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The Next Wave: Re-engineering for Growth

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The first wave of re-engineering emphasized cost. The next wave focuses on eliminating unnecessary expense while improving quality, speed and service.

CLASSIC BUSINESS PROCESS RE-ENGINEERING HAS RUN ITS COURSE

Business process re-engineering has become the dominant corporate initiative of the 1990's. Many companies faced with slowing growth or actual market declines in the wake of the global recession turned to re-engineering as a tool for survival. With its focus on the horizontal workings of a company, B.P.R. offers new insights into how work is actually being conducted and where unnecessary expenses are being incurred, providing opportunities to improve cost, quality, speed and service levels.

Successful re-engineering efforts usually began with a laudable goal of deploying capabilities to achieve competitive advantage and drive the market. In most cases in the recessionary Western world, however, the natural gravity of business conditions forced the focus onto cost reduction opportunities, as large complacent companies were pressed to re-examine their competitiveness in previously comfortable national markets. Re-engineering became the survival tool for companies fighting in a cutthroat world with little upside potential. The real goals were often expressed in terms of earnings improvement or stock price enhancement within a planning horizon of two to three years. For many, the cycle turned through several revolutions, with multiple rounds of layoffs and retrenchment.

Many dramatic and indisputable benefits were realized from these efforts across a broad spectrum of companies. Case studies trumpet examples of cycle time reductions of 70 percent, quality and service level improvements of 100 percent and cost cutting of 50 percent or more. One major gasoline retailer, for example, cut cycle times and related personnel by two-thirds by moving to a streamlined cross-functional process for service station development.

But, inevitably, most companies also retreated into a narrow corner to survive--a form of hibernation with minimal body functions. The hibernating state often included deep cuts to community service and communications activities; limited employee welfare activities; slashed competitive intelligence and longer-range planning units; elimination of any capabilities other than those required for today's business, and no personnel resources available to handle growth.



Nature would suggest that this state of suspended animation is transitory since long-term survival is dependent on being restored to full operating health in the new world that awaits companies when they awaken. But if critical muscles were damaged during the fat-cutting process, restoration will be a difficult and time-consuming process.

The latter half of the 1990's is forecast to be a new world in many ways:

- **Growth is back, but...** All indicators are pointing toward a higher growth environment. Much of the significant growth in demand, however, is likely to come from markets far away (both geographically and culturally) from the developed Western world.
- **Global thinking is mandatory.** Virtually every major industry and service sector is facing competition from players from other places. Whether companies stay home or expand abroad, a new set of capabilities and business systems will be required to succeed against competitors with different operating philosophies and experiences.
- **Low cost is not enough to win.** Despite the effort spent on driving costs down through re-engineering, it is impossible to "cost-contain your way to success." World-class competitors have both advantaged costs and superior abilities to deliver the goods to their markets. In addition, companies in several new, high-growth markets have lower factor costs and fewer limitations on business flexibility (i.e., none of Europe's restrictive union work rules or limits on staff reductions).
- **The vision will have to be recast.** Many companies have been looking inward, as cost restructuring has been the major imperative. Now, they must look outside themselves. For leaner companies poised for growth, a new vision focused on expansion and opportunity, supported by a similarly focused management team, will be needed to capture new markets and customers.

- **Competitive success will take "low cost plus plus."** Turning the vision into an operational reality, through realignment of business systems for a growth environment, will be a key challenge. The success formula will include not only low costs but also processes that are designed with flexibility for growth and a greater emphasis on value instead of cost.
- **Capabilities building will shift to fueling the elements for growth.** The post-B.P.R. organizational and operational approaches have required development of capabilities to sustain leaner, quicker and stretched management models. In the process, most companies have also shed capabilities that do not relate to near-term survival. That means companies will now have to build (or rebuild) capabilities to foster growth--in essence, to provide the fuel for their expansion plans. This includes capabilities in global planning, risk assessment and people development. It also means providing tighter links between measurement, results and rewards.



