EPISODE 7

Leading Technology-
The Consulting Curve Podcast

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Introduction: Welcome to another episode of the Consulting Curve, the community approach to clients and consulting brought to you each week by Biz Drivers.biz, founded by Peter Selby, a trusted profit and growth advisory to companies and consultants around the world. Tune in each week, and learn how you can take that journey from corporate to consulting.

Kevin: This is Kevin pro with another episode of the consulting curve with my good friend Peter Selby. Peter, thanks for joining us again on this great podcast as you came in, and as always, I always look forward to these sessions. And we're getting deep in the deep in the details here. And in our series that the overarching, the overarching idea behind this whole series is really advising in the new economy and everything that we've talked about, kind of is just another aspect of that. And, you know, the last episode, we kind of segue from how to position yourself, you know, how to do value positioning, you know, when it comes to consulting, or advising and, and today, we're gonna kind of dive into a to a completely different, but yet very connected facet of what it looks like to advise the new economy, and that's leading technologies. So Peter, talk about a little bit about just lay a good foundation for us for this week.

Peter: Sure. So Thanks, Kevin. And yeah, look can be an interesting talk, I think we, you know, we talked before about, this all sits under the umbrella of the drivers of client value. Now, the first part of that is obviously how to position the value that you can offer a customer. But once you've done that, you then need to be able to deliver some value, of course, and there are a bunch of different ways to do that. But today, we're going to talk about technology. And the reason for that is not technology for technology's sake. In actual fact, business drivers over the years, has shied right away from technology, because the profit and growth advisory that we do for people is around good business process. And sure there are IT systems and things in any business. But from a consulting perspective, we didn't get want to get into selling platforms that people live in to be able to do a business because it often it often deflects people from the business process itself. So and of course, if you use a technology to live in as a business, and I'm not suggesting you don't, but if one of the problems you face is constant updates, it's it's out of date as soon as you put it in and technology's moving all the time. So from an advisory perspective, yeah, exactly. From an advisory perspective, we've always stayed away from that and focused around the business process. But in more recent times, there are some technologies outside out there at the moment in the market that can actually help businesses get better insights into what's going on around them. And as business advisors at the end of

the day, are there to give people better insights, as part of the journey of getting better business outcomes, than I thought some of those might be worth a discussion today.

Kevin: Absolutely, Greg, great foundation, I and when you were talking about the kind of the idea that came to mind was like, almost the tail wagging the dog, you know, we get so wrapped up in the technology for the for the sake of technology itself that we kind of forget the purpose of it's simply a tool to as you mentioned, how do you get better business insights and outcomes? You know, how do you arrive? That?

Peter: Yeah. One of the one of the common ones you see are businesses, somebody in a business sees something they like in a technology world. So right, we must have that. And then when you start to work with the company about what they're going to use it for, they don't really know. But they know that it'd be a nice thing to have. And dashboards are a good example that some people might see some dashboards, we want some that looks like that. Well, what do you want to measure? I'm not sure. So you know, it's about having a strategy that requires a technology that's going to give you more insights, and then looking for the right, the right sample of that technology that will give you the best outcome. So it really needs to start from the business requirements. It makes sense?

Kevin: For sure. When you when you first start working with the business, you know, for environment advising standpoint, when you're when you're looking at you're not only looking at at you know, their their key outcomes and their key metrics, you're also looking at their processes. And when you are talking about technology do you most often see in house technology, or is this more off the shelf tech that people are are kind of, you know, reaching for I mean, what do you see in this space most often?

Peter: We see a mixture of off the shelf, and homegrown or even worse off the shelf that's been heavily customised.

Kevin: Right.

