

This is Digital Podcast

Special Episode Transcript: Proven (and Fast) Cost Reduction and Growth Strategies

Rissa (00:27):

Hi everyone, and welcome to This is Digital, a podcast about leading with digital to win in the marketplace. I'm your host, Rissa Reddan, partner and chief marketing officer at West Monroe. On This is Digital, we talk to experts about how to go about not just doing digital, but being digital. This is a special episode of This is Digital, which is focused on navigating uncertain economic conditions. We're talking about both cost reduction and growth strategies you can employ. Right now at West Monroe, we're seeing our clients, along with the market at large, taking a beat to see what they can do to make their organizations more recession resilient. I'm thrilled to be joined on today's special episode by Marc Tanowitz, Brian Reavell and Beth Montag-Schmaltz. Leaders representing different disciplines here at West Monroe to talk about their recommendations for what you should be doing now. By way of introduction, I would love for each of you to share what problems you help our clients solve. Marc, could we start with you?

Marc (01:25):

Sure. Thanks for asking, so I lead our practice area called IT Strategy and Business Process Outsourcing, which is a group that helps our clients figure out within their back office operations, whether it's IT or the functional business services that they deliver to the enterprise, how to optimize and transform those. And, that means determining how work gets done, where work gets done, and who performs that work, whether it's an internal resource or external resources or potentially automating the processes. And we help our clients figure out what the right recipe is for them in order to execute efficiently and effectively.

Rissa (02:05):

Great. Beth?

Beth (02:07):

Hi, Beth Montag-Schmaltz. Rissa, thanks for having me on today. I'm a partner at West Monroe leading our transformation enablement practice, which is a combination of organizational change management and portfolio management. And at the end of the day, we're really looking at the people side of the business. We're a firm believer that people affect profits, good or bad. And so really paying attention to that component is extremely important, so we look at it from people.

Rissa (02:37):

Great. And Brian?

Brian (02:40):

Yeah, good morning. Thanks, Rissa, great to be here. So, Brian Raval, I'm a partner out of our New York office, and I lead our sales effectiveness practice. So within our practice, what we typically do with clients is we're looking at their go to market from strategy all the way through execution, thinking about coverage models, both from a sales and a post-sales in an operations perspective, and what that customer journey looks like and how we optimize touch points and create the most effective strategy and help them execute.

Rissa (03:09):

Great. Let's go ahead and get started with opportunities to reduce costs. Marc, can you share some examples where you've helped the client generate meaningful cost savings?

Marc (03:19):

Yeah. Right now what we're spending a lot of time with our clients looking at their external third party service providers and looking at the agreements that they have in place to understand where are their opportunities to negotiate quick wins to drive near-term savings. Where is their inherent flexibility built into the agreement that may allow them to get more value-added services from their provider that may deliver more value? Where are their opportunities maybe to rationalize spend or reduce consumption with that vendor built into the commercial construct of the agreement? And lastly, where might a review of the business practices that have been in place over the last year or more, where may there have been mistakes that need to be corrected in savings that can be captured there? So there are a lot of ways our, our, what our clients don't always realize is that there are a lot of ways to be collaborative with their existing providers in order to drive savings based on the agreements that are already in place. And that could be things like adding more services, reducing the services that they take, or changing the risk profile and who's accountable for delivering what activities.

Rissa (04:33):

Two follow up questions, Marc. When you talk about quick wins, why is that important? I mean, we talk a lot in business about the importance of quick wins, but what does that mean from your vantage point?

Marc (04:42):

Yeah, so in, in this context, what we're talking about is how do we drive material near term savings for our clients, which is what they're looking for in these economic times. So an example of that might be for our clients that have large contingent workforces. What many of our clients don't realize is there are certain weeks of the year where the workforce is fairly unproductive. Weeks like Thanksgiving week are unproductive weeks. The last two weeks of the year before Christmas and the week between Christmas and New Years are very unproductive weeks. And many of our clients don't take the simple steps of telling their contingent workforce that those are mandated vacation weeks to reduce the cost of that labor while really not changing the productivity or the output that they can get. And those simple changes alone can take 6% or more out of the cost of that portion of the workforce.