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On the positive side, B.P.R. has prepared companies for growth in many ways. Companies now have a stronger understanding of the importance of business processes (i.e., the horizontal work and information flows within and across business functions) and have developed diagnostic and corrective tools. Companies have enhanced cross-functional operations (e.g., customer acquisition, pricing) and prepared managers to work in more team-based environments. Most important, implementation of major B.P.R. programs has equipped companies for an environment of change.

But the classic re-engineering approach has not gone far enough to prepare companies for the upward sloping end of the business cycle. The focus on tightening and optimizing processes has, in most cases, limited the abilities of companies to capitalize on the coming growth opportunities. In addition, the classic B.P.R. approach has shaped management's understanding of valuable change to recognize primarily near-term optimization. This has been an easy focus to champion: the results of downsizing show up quickly in bottom-line performance; the customer-oriented quick fixes can visibly slow declines in market share, and the payback of each of these efforts is both measurable and attractive.

But after the costs are out, the capital markets have applauded and the enterprise has demonstrated a willingness to make tough calls, what is next? Unfortunately, after classic B.P.R. change programs, with their successful improvements in cost and speed, companies are set to rocket in the same direction endlessly. The new growth imperatives will require companies to set a different route for the future. The bottom line: classic business process re-engineering has run its course as a business improvement tool.

A new concept of "re-engineering for growth" is emerging as the next step to create value and reposition companies to capture future opportunities. Re-engineering for growth has three basic principles:

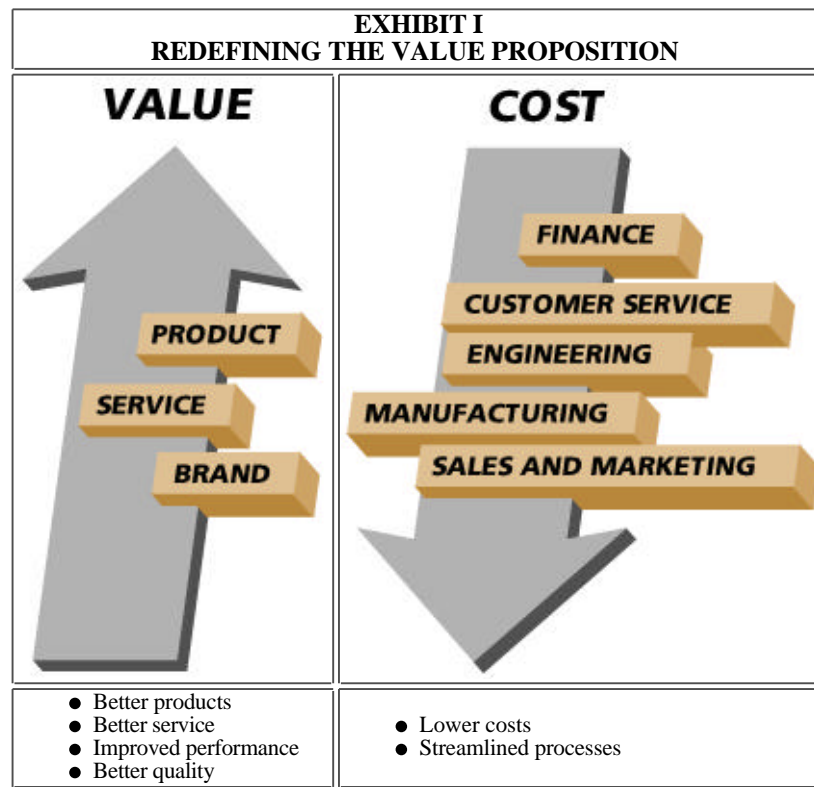
- Enhance the value for cost yield.
- Realign the processes and business systems for growth.
- Refocus on the soft side of capabilities development.