Peter: The problem with doing that is when the off the shelf stuffs upgraded, your customers version isn't and it slips further and further behind. So there are lots of examples of good practice and bad practice. But if I just set the scene about some of the the bigger elements that technology can bring rather than the technology itself, that will sort of sell fix that will help explain this a bit. One of the common bits of technology that, you know, a good deal of companies now use is a an integrated financial and operational system known as an ERP system, that that really brings together the function elements of the business, the functional activity, as well as the financial controls. ERP stands for enterprise resource planning, which came from the the earlier drive of materials resource planning that went through sort of the manufacturing scene in the 80s. But ERP platforms require good business process to function because they're, you know, they're not forgiving of mistakes, they have a process to follow, and they assume that you have good business process. A good example would be, I don't know how many times I've heard over the years, geez, we put SAP through the business world hopeless business came to a standstill. Well, the issue wasn't SAP at all, and fairness to the German company, they do understand how to build enterprise resource planning platforms. But it does assume that you know, what you're doing as a business and your business systems. And so so what happens is people try and shoehorn in an ERP to pour process, and there's only one thing worse than post process, and that's automated per pour process,

Kevin: Oh, wow.

Peter: Just get replicated automatically. I can give you a funny story in this tale. I once worked many, many years ago with a company who was a steelmaking company, and they had put in a new ERP system. And they had automated some things they shouldn't have done. They should. In fairness, it's one of the best implementations I've ever seen. But they automated a few things before double checking data. And I arrived there this day, and there was this pile of lime outside the furnace area where they melt the steel. And you use line as part of the steel making process. And the line was part was as big as the building. And what had been happening is somebody had the decimal place in the wrong spot at the reorder point. And people kept ordering lime, and they were on it right through the night. And in the day there was this problem. This, the problem is if line gets wet, it's useless. So if it have trouble, right, so I mean, there's an element of common sense that goes this, somebody and obviously spotting things are out of control and stop the deliveries, but by then, it was too late. So there's an example of automate automating bad processes, the worst thing a business can do. However, assuming that you have business process, technology can really help put all that together. And another area that's starting to get a lot of focus really started in the bigger corporations, but it's starting to sort of filter down is business intelligence and business intelligence, exactly what it says it's, it's making intelligent business decisions through having accurate data, bearing in mind that most businesses don't run on data, most businesses run on experience and intuition. And quite often we go into an organisation and find their data is telling them one thing, and they're actually doing another. So having data driven decisions makes a huge difference to a business, assuming you've got good data.

Kevin: And it's impossible without tech.

Peter: Well,

Kevin: I mean…

Peter: It's possible to have good data without, I mean, some level of tech is required. From a point of view, you need a computer system and some sort of financial system and operational system. But all I'm talking about is the tech that pulls all that together.

Kevin: Right.

Peter: So, you know, modern day business intelligence platforms will suck data from whatever data platforms are companies using to manage the business and bring it into visual data. That's real time. So that enables companies to get out of this, this idea that, you know, this year's targets last year is plus 5%. We'll split the year and a quarters and see how we do each month. That's really too slow for them, how fast markets move. Companies need to get out of that monthly cycle, to stay abreast of the markets. So business intelligence platforms can allow you to do that. And there are more and more solutions out there. And the price points coming down all the time. So there's sort of smaller and medium sized enterprises that could never have afforded the investment. Can they do that? So that's a developing technology right now. That's hoping businesses get better insights.

Kevin: So it's interesting how many of these different components that we talk about each, every couple of weeks, every fortnight are actually, I mean, I know by design, they're meant to integrate together. And how many of these pieces are designed to almost

replicate the the same processes, only they're doing their function kind of in that process. And we're talking about, you know, how technology comes into play. I mean, I know one thing that it does, and you mentioned earlier, as a, you know, business intelligence through, you know, better data and better decisions that you're making as a result of that. All of that, like we've talked about in earlier episodes, I mean, it's bringing clarity, you know, to the process, it's, it's speeding up the availability of good data to make good decisions. And just, it's interesting to see just how all this works virtually hand in glove.