Rissa (05:32):

And Marc, you mentioned as well, taking a collaborative approach to third party relationships. I think that that's an interesting one. I wonder if you have encountered people that have a belief that it's adversarial to take a look at an agreement or to renegotiate an agreement. But it sounds like what you're advocating for is really we're all in this together. Let's collaborate and talk about what a win looks like for both parties. Is that right?

Marc (05:58):

That's correct. And in the current state of outsourcing, the third-party providers really have become truly strategic value-added providers that are bringing intellectual property, bringing tools, bringing products to the ways of working and the way the service is delivered. And our clients most often see that as a mutually beneficial relationship. They've really moved beyond over the last 10 years, moved beyond looking at that as a buy-sell relationship and moved into sort of the strategic partner ranks. The challenge that many of them face is that it's sometimes hard to tell where the line is of internal versus external work being performed. And sometimes the relationships between the individuals have become so strong that sometimes just getting to the table to have the conversation about how to work differently or how to reduce cost can be difficult.

Marc (06:53):

But the reality is what most of the service providers really want is a seat at that table discussing what is the right solution for their client for the future. And in many cases where we have a commercial relationship that was defined 3, 4, 5 years ago, what the practical reality is, is that the way the services were defined back then is likely different than the needs of the business today. And at the core of it is service providers that don't want to become irrelevant. And they do recognize that if they don't have these conversations, they won't be able to deliver as much value. And what they want is to be able to quantify value for their clients, to remain value added partners and to sort of cement their role in that ecosystem for their clients.

Rissa (07:47):

And Marc, when you work with clients, what are some surprises that you hear about from your clients that surprises as it relates to where they didn't expect to see cost savings? Or where they didn't realize there was an opportunity? What have you seen?

Marc (08:03):

Yeah, so a lot of our clients don't realize that there's flexibility in their agreement to achieve savings. So a couple of examples might be our clients often don't like their service level agreements. They feel they're not measuring the things that matter to them. Or they feel that the service levels are always being met, so they're not really providing a method to sort of direct and control priorities. What our clients don't realize in that is that if the agreement was negotiated with 10, 12, maybe 15% or more of the fees at risk, that's really being built into the price. And so if they've hit a place where the service levels are no longer relevant or perhaps were negotiated at a time, where they were nervous about what the operations would look like, that cost was built into the system. And maybe they're at a place today where they can relax the amount of fees at risk because the operations have gotten very consistent. And that alone can reduce cost without ever impacting the people, the processes, the operations, and how the work is performed.

Rissa (09:05):

And Marc, you mentioned people. I want to shift now to Beth. Beth, when a company is looking at cause cutting, how have you seen this affect morale and engagement?

Beth (09:19):

Yeah, for sure. And I think it goes back to Marc, it's about the relationship, right? And whether it's partners, contingent workforce, your own employees. It's about having an open channel of

communication. And I like, I think we learned a lot during Covid and kind of managing through uncertain times. So I know I've been reflecting on that experience a lot during this particular time. And one of the things that we learned certainly is, you know, leaning in with empathy. And what that means is being curious, whether that's a full-time employee, a contingent worker, a supplier it's about communicating early providing kind of the business rationale as to why something is happening and really having, having maybe a seat at that table and having a conversation. I find most often than not, especially leaders will ask, well, how are you doing? Right? And the answer is, I'm fine. It's fine. Everything's fine. You never really get a true answer. So instead, let's flip the script and get a little bit deeper into some of those curious questions. You know, what are the greatest challenges for you and your team working during this time? What's keeping you up at night? What do you wish you had more time to do? Right? So really probing a little bit deeper in exploring ways that you can collectively improve the workplace.

Rissa (10:40):

And you touched on that idea of leading with empathy. How do you think about that? Or what does leading with empathy mean for you?

