

AUSCO - Hypothetical case study

Management consultants often confuse a lack of terminology as a lack of strategy development. Even worse, if they don't see strong evidence of their own preferred "strategy framework", they can mistakenly think a client lacks strategy and inadvertently destroy a great deal of effective strategic planning and implementation. For example, a growing and profitable firm, let's call it AUSCO for convenience, has developed an ability (and preference) for sustaining organic growth. AUSCO uses a flat management structure to put authority and responsibility close to the coal face and recruits experienced, proven, ambitious people. AUSCO supports advanced communications technology, collaborative special interest and technical development groups. AUSCO often tackles quite difficult and challenging assignments, almost as a preference. The company enjoys the respect and continuing engagement of its customers. Whilst AUSCO management admits it has its challenges, it is growing profitably with staff turnover relatively low and a high frequency of repeat business. AUSCO has an effective strategic framework. But would a management consultant specializing in strategy development be able to recognize it? Can you?



AUSCO never used the equally famous Boston Consulting Group 'Portfolio Matrix'. It has no competitor analysis it can point to, virtually no customer research, no perceptual maps, no brand positioning strategy, no value chain analysis, no six sigma. What it does have is a strong and frequently articulated culture of doing whatever it takes to deliver high value to its clients.



Like accounting, medicine and any other profession, strategy consulting has developed a language few outside the profession use all that often – especially clients. But just because the strategy was not deliberately constructed according to a pre-ordained model or framework, does not mean there is not a strategy. Much of what managers do is intuitive and much of what happens is learning to do what works and learning not to do the things that don't work – even if that learning is not consciously mapped to a framework – much less articulated as a 'theory'. Moreover, much of what is happening is invisible without a trained and informed eye, and consultants are often trained in their preferred methodology, but not the client's.

So armed with the language of strategy and a methodology for management consulting and strategy development, consultants can and do make the client feel disarmed. Worse, the combination of some great consulting charts, the identification of threats and the client's inability to articulate their strategy with the same directness and structure as the consultant, leaves the client experiencing a rising sense of anxiety [and client anxiety is the foundation of all consulting work] that is wholly unwarranted. It is worth reflecting on what strategy AUSCO has in place.

AUSCO has strong elements of entrepreneurship (by hiring experience and distributing authority to it) Further, in providing its people with the freedom to take on greenfields projects and at the same time, leverage its document management technology so existing work can be shared, there is a strong element of a learning strategy. AUSCO also draws on an Environmental approach to strategy – that is, responding to the

environment as it unfolds.

AUSCO has applied entrepreneurship to a learning and environmentally aware and responsive set of strategies to great effect. This case study is based on a real client running a great business, very focused on delivering professional excellence in its work.

What can be learned from AUSCO?

To be fair, there is a bit more information needed.

AUSCO's organic growth, whilst rapid and successful in a market segment that was also growing rapidly, had also created inefficiencies and some anarchy – both of which were fragmenting effort. To continue on this path would likely see destruction of value, potentially rapidly as the market growth slows and competitive pressure increase. Already, some of AUSCO's competitors are outperforming it on financial criteria and also growing larger. Some markets were growing faster than AUSCO is growing in them. This absence of comparative analysis enabled AUSCO to ignore threats until they have destroyed value. Finally, whilst the most experienced leaders of the organization could legitimately point to the validation of their 'gut feel' over a decade or more, with devolved authority, 'gut feel' was also being applied by far less experienced and proven people.



With the whole story, it becomes easier to understand the situation. AUSCO is succeeding and has a strategy in place. However, the diversity in its strategic thinking and planning is too limited. Blinded by both recent success and in a fight/flight frame of mind in relation to succession, acknowledging risks and handling change, the organisation is weakening. Many powerful insights are to be gained by applying different perspectives and strategic approaches – both the ones being used by AUSCO and approaches not yet being used by AUSCO. This is the unique value of T | M | G.



TMG identifies what you are doing and what you are not. T | M | G broadens the thinking, stimulating new perspectives. Our approach is designed to fully value and advance what is working, but at the same time, help clients discover as yet untapped ways to advance further, faster. To do this requires tremendous diversity of thinking and the ability to contemplate multiple interlinking scenarios and influences.

Using T | M | G makes it more possible, much sooner.

This case study is hypothetical. Any resemblance between this and any organization or people you know will be pure coincidence.