RE-ENGINEERING FOR GROWTH

PRINCIPLE 1: Enhance the Value for Cost Yield

As companies look to capture growth opportunities, they will need to rethink the focus of ongoing transformation efforts. Capturing growth will take both low costs for sustainable competitiveness and the ability to profitably seize revenue opportunities for growth--in essence, a rebalanced agenda that resets the company's value proposition. The challenge is to develop a transformation agenda that seamlessly integrates the changes required. At the heart of the challenge is the need to change the value proposition, or "value for cost" equation, for customers. If successful, this new approach of re-engineering for growth will mobilize the entire organization toward a new paradigm of revenue, earnings and productivity improvement.

The value-for-cost equation is based on the customer's perceptions, which reflect the value of a company's products and services relative to competitive offerings. These perceptions should define how a company profitably serves its targeted customer segments. Improving the value-for-cost yield requires rebalancing the fundamental components that contribute to value and cost, as illustrated in Exhibit I. The goal is to improve value to the customer (product performance, service quality, brand value) while simultaneously reducing the total delivered cost. For example, in restructuring its customer appliance maintenance process, a Hong Kong service company was able to improve repair rates for first visits by more than 50 percent and reduce total labor hours by 22 percent--a critical requirement in a rapidly growing and competitive market with labor shortages.



On the surface, this sounds like a restatement of the broad goals of classic B.P.R. programs. However, B.P.R. has typically operated within the current value proposition of most companies:

- Start with a given vision and strategy.
- Translate this into redefining "how we do the work" to improve productivity and efficiency--driving out low-value steps and costs.
- Implement and measure the impact on existing product and service delivery.

In contrast, a focus on re-engineering the value-for-cost yield starts with a reassessment of whether we are oriented toward providing the right products to the right customers in the future. This takes a realignment of brand, service and products with customer segments. At one integrated petroleum company, we formulated the program goals as follows:

- Re-engineering the value proposition by addressing "who" we sell to and "what" we sell. Often, a new vision statement and strategy will emerge, capitalizing on the lower cost base as a springboard for profitable growth.
- Taking a fresh look at markets (definition, requirements, competition and yield) to open the opportunities for growth.
- Evaluating the product portfolio (value of variety, cost of complexity, value/cost tradeoffs) and pricing strategies to improve overall customer value and yield.



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- Assessing the total value to customers, including brand value. This step forces a move away from cost reduction as the goal, driving toward delivery of value.
- Re-engineering the optimal delivery of products and services within the context of the new value propositions. This forces a balanced focus on the processes of delivery and the products and services themselves.
- Realigning investment positions and repositioning in critical markets as well as reducing costs of key delivery processes.

By refocusing on value, a future perspective becomes more critical. Markets, competitors and technology are changing at an ever-increasing pace. The basis of competition has shifted from position to the ability to change position. A target of growth and a fundamental rethinking of value will yield both different priorities for process changes and capabilities required to achieve changes in competitive position.

RE-ENGINEERING FOR GROWTH**PRINCIPLE 2: Realign the Processes and Business Systems for Growth**

The classic B.P.R. approach incorporates a view of the future business process and systems requirements. That view, however, is usually focused on near-term optimization for survival. While this may not be inherent in B.P.R. principles, the performance change levers that are pulled to alter the processes are usually geared to achieving serious cost reduction. The key improvement tools are concentrated on trimming unnecessary steps and people from the process, often cutting the deadwood away to allow the forest to survive. Certainly, quality and speed are embraced as important goals--but usually are secondary to cost. When tradeoffs come, the usual balance is to err on the side of optimization for the biggest near-term benefit. As noted, cost improvement can often be tracked easily and results can be seen quickly. The benefits of quality and speed usually need to be translated through other performance frameworks to demonstrate ultimate benefits. The combination of translation and the near-term focus often make for a solution that ignores the required flexibility for growth.

The re-engineering for growth approach requires changes in perspective, process selection and tools. The perspective is on profitable growth, considering both short-term and long-term ground to hold. With a leaner, more nimble company, achieving a change in competitive position should be easier. However, competitors will most likely also be leaner and more nimble. In addition, some critical capabilities for growth may be missing--atrophied or cut away in a previous B.P.R. effort. The growth perspective must be underpinned with a focus on capabilities required for success. One client, for example, found that its personnel department, which had been cut and refocused on outplacement of redundant employees, was unable to gear up for hiring employees with newly required capabilities. This necessitated using an executive recruiter--incurring more expenses than were saved during the previous cost-cutting process.