Peter: Yeah, look it does and having better insights to the business, and no use if you don't do something with that. So, you know, taking those better insights to improve your business process to get a business outcome is a natural step. But if you use even if you go as far as have an accurate data, and it's visual, but you don't do anything different as a business as a result of it, there's no point of doing it in the first place. So there is kind of a process you follow, and hence why we're talking about technology that helps with insights. You know, when we go into a business, or any consulting company goes into a business, they're looking for patterns, they're looking for data, they're looking for business systems, and looking to improve that one way or another. So there are now there is data, like business intelligence is an example that can really help with that. And there's also technology that can help with the operational delivery of a business from a functional perspective. So forget who supplies the platform, a bit like business intelligence, is a wide scope, approach of making decisions, right? It's not my to whoever is supplying a platform or what their dashboards look like, or anything else. Similarly, artificial intelligence and a thing called robotic process automation. RPA is another area that starting to move into business. And again, as usual starts with the bigger corporates, because it's expensive when it starts and then filters down through organisations. And this is where, again, it requires good data. But this is where transferring data from one part of a business to another like for instance, to process a wage transfer or to process an invoice or something like that can be done automatically. Rather than have a person do it, you're gonna have a thing called a bot, that sits inside a platform that reads the data takes the data from one area to another. And the AI learning side of it can you know, it can learn things it can learn handwriting and things like that. It's it's amazing, really. And banks use this extensively in insurance companies at the moment where they have zillions of transactions that happen every day. And if they use bots to do it, there's two things that happened. They, they drastically reduce errors, because the data that's there is there, it's not someone's interpretation of that data that said, taken from somewhere and put somewhere else. And every time that happens, there's an opportunity for an error. So it drastically reduces errors, but also the utilisation if you think about it, a bots working 24/7 at the weekends and doesn't rest, you know…

Kevin: No holiday.

Peter: **…**downtime, so you can trance, you can transmit so much more data through a business, and then use the human resource for things that add a lot more value. So there's so much human resource tied up in menial things and technology is gradually moving in and taking up the menial space which is fantastic for business. Now, again, some of these solutions are still out of reach of some smaller organisations from a cost perspective. But the cost is coming down all the time, there are more and more solutions out there. And these the these RPA platforms are getting more and more cost effective. But it's another great example of technology that can either bring a

deeper insight or bring an operational improvement to the way the business functions. I guess another area would be the fact that things are moving to the cloud. And this enables companies not to have to hold banks of service, they can leave all that to people like Google and tap intoa cloud based environment which takes a lot of load off the business. Granted it brings with it other problems like cybersecurity and those sort of things, but again, it can remove cost from a business it can remove the it will reduce the IT cost. So those fundamentals fundamental elements of technology. Gotta now starting to make difference to business. And it's all part of this data driven environment, you heard the terms industrial 4.0. And it's the latest Industrial Revolution. And, you know, the pickers that industrial 5.0 is actually circularity because it's driven out of need of the fact that whether we like it or not, we're running out of raw materials. And the other interesting thing about industrial revolutions is the gaps between them half each time. And the the episode through the revolution also get shorter. So you know, really, just before the turn of the century, I suppose was the start of industrial 4.0. And it's probably only 30 years or so into the next one, which kind of feels right from a circularity perspective, too. But, but this whole industrial 4.0 is given opportunity to have these data driven systems, and given the global connectivity that's going on. And it's one of the things responsible for speeding up markets, the more that data gets connected, the faster decisions can be made from a market perspective. And therefore the faster companies need to be able to react to those changes. And people buying things have more buying power than they've ever had in history, you know, somebody by spend millions of dollars by pressing a button on their mobile phone, while they're sitting there laughing in a cafe, you know, it's just incredible how the landscapes change, the companies have to be had to deal with that. And therefore, consultants have to be across that too, because they've got to help companies get insights into that space. So the technology is changing the business requirement as a consultant as much as it is changing the opportunity for business in the market. Does that make sense?

