enjoy the experience but I think there's a good chance you will benefit from it.

Sincerely

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