With re-engineering for growth, the step of selecting priorities for improvement will be much different from classic B.P.R. programs. The priority-setting step in B.P.R. has typically ranked processes by considering both impact on performance and improvement potential. This is an adequate framework for a survival program but inherently discounts the value of preparing for future growth:

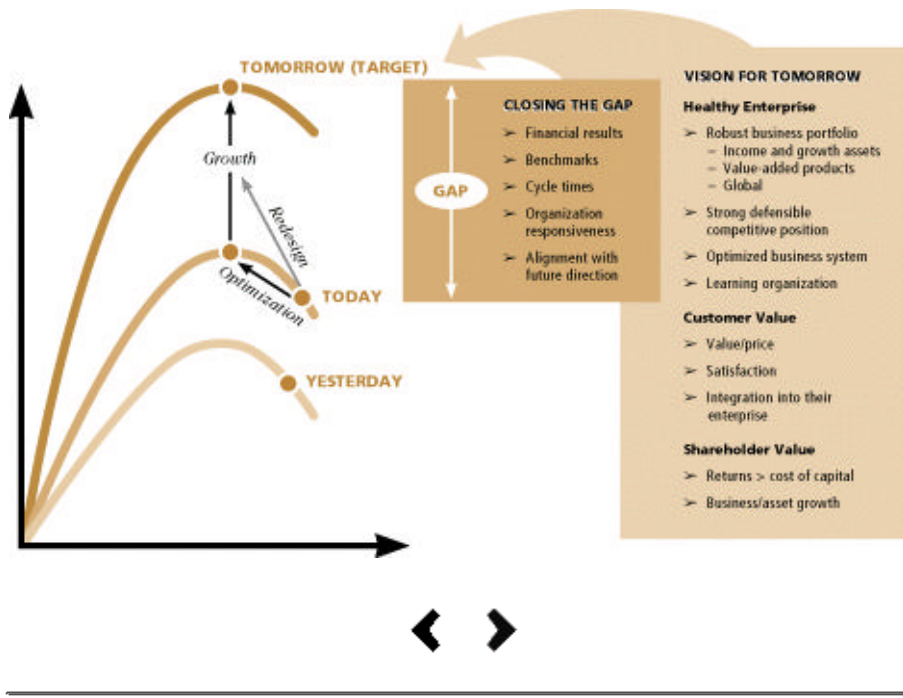
- The approach-based constraint of using current product/market strategy forces a focus on improvements in a limited operating world, eliminating from consideration some of the new avenues required for growth.
- Performance-impact analysis considers the impact of adjusting the processes that deliver the planned products and services rather than incorporating the value of flexibility for adapting to future growth opportunities.
- The improvement-potential analysis suffers from the same perspective--usually an optimization within the current product/service delivery paradigm.

Instead, the focus for process selection must be driven by new criteria:

- Building the capabilities to deliver the new elements of future customer value--products, services, brand and cost, such as adding processes designed to put innovation into decision options.
- Removing the bottlenecks in processes and business systems that constrain the path for growth. For example, one client's limited ability to identify and acquire new venture partners was highlighted as a constraint to capitalizing on rapid market deregulation.
- Enhancing or creating processes to build capabilities required in the future, such as career development structures to provide international rotation opportunities for highfliers in a rapidly globalizing company.

These criteria will necessarily focus future re-engineering efforts on processes and enablers for growth, as shown in Exhibit II.

EXHIBIT II
PROCESSES AND ENABLERS FOR GROWTH



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Finally, the tools used in re-engineering for growth must modify and add to the existing tool kit of classic B.P.R. programs. Classic B.P.R. tools have included elimination of duplicated work, delayering organizations, cutting redundant quality checks, centralizing functions to achieve economies of scale, automation, outsourcing, etc. There is great cost reduction value in the existing tool kit--and low cost is still an important component in the value-for-cost equation.