Beth (10:48):

Yeah, there's, there's a word that I discovered during COVID. It's called Sonder. And the definition is, it's the realization that each random passerby is living a life as vivid and complex as your own, populated with their own ambitions, friends, routines, worries, and inherited craziness, an epic story that continues invisibly around you. And I have really brought that to life, if you will, in my relationships at work. And what I kind of somewhat ironically love about difficult times is it can bring people closer together when you focus on it. When you really recognize what's happening in your workplace, and you pay attention to messaging, both communicating and communicating the why, which is so very often forgotten. Right? And leaning in with that empathy and recognizing that each person is on their own journey. We blurred the lines between personal and professional. And I feel like something that we might have done three years ago that may have been defined as a career limiting move now today is very much accepted. We don't have to pretend we don't have lives or children or pets, if you will, that are part of our combined professional journey. So it really is understanding, I think, the people that you're working with, having really open lines for communication and paying attention during these times.

Rissa (12:14):

And Beth, why do you think that people neglect the why or neglect to communicate the why?

Beth (12:19):

I think it's uncomfortable. I think there's a fear, if you will. And, please know, I'm a little bit of a geek when it comes to the neuroscience behind the why people behave the way they do. Our amygdala, right, is really on high gear during times of uncertainty. And you can imagine coming through covid. COVID feels like it was almost yesterday, right? So they're almost on auto fire. So we kind of make up these stories, right, that are worst case scenarios, if you will, when the reality, it probably isn't anything like that. So for, I think supervisors, people, managers at any level, leaders, executives, the more you can remember to communicate and reach out, even if it's clear and obvious to you, it may not be clear and obvious to everyone else in your organization. And don't be scared and don't think there is such a thing as over communicating during these times because there's not.

Rissa (13:16):

And the amygdala fight or flight, that's where the fight or flight response comes from. Am I right?

Beth (13:21):

You're completely right.

Rissa (13:23):

Well, and I think that's a challenge that we've been bouncing from crisis to crisis, and that fight or flight reaction never has a chance to reset just bouncing from one crisis to the next, it seems.

Beth (13:34):

Yeah, that's exactly it. And I'll tell you what empathy goes a long way with your team. And again, I'm not here to convince anyone of, you know, people in my mind equals profits, right? I think if you're a believer in that, then the way to lean in is to pay attention and make sure you're communicating and really bring that empathetic ear to your team.

Rissa (13:53):

And as, as you both think Beth and Marc about who leads cost optimization change, who takes the lead or who should be taking the lead as you think about cost optimization, Marc?

Marc (14:07):

It's a great question. We think it should come from the C-suite as a strategic imperative. They set the tone, they set the directions. But from there, I think it's different by organization. And, it may just depends on how digital they are, right? And, our clients that have truly become digital have such a decentralized approach to accountability and decision making that the cost reduction accountability goes much further down and is much more fragmented in the organization, versus our clients that are not yet on as along, as far along in that journey that have to do it at a very centralized senior level.

Rissa (15:19):

Who leads the business through cost optimization change? Who should be driving that discussion?

Marc (15:44):

Ultimately, we think the strategic imperative needs to come from the C-suite, right? They're the ones that set the strategy. They're the ones that set the direction, and they're the ones that set the boundaries on how to go about change, the magnitude of, of change, the magnitude of cost savings and, and what needs to be achieved. But if you think about where clients are on their spectr to being digital, those clients that have truly become mature in their digital journey have decentralized decision making and decentralized accountability because they've become more rules based for decision making. And have gotten more consistent around decision making. And with that, they can sort of push the cost savings, accountability to very fragmented and lower low levels in the organization. Beth, I'd be interested in your opinion we think maybe get more effective change management because more people are invested in how to achieve that strategic imperative of cost savings. For our clients that are not yet along mature in their journey to being digital. It has to come from the top because that's where the knowledge of what the business needs to achieve is and how the business needs to achieve it. But Beth, I'd be very interested in your perspective on that.