Kevin: For sure. It's interesting that, you know, web webs only headed into web 3.0. So you know, it's one behind the Industrial Revolution, or maybe soon to be too behind if, if we were on a few more years, but I knew that we could not, we wouldn't get through this. This, you know, short chat today without talking about AI, you know, without talking about just the the impact of, of artificial intelligence and business, insider intelligence, in the data space, or in the tech space.

Peter: Yeah, it's really interesting. And AI is used in a lot of places, of course, in operation AI is used a lot for specific things, and especially robots and all the things like it. But AI is now starting to break into helping businesses run better businesses. It's right at the beginning of that journey, mind you, it's very early days. And most even in the robotic process space, the automated process based has very little AI as such. But those two things are definitely connected. And again, it's all about data. It's all about having good management of data, and transmitting and understanding what's going on with business through looking at data, which is quite a different way of running a business. And if you think of, you know, think outside the corporations that have been wrestling with this stuff for years, and you come down a level where businesses, especially business, they're still privately owned, for instance, businesses aren't listed, quite often, the originators of that business are still in some way involved in decisions. And they've been successful thus far by by their prowess in that market. And very reluctant to let decision making go to data, the data is a very emotional way of running a business, which was what makes it so powerful, of course. And if you

think back to the Motorola days of GE days of Six Sigma, that was all about taking a business problem, turning it into a math, a mathematical problem, if you like solving that problem, a statistical problem, I should say, solving that problem, statistically, and then re engaging that into the business. This is no different than it's just, it's an evolution really.

Kevin: It's the whole lean, lean startup kind of lean canvas, you know, process that you go through of let data be the decision maker, you know, in because, you know, the day of the gut insight, the The intuition is, you know, sometimes it works sometimes it doesn't, but that is hard to, to dispute, you know, the raw numbers. It's just a fascinating conversation today, Peter and I, I want to wrap up today with just one interesting question just let's just kind of step out of the the tech side of things and just go back in the and put our consultant hat back on or advisor hat. So when you in your experience, you've gone into a company, maybe one of your consultants has gone into a company. Do you sense that that business owners when you talk to them about you know, using technology to help them make data driven decisions? Are they tied to the tech that they had before? I mean, is this another one of their that's my baby, you know, don't mess with my baby type thing, or are they pretty open to to are transitioning they are these just see the world around them changing so quickly?

Peter: That's a great question. Normally, they're using some sort of data platforms anywhere to run a business, like every business has some sort of platform that keeps its costs and keeps us operational information. And what we normally find is the quality of the data is quite poor. So you've got, again, any other technology I've talked to you about is of little use of if the data isn't up to scratch. So normally, the first exercise we're currently is actually getting the data, right, or understanding what data they need to make, to make good decisions around the type of business they are the type of customers, they got the type of market they're in. And if we spin this back to the learning curve of consulting, the learning out of this is to to be advising in the in the new economy, you have to be able to give customers deeper insights than they currently have. And have find a way to be able to attach them more closely in both information and time to their markets. And you're definitely need at your disposal, either some access to experts that can do that, for some access to some technology and experts that can help you deliver that you really are have got a bit of a blind spot, if you're hoping just to consult from your experience aren't attached to any of that stuff, because that's where the markets moving. And I'm not suggesting right now, is the 8020 rule, probably 20% of smaller businesses are attached to technology in that way. But in 10 years time, it's gonna be the other way around, right? It's gonna be 80%. So you definitely want to do that. What the other thing that's changed is the realisation of customers, that markets are more dynamic and complex than they used to be and are almost expecting those deeper insights. So they expect you to turn up and offer some insights. They don't currently have not just fixed businesses, right.

Kevin: All right. Well, we're certainly headed into that. I think it may be shorter than 10 years. I think you're being generous in your, in your tenure to flip the 80-20 The Pareto principle for sure. But, Peter, thanks again for chatting with what a great discussion today on the consulting curve, that community approach to clients and consulting. Peter, I'll see you in two weeks.

Peter: Thanks, Kevin. Great,great talk. Thank you.