However, the classic tools will require a different calibration with a focus on growth. For example, a lean, flat organization that is optimized for low cost will be stretched too thin in a renewed growth environment, as new functions, facilities and staff are added. A company optimized for a narrow manufacturing and marketing footprint will fail in a growth mode incorporating global expansion. A decision-making structure that empowers low-level teams could create great risk as new products and services are rolled out. Developing and freeing up the capabilities for growth will require taking some of the stars out of the processes, instead of the deadwood.

The classic tools, applied with a different future perspective, should improve some of these conditions. But simply recalibrating the old tools will not be enough. New re-engineering tools are required to analyze and realign processes and business systems for growth. It is likely that a number of different processes will find their way onto the priority list, requiring changes far outside the classic re-engineering experience. Growth, especially with a global flavor, will demand new planning and risk assessment capabilities, new information technology systems, new human resource management processes and new product and service development approaches. In some cases, this will require tools and skills in building rather than rebuilding processes. It will also require leveraging lessons learned from other companies that have already been through successful global expansion programs.

Developing and delivering capabilities for growth in the new environment will require moving beyond the masters of cost reduction for both internal leadership and external support. In a way, this is "back to the future," as some of the required skills and tools were developed and used in the expansionary 70's and 80's. Nonetheless, the global dynamics of the 90's and the increased pace of change will make it necessary to restore and redevelop those tools in a significant way.

RE-ENGINEERING FOR GROWTH**PRINCIPLE 3: Refocus on the Soft Side of Capabilities Development**

Classic B.P.R. programs are known for their substantial impact on people--both positive and negative. On the upside, the move toward empowered teams, broader spans of control and fewer layers of management has increased the challenge and job content of managers and workers alike. On the downside, morale and risk taking are at all-time lows. Employees at all levels have an attitude of hanging on for survival rather than adopting the entrepreneurial spirit required for growth. Chief executives, having beat the cost-reduction drum for the last several years, are themselves in need of a renewed attitude. At a minimum, there is the need for an infusion of a winning spirit and some flexibility in the game plan to achieve success.

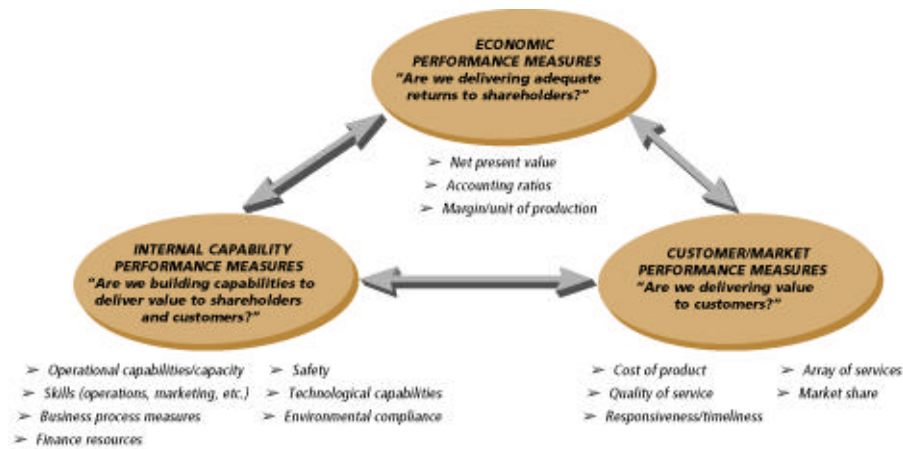
At the heart of winning in the future is creating the right mix of new capabilities. Re-engineering for growth to build and deploy these capabilities will take a refocus on the soft side and mobilization of the entire organization toward the new paradigm of growth:

- Management vision and strategy will take a sharp turn from cost reduction toward growth. It is difficult enough to translate strategy into understanding and subsequent action at lower levels when direction changes are minor, as shown in Exhibit III. Most executives are more frustrated with the deterioration of strategy understanding through levels of the organization than with poor strategy itself. With the sharp turn anticipated in embracing a new growth agenda, there is a greater need for processes to effectively translate "fuzzy strategy concepts" into a mandate for specific action at all levels. The "why are we doing this" questions will have to be answered as clearly as the "what should we do and how will we accomplish this" questions to make strategy become internalized and actionable by everyone. This implies new processes for involvement in planning and more effective communication with employees at all levels.