Beth (16:57):

Yeah, marc. Marc, a hundred percent. The change happens in the middle, right? Where people meet with their supervisors and managers. And what I will say, almost regardless of the spectr, I find what organizations typically miss is they might communicate the what. They may or may not communicate the why. And sometimes it's, it's literally an email, right? Maybe from the C-suite, maybe it's in a virtual town hall. And that's it. And what doesn't happen is, well, what does this mean for me, my team, my department, my customers? It's not translated and it's sort of left, if you will, to each individual people managers. We like to reverse engineer that. Like, I'm not going to leave anything to chance, right? And let's make sure we think about the different implications. And we meet with those people managers in advance to talk through what questions do you have? What questions do you think your team will have for you?

Beth (17:53):

And let's think through the really tough ones, right? What's going to come at you? What will people perhaps read into this message? And really spend some time on preparing people, managers to lead their teams through these kind of changes, because I promise people are creative and they come up with really, really interesting things that aren't true necessarily in the organization. And so let's not leave it to chance. Let's really pay attention to that cascading message. And by the way, an email doesn't count in my book <laugh>. It's a necessary evil, but you can't leave it at an email. You've got to pay attention to those people managers and prepare them.

Rissa (18:33):

I think you raised a great point, Beth, around nature pours a vacuum and people will create their own narrative if they don't have another narrative as an alternative. And I love your point about email that it can be easy to read what you want into an email and how do you engage in that conversation. And I'd be curious how you help organizations prepare for those conversations. That it's not enough to have talking points in front of you, you know. How do you, do you role play? I mean, how do you help your clients have those really challenging conversations?

Beth (19:08):

Yeah. And obviously it depends on how challenging the conversation is, sort of what's the potential emotional right, kind of toll this particular change is, is having. But to your point, Rissa, absolutely, it's having very concentrated small working sessions with those, with those members. And a lot of times if you are delivering maybe a more difficult message, don't have the first time you're delivering it be to the people impacted. You need to practice, right? You need to say it out loud a couple times, and then again, be prepared for the type of reactions that you will receive back. And so we do spend some time on the type of behaviors that leaders will experience. And the why behind that and what's the best approach for that particular behavior? Maybe anger. It may be grief, it may be sadness, it may be fear. A lot of it may be silence, right? I think that's been really popular lately, right? Kind of the, the quietness of the employee, which really senses that maybe they're not engaged. So then therefore, what are my strategies as a leader when I sense these different behaviors coming from my team?

Rissa (20:11):

Great. Next, I want to shift gears and start talking about moving from optimizing spend to optimizing growth opportunities. Brian Ravel, growth comes in so many different forms, and today we're going to focus on sales effectiveness or how you acquire, retain, and grow customers. Could you give us some

statistics on what you're seeing around sales effectiveness and an example of your work with a client that generated significant revenue growth?

Brian (20:40):

Sure. I think to start off, the whole purpose of it is really getting the right product to the right customer at the right the right time. And what we've seen organizations struggle with is really not knowing their customer or not really understanding who their ideal customer is. In most cases, just by realigning coverage models and understanding different roles and how they service customers, you can really get an uplift of closer to, you know, 10 to 15% on the top line by just having the right coverage model and having the right roles interact with the right universe of customers. And so you have an opportunity there to expand share of wallet. I mean, we've seen in these organizational shifts or tweaks to territory design and coverage models, we've seen probably about a 20 to 30% increase in share of wallet just by instituting some best practices and really refining the way that they go to market.

Brian (21:34):

And I think that's one of the bigger challenges that organizations are faced with, is all these different data points, really getting to know who their base customers are, and where the opportunities lie. And so I think in some of these orgs the best way to start looking at that and what we've done in the past is really dive into the data, right? The transaction history, whether you're a software business or an industrial or manufacturing shop, consumer business, really looking at the transaction history started pick apart some of the trends. Create some cohorts of customers, and really map that against and reconcile that against your existing coverage and capacity. And so when organizations can do that and actually look at one, where we performed well, and two, where are some of the predictors of churn or predictors of potential growth areas in terms of cross sell, upsell or expansion et cetera. Realigning their teams to pursue those opportunities, and having it be in a data driven environment is really a simplistic way that we've simplistic in theory a little bit difficult to execute and practice.

