



An Execution Environment From the Ground Up

This paper provides a real-life example of an execution environment. The year was 2005. The opportunity was to establish a not-for-profit organization. Through our nations worst recession that started in our second year of operation, and through chaos in funding Government sponsored R&D, the execution environment we established resulted in impressive efficiency and productivity, and extremely lean overhead functions. Our well-defined procedures were encoded in flexible tools that scaled to handle forming a for-profit professional services firm, growth to over 25 people and annual revenues over \$6.3 million in several hundred projects per year, and fully satisfying the demands of a client base of large and smaller companies. We have operated for over 9 years in highly regulated environments requiring adherence to complex and extensive rules for managing projects, documenting work and costs, and extensive financial and procedure audits.

A business model is essentially a statement of who will be served, what need will be addressed, what will be offered to address that need, and how the offerings will be provided. We were serving the Government and industry with scientific research and consulting relative to materials technology. This is a specific definition of our target market sector composed of Government labs and companies who make products such as vehicles, small arms, aircraft, and industrial machinery. The success of these entities depends critically on the performance of materials they use. Tackling these materials problems is multi-disciplinary and demanding of specialized and up-to-date facilities. We had three employees and no specialized facilities, leading to a decision to use a collaborative model for our operations.

First devising a business model makes strategic planning far more defined and pragmatic. Strategic planning highlighted a critical challenge, namely that our collaborative model would involve outsourcing core competencies, so we had to have a very formal and effective collaborative process to retain adequate coordination of the work and control over its quality and timeliness. The outcome of our strategic planning was the creation of a highly innovative Internet-based project collaboration and management system that implemented Procter and Gamble's (P&G) "Connect and Develop" methodology in a way that was accessible for small organizations. This system included an Internet-based tool for time and expense tracking that all collaborators were contractually bound to use, which made cost management and invoicing cohesive across geographically and organizationally



dispersed teams. A threaded discussion facility was used to document technical planning and work assignments. A document library with version control ensured access to the current documents. A live Gantt chart provided the project plan, and allowed team members to add detail as the project evolved, and to report status. The customers used the site to monitor status and costs, and work with the team.

This approach formalized and encapsulated our best practices for planning, conduct, and monitoring of projects. It aligned our business processes with our goals. This addressed the critical challenge our strategic planning had highlighted, namely how to outsource our core competency of conducting multi-disciplinary technical projects to a team that was geographically and organizationally distributed while maintaining control over the quality and timeliness of the work.

We were a small startup entity in a business where people, especially the good ones, expected to be properly supported. Our Internet-based project coordination and management system was also instrumental in our people process. It helped us form long-term collaborations with established entities, so that our staff could be competitive in winning the high-end technical work that challenged them, and this was also a key to attracting and retaining these people. The extraordinary efficiency provided by our Internet-based system allowed us to devise and offer a highly lucrative commission compensation model, which was unique in our industry, paid substantially better, and was instrumental in allowing us as a small startup to be competitive in attracting and retaining a higher quality staff to grow the business.

This is a great example of the value of an execution environment, what that environments looks like, and how it informs traditional business processes such as strategic planning, operations and budgeting, and the people process involving recruiting, retention, and professional development. These concepts are applicable to organizations of all types and sizes.

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