EXHIBIT III
**DEGREE TO WHICH MANAGEMENT LAYERS UNDERSTAND/
COMPLY WITH STRATEGIES**

- Measurement and rewards will also have to change as the focus turns toward growth. This will take a redevelopment of key performance indicators and the incentives required to move employees from the "head down" or "head in the sand" posture of today. Performance metrics will have to incorporate a broader set of measurements--including capability building in a balanced approach, as shown in Exhibit IV. With an effective performance management system, managers should clearly understand that growth will not allow a reversion to the old ratios of output per employee or old management styles, which would imply a new wave of rehiring and a casting off of the new operating cost and speed position so painfully attained through B.P.R. Instead, the challenge is to attain, measure and reward profitable growth in line with the new success criteria. This includes a strong focus on capability development for the future.

EXHIBIT IV
PERFORMANCE MEASUREMENT FRAMEWORK



- Training and management development requirements will also increase. Employees at all levels are being asked to operate in the lean, stretched models of post-B.P.R. companies, yet there has rarely been enough training to help them excel in the new environment. Coupling latent training needs with a new growth vision could well paralyze employees unless a significant training and development effort is launched, fully aligned with the new growth agenda. If globalization is on the agenda, which may be required to capture the new growth opportunities, the training will have to incorporate cross-cultural exposure, changes in attitudes regarding relocation and an understanding of the value of global teaming.
- Similarly, many of the human resource processes will need significant change. Many companies have focused on outplacement rather than recruitment over the past few years. Recruitment will be reinvigorated as growth will require some additional employees--but only those with capabilities to deal in the new product, service and market arenas. If the growth is outside familiar geographic areas, the recruitment complexity will increase substantially. Subsequent steps in the human resource process chain will undergo similar change, including personnel evaluation and career development in a global growth environment. Many companies assume that they can bring their home country management models to new places--and they usually fail to achieve productivity and performance targets as a result.

Unfortunately, outplacement services may still be required, as some managers who could operate well in a cost reduction or harvest mode might be less well equipped to lead their units through the complexities of profitable growth. Human resource systems will have to be developed to evaluate growth skills and build them into managers through training and job rotation--or keep working the outplacement process.

The soft side changes have typically taken a back seat in classic B.P.R. programs, being limited to communicating the need for downsizing and the mechanics of working in the re-engineered processes. Re-engineering for growth will take a re-emphasis on the soft side to insure success.

With these three principles of re-engineering for growth, companies will be able to leverage the cost and speed gains from classic B.P.R. and move ahead with a refocus on value for cost and effective delivery of new capabilities. And that should prepare them to win in the new markets of the 90's.



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Case Study: Re-Engineering in a Service Company

The predominant view regarding business process re-engineering is that it is a tool for streamlining manufacturing operations. It can, however, have an equally large impact on a company's service operations. Service-oriented issues--such as organizing processes around customers, eliminating low-value-added processes and designing growth-capable processes--can all be tackled using re-engineering methods.

One illustration involves a multibillion-dollar financial services company that had traditionally organized itself around its products. The company prided itself on approaching the marketplace with a superior product and service offering. Its unique value proposition proved extremely profitable for many years. But then times changed. The company was hit with a number of problems. While it continued to provide a superior product, the differential advantage of that product was weakening. Although the company's revenues were increasing, its costs were increasing even faster. On top of that, market share was slipping as more agile competitors moved in.

As a first step in the re-engineering process, a global benchmarking program was started. Data were collected both internally and externally and assembled into a detailed portrait of the company's competitive situation.

The results painted a picture that was even worse than management had imagined. The company's service-based differential advantage was eroding more quickly than anyone had thought and the company had a significant operating expense disadvantage, when compared to its competitors, of as much as 40 to 50 percent for most of its functions and processes.