Brian (22:43):

But that's one of the ways that in which we've helped clients really grow top line hundreds of millions of dollars. And then that that goes down into ebitda, which, you know, could be different points of multiples for private equity back companies. So I think what we're seeing is a focus on data and a focus on how to best serve the customer, so that they can optimize the coverage model and then be able to go pursue where those opportunities lie.

Rissa (23:12):

And you, with that approach that you're taking, Brian, where you're looking at data, you're thinking about process enhancements, process improvements, coverage models. How long does this take? I feel like leaders are under pressure right now to deliver results and to deliver them quickly. How fast are you able to drive results for your clients?

Brian (23:33):

Yeah, so in one of the examples that I referenced prior, I mean, it was about a three-month process that we were able to identify and create an execution plan and a roadmap to be able to go achieve those quick wins. So I think I would say that there's a three to six month window of identifying and starting to take some steps in, in the transformation to be able to go get those numbers. On sort of the quick win end of it, I think a longer-term transformation. And, the rest of the folks on the call will probably attest

to this. You know, sometimes those could be probably 12, 18 months depending on the size of the organization where you could really institute the change and capture the maximum value that you were able to identify. And that's, that's typically the timeline we see, right? Anywhere from sort of, let's call it from a quarter to about a year, year and a half to be able to fully achieve that potential. But there are quick wins that you, you can garner in the meantime just by tweaking the coverage model, aligning incentives, and making sure that you have role design and role clarity and not overspending for certain roles on the cost to serve basis.

Rissa (24:42):

And Brian, what are the biggest obstacles you've seen to achieving fast results?

Brian (24:47):

Yeah, I think a lot of it comes down to where Beth lives and breathes every day, right? The change management piece, I think you

Rissa (24:56):

Lead to the people.

Brian (24:56):

And I think from the standpoint of a sales organization, right? There's a lot of either good or bad habits that need to be modified. And when you have a challenging sales organization or a distributed organization, as most exists today, changing the cadence and the rhythm and the process and getting folks to adopt those habits and adopt a change. And whether it's technology driven, whether it's just process driven, whether there's new role designs, and they have different cadences in terms of how they interact with customers, those are usually the biggest obstacles. Even, when you do have a pretty solid, let's call it support from the field in terms of making some of these changes, it's still really difficult to get it fully implemented.

Rissa (25:50):

Beth, what might you add about helping leaders grow their way out of a downturn?

Beth (25:54):

Well, it's ironic because you think that growing your way out is the easier way out when it comes to people and behavior change, right? It's more exciting. It's there should be less fear kind of based around it. But Brian, I heard you use words like incentives and role changes. And I promise you that's moving people's cheese pretty, pretty significantly. And so while the message may be very positive, and yes, we're growing out of this, we're excited about a new strategy, a new model likely for the people that have been successful doing it the same way for quite some time. They may not be bought into that. They may not believe that change is needed, at least to the extent or the degree. So I think to Brian's point on like, how do we make sure they're at the table. And at least there's some sort of really strong coalition or network that's involved representing those most highly impacted, so that there can be a say.

Beth (26:49):

And I know at West Monroe, we've been obviously playing with a lot of digital tools in this world. And we've got one in particular, which really allows for crowdsourcing and very anonymous and unbiased,

unfiltered way. So how do you get information from employees or vendors, suppliers, partners, you name it, and have them maybe co-create solutions with us versus it being done to them. That can really increase the speed of adoption and getting people involved. So that's some of the techniques we've seen. But boy, it always makes me giggle a little bit that growth strategy sometimes are as hard to deploy as perhaps cost cutting strategies.

Rissa (27:34):

And we've been talking about cost reduction, about growth strategies, all in response to economic uncertainty. Beth, is there any additional advice you might have for companies facing uncertainty?

Beth (27:49):

I think the more you can pay attention to your people during these times, the better. I'll just maybe give a personal story where we had a major reorganization restructuring, which did impact employee jobs. And Rissa to your point, we did the typical workshops with people, managers up front and really led them through a very thorough practice session of different types of reactions. Here's the tough questions, et cetera. And I'll never forget, I had a gentleman approach me at the end and he said, Beth, I've been doing this kind of stuff for about 25 years in my career. I never knew there was a better way to do it. I never knew there was a better way to do it. And I would just suggest as leaders in organizations, let's maybe challenge ourselves how we can do things differently.

Beth (28:37):

I think the good news is work has changed in such a substantial way. Let's take advantage of that. And I think, Marc, if you are looking at perhaps some cost cutting and if it does impact jobs, right? Can you kind of flip the script on that and actually employ the organization in a very concentrated way to help folks get placement in other areas right, in other maybe like industries that are local in their communities. I just think there's a really great opportunity for organizations to lean into the people component, and really generate good will amongst their employees, partners, and customers.

Rissa (29:18):

Great. And Beth, we've heard a lot about change fatigue, that we seem to be moving from one crisis to the next, and it's a bit of a roller coaster of an experience for everyone. What did we learn from the pandemic and from various crises we've experienced that we should be applying today?

Beth (29:39):

That it's okay to have these conversations at work. I've said this my entire career, and I think it's really coming to fruition now that it's okay to talk about the number one f-word in business, which is feelings. And I would actually encourage those conversations, and not to be fearful of them. But you know, the good news is, I think mental health, especially in the workplace, has a whole new light, if you will. And I know something as simple as maybe taking a pause before a meeting starts, just for folks to collect themselves from the last hard meeting, going into the next hard meeting. And just recognizing that we are in this together. Let's just take a pause, take a beat. So, I think those things that we learned during Covid, just dust them off a little bit if you haven't been using them in the last few months and bring it back. Because I think we did get better around empathy and leading through turbulent times.

Rissa (30:36):

Great.

Rissa (30:39):

At West Monroe, we have a custom of going around the horn to check in and to learn from one another. And to wrap up our conversation, I'd love to go around the horn and ask something that we ask at the end of every episode of, This is Digital and it is, what does digital mean to you? Could we start with you, Marc?

Marc (31:01):

Sure. To me, digital means that we're decentralizing decision making, driving accountability to lower levels of the organization and becoming more rules based and predictable so that we understand the outcomes that we can achieve and let everyone be a part of that.

Rissa (31:20):

What does being digital mean to you, Brian?

Brian (31:30):

Yeah, so to me it's sort of the modern distributed operating platform where you reduce friction from communications to transactions, whether it's a marketplace or whether it's internal or external communications. You're really allowing for and facilitating a more seamless environment and more asynchronous communication and fostering better outcomes.

Rissa (31:53):

And Beth, how about you? What does being digital mean to you?

Beth (31:56):

Yeah, for me, it really comes back to something I've always called change X. And it's that blurring of personal and professional. And you think of a device as simple as your smartphone, that you do, you conduct business on, you conduct personal life on. I just love that blur of personal, professional. And in this digital world, it is exponential and I think we need to say it's okay to blur those lines. It's okay that we now work in a very different world than we did before.

Rissa (32:30):

Well, and with the blurring of the lines, I'm curious to get your perspective on work life balance. Is there such a thing or is it work life integration, or is it some entirely different concept?

Beth (32:40):

Yeah, I actually love the word integration and I think we all have to take control of that. It's very, very easy, I think. Especially the beginning of Covid, we all probably swung the pendulum too much on the work side, right? Like the lines were so blurred that we forgot. We do have that personal life and we can close the door, or we can shut the laptop down. We can still use our smartphone, but not for email right in that moment. And so, I think it's really about reclaiming what your work life balance looks like. Again, having those open conversations with your team, with whom you report to, and making it okay in the workplace.