The results of the study shocked the organization. It was clear that a significant re-engineering effort of the company's worldwide operations was needed. The aim was threefold: to achieve best-in-class economics; to increase support for the company's main business processes; to enhance the capabilities of the company's overall marketing efforts.

Management realized that creating the right processes and the right culture was imperative for survival. But it also realized that making these changes would not be easy. Because the company had been so profitable for so long, and its culture was conservative, it would be difficult to achieve "buy in" for any re-engineering plan without a quick showing of results.

Short-term operational improvements have already resulted in 30 to 40 percent unit-cost savings.

A team of managers and consultants was assembled to begin planning the work. The team outlined the strategic and operational issues the company faced. It also listed a series of questions the team would have to answer:

- What capabilities are essential to provide for efficient, systematic and timely new product introductions?
- How could service delivery be optimized so that customers received the best value while the cost of providing that service was best-in-class?
- How should technology be used to support the lines of business today and in the future?
- How do you manage change in a large organization that has traditionally organized itself along product lines?

Once these strategic and operating issues were identified, the team began to look externally and internally for answers to the challenges the company faced. The team undertook the following actions:

- Redefined the company's product and service offerings to reduce cost while enhancing market positioning.
- Defined and mapped the core business processes for service delivery (billing, remittance, telephone customer service and correspondence), merchant relationship management, customer relationship management and new product development.
- Conducted extensive internal and external benchmarking studies to identify micro-level improvement opportunities, establish performance targets and develop best practices.
- Developed detailed gap analysis based on competitive benchmarking efforts.
- Redesigned core processes to improve effectiveness and efficiency.
- Created a program office to formalize re-engineering methodology and guide teams in benefits tracking and training during the design and implementation phases.

So far, these efforts have involved assessing all of the functions and activities that the company requires to insure that customers receive desired value at the lowest cost possible. Short-term operational improvements have already resulted in 30 to 40 percent unit-cost improvements. Over the longer run, total savings of about \$500 million are expected for 1995, followed by an additional \$500 million of savings in 1996. In addition, product development cycles were shortened, which was necessary to take advantage of swiftly changing markets. All measures indicate that customer service levels have increased.



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Case Study: Re-Engineering the Sales Force to Improve Price Realization

Our client, a Fortune 500 building products company, has been a leader in its product category for more than 30 years. It was first in three of its five product segments, with significantly larger shares than its next-largest competitor in the United States and globally. Despite its strong market presence, its financial performance was lagging. Revenues were flat and returns to its shareholders trailed the Standard & Poor's 500.

To remedy this situation, the board of directors elected a new chief executive and set a mandate to substantially increase earnings and shareholder returns. As part of these efforts, Booz-Allen & Hamilton was brought in as part of a company-wide re-engineering program. The program consisted of several teams addressing specific high-priority opportunities. One of these teams was established to improve price realization in the contract segment for one of the company's principal product lines. That part of the program is the subject of this case.

The sales process is complex in this segment of the building products market. It involves architects, general contractors, building owners and occupants. To make a sale, manufacturers must work with each of these participants, as well as each of the multiple contractors that bid on the installation work. Manufacturers must also insure that their products meet required performance specifications. As a result, there are multiple relationships that must be built and managed and several participants whose needs must be met for a successful sale to occur. There is also intense price competition. Bids are often won or lost by fractions of a cent per square foot, with the average sale in the range of 50,000 to 60,000 square feet.

The joint client/Booz-Allen re-engineering team's analyses indicated that the client was not realizing its full potential from its selling efforts. Though the process was complex, it was often conducted in an ad hoc fashion, with success frequently dependent upon the skills of an individual sales representative. Tools to help predict the potential success of a bid were not available. Field-sales personnel had little historical information to aid them in their bid preparation and negotiation efforts. Headquarters staff, responsible for final approval, had even less historical information. For example, information on previous bids was not readily accessible and--most troubling--data on the unsuccessful bids were not collected. As a result, any analysis of the bidding process was biased because it included information only from the successful bids.

The re-engineering team began by collecting information on the company's wins and losses. Statistical models were then constructed, which led to the conclusion that winning bids were often too low. That meant the company was leaving money on the table. In addition, the team analyzed the selling process and determined that the approach was idiosyncratic, with no widespread institutionalization of best-practice selling methods.

The team concluded that the sales process must be redesigned. It developed a standard, step-by-step process that was based upon real historical data. It also developed a robust but simple-to-use analytical tool to guide the sales effort and help prepare bids. And it set standards and built tools that led to improvements in the sales force's contact- management procedures. Overall, the goal was to enhance profitability through a combination of improved information and communication, enhanced analytic tools, redesigned processes and revised accountabilities, facilitated by a new sales force automation system.

A three-tiered solution was proposed to improve price realization:

- Develop an integrated, laptop-based tool kit for the field sales force that would provide the appropriate information, communication and analytic support. Create methods to disseminate product information through the laptop and replace the mounds of paper that each sales representative had relied upon for decades. Link the laptops to a centralized server /data warehouse to foster communication and support the needs of the remote and headquarters-based sales personnel. The information collected would provide the basis for additional rigor in preparing bids and evaluating ongoing performance.
- Re-engineer the selling process to increase time in front of the customer, improve consistency across the company, reduce administrative burdens and improve communication. A standardized step-by-step process, which embodied best practices, would be designed and embedded into the new sales force automation tool.
- Undertake a change-management and communication program to help insure ownership of these results and to upgrade the overall skill sets in the field.

With these conclusions approved, the joint Booz-Allen/client implementation team was organized. It was led by the division's head of sales. Several members of the sales organization as well as personnel from the company's internal information technology group were also on the team. The team also included consultants from Booz-Allen who had considerable expertise in business process re-engineering, the building products industry and information technology. The implementation, change management and communication program was jointly managed by Booz-Allen and the client.

Additional sales representatives and managers were also assembled to build support across the organization and help define the details. Everyone participated in the iterative development of the processes and systems that the program would ultimately employ.

The joint Booz-Allen/client effort had an ambitious plan: complete the process and system design and implementation and build ownership for its goals and achievements in less than eight months. Achieving these objectives required a strong team, a clear approach and an effective communication and change-management program.

The team quickly evaluated its options for developing the required systems. An analysis of existing sales-force automation-application packages found only a few that met the job-oriented requirements and only one that was suitable as a base

upon which to build.

Using the selected tool as the base for the application gave the team a jump start. Building the analytical tools and embedding the new sales process into the application required additional development effort. The technical team began enhancing and modifying the laptop, central server and communications components of the software.

Before the project began, the company only kept track of its successful bids.

Process design work proceeded simultaneously with the systems work. New processes were designed to institutionalize best practices, collect the appropriate information from the sales force and subject it to a more rigorous analysis. Wins and losses were collected and analyzed and a multistep bidding process was designed. A flexible team-based selling approach was facilitated, based on the field's best methods for meeting customers' needs. The team-based approach was an important new capability for the division. It enabled sales representatives tracking a job with an architect in one city to share real-time information with sales representatives working with contractors somewhere else.

An analysis was also conducted of the value of local sales offices, the role of each participant in the selling process and the overall sales compensation program. The goal of this analysis was to align each sales component with the new sales paradigm.

As these components were put into place, the program moved closer to implementation. Data conversion activities, training programs and final rollout plans were developed. Once the system was completed, the rollout was ready to begin. The last task was training, during which each salesperson was trained in the re-engineered sales approach and the new sales force tools.

The full program was put into place smoothly and in less than eight months. During that time, the Booz-Allen/client team and other members of the sales organization worked together toward a common goal. The team structure and the program's early emphasis on communication helped instill a sense of cohesion among the participants during the effort. The result is a new set of capabilities, including a new field-sales automation system, a standardized best-practice-based selling approach, a revised compensation program and a set of newly defined sales responsibilities that are helping the company realize its goals.