Rissa (33:15):

Marc, Bryan and Beth, thank you so much for sharing your perspective today. For those interested in staying connected to you, what's the best way to do so? Should they find you on LinkedIn, on Twitter? Where, where would you like them to find you?

Marc (33:25):

Find me on LinkedIn.

Speaker 2 (33:28):

LinkedIn for me.

Beth (33:29):

Same. LinkedIn.

Rissa (33:31):

LinkedIn for the win. All right. Well this has been a terrific discussion today around cost reduction and around growth strategies. Thank you so much for another fantastic episode of This is Digital.

Rissa (35:59):

Marc, could you give us some examples of ways in which you've created significant cost reduction impact for a client?

Marc (36:07):

Sure. So we, we worked with a large technology provider to redefine how they acquired the skills they needed to deliver on the ever-changing technical skill sets they needed to perform their business. And we did that by working with all of their IT service providers to redefine how they engaged managed services as well as their contingent workforce. And we exercised levers like changing where the workforce performed, where the labor came from, who provided the labor, what the cost was for the particular roles and skill sets. And in doing so reduced their cost structure by over 25%, increasing their market capitalization by over a billion dollars.

Rissa (36:53):

That's a significant impact, I would say. Brian, do you have an example that you'd like to share with us around growth strategy and how you've helped a client to drive impact for the business?

Brian (37:08):

Certainly. So we worked with a large industrial manufacturer and distributor. And essentially, what we were able to do was go in and analyze where they were profitable and where they had opportunities in terms of reducing cost to serve and optimizing their current market capture. So, what we were able to achieve was by looking at and studying both internal and external voice of customer, right? So we interviewed probably about a hundred clients, about a hundred different employees within the organization. Were able to map out all the different points of optimization along that customer journey in the life cycle, parts where they could be able to automate or potentially shift to a more of a digital model. And then we analyze what the cost to serve was, right?

Brian (38:02):

So not only did we understand where some of the friction points were and how customers interacted with the client, but we also were able to look at where were the opportunities for growth and where were they misaligned today. And so what we ended up doing was readjusting the coverage model, shifting out role designs, and creating a brand new go to market structure across probably 300 different branches in the us. And we were able to identify close to about 500 to 800 million in terms of top line potential that they could go capture, which when we modeled it with the new roles and cost to serve, it was about a 20 to 30% reduction from their current state. And so with that reduction in cost to serve, plus the, you know, let's call it about 10% on the top line that we were able to identify, that ended up flowing to the bottom line to be about 150 million in EBITDA for the business at the end of the day by going through all these steps and looking at coverage capacity, creating new incentive models and new roles to best serve their customers.

Rissa (39:15):

Great. And Beth, do you have an example to share that is either cost oriented or growth oriented?

Beth (39:20):

Yeah, I think it's somewhere in the middle. We worked for a national healthcare payer, and they were consolidating call centers across the country really in the spirit of growth. And that was a hard one because that did mean impacts to jobs. And there were two things that I think we focused really well on. The first one was really explicitly connecting the why back to the mission all the way down to the intent is to save money for our members. And you really reduce the overall cost of healthcare. And that really resonated, I think, with those being impacted. And the second was the company made it their mission to help find these employees jobs. And think of it as an almost a United Way campaign. We had the thermometer, you get what you measure.

Beth (40:06):

We communicated on a regular basis. And they were able to successfully place about 65% of that workforce into other jobs, either within their own organization or external to their organization. And it was a beautiful thing to see. You had managers calling friends in their network and their LinkedIn network right around, Hey, we've got some really great folks in the finance group who are impacted or in our call center. You know, do you need that type of talent? And I would just suggest to organizations, why not, right? What I know for sure that happened in this group, it was a unionized labor force. And, believe it or not, the way the organization handled it actually came out as a positive media story from the labor union leaders saying, you know, we've never seen anything like this before. So imagine the goodwill, imagine the relationship building that, something like that taking a different approach, taking an empathetic people first approach can have.