

XaaS Files Podcast_EP11

Podcast Intro [00:00:01] Welcome to Accenture's X-as-a-service files the podcast for business leaders helping their companies transform using innovative digital business models. Here, you'll learn from some of the industry's leading movers and shakers, senior executives from companies around the globe who are changing the way the world works and plays by delivering all types of compelling subscription services. Join your host, Kevin Dobbs, Accenture's X-as-a-service managing director who brings 20 plus years of experience as an entrepreneur, CEO and senior executive to the table. Kevin has led dozens of as a service business transformations for some of the largest technology and industrial companies globally. Now let's get to today's episode.

Kevin Dobbs [00:01:03] All right. Thanks for tuning in today to our X-as-a-Service Files podcast. And we're going to continue our conversation with Jeff Laue, the founder and CEO at N3. So, Jeff, in this segment, it'd be great to hear more about how you built your business. I mean, you've been doing this for the last 15 years. And obviously, you know, a lot of what you do is based on subscription. So, I'd just be, the audience would probably be interested. You were the CEO and what was that like? What was it like building your business over the last 15 years?

Jeff Laue [00:01:35] Well, first of all, there's a lot of hard work, but it was a labor of love. Right. And, you know, people often ask me, you know, why is that you're successful? How did you scale from a self-funded business, to where you're chasing 200 million in revenue? Vision? It's the vision thing. We always had a common vision. You know, what do we do? We help clients accelerate their sales cycle and close business. And that was the common vision that we communicated up and down the ranks. And and so with that, as we built our service offering, everything we did was designed to enhance the buyer's journey there, the buy or sell cycle. The other components, of course, are people. Right? You got to figure out who the right people are. You have to retain the right people. You have to train the right people. And so the people, ingredient, we got right. But not without a lot of hard work. But, you know, the biggest thing was we got people committed to the cause. And if they weren't committed to the cause, we weren't a large enough company, we'd leave them behind and then they wouldn't be with us. It was people that are committed to the cause. And then, in fact, you know, one of the things we always did was put to people first so that they would take care of the customers. And it shows, you know, and so kind of the people first, take care of the customers. And then lastly, is you know, the people process and technology, we have to have the right processes always in examining as we went through our journey. I mean, running. It was easy when we first started to run, you know, a thirty, you know, thirty-million dollar business. Heck, I was the CFO and the sales leader. Great.

Kevin Dobbs [00:03:27] Chief bottle washer?!

Jeff Laue [00:03:29] And doing everything for sure. Yeah. And everything. And then we had to, we had to let go and we had to scale and we had to get the right finance team and we had to, you know, develop and build and get an awesome sales leader. We had to build out delivery. And so, you know, and then we had to always look at our processes, the fact that we did something the way we did it when we started the company. Sometimes it becomes a sacred cow and you've got to be willing to throw that out. And then last it was technology. You know, from the beginning, we were always technology enabled. You know, when we did through partner early on for our Seattle based client, we would have portals and be able to do reporting and partner satisfaction. And then as we went along

our journey, you know, we developed the leader leadership hub, the one glass or AI engine. And so always being technology enabled, you know, everywhere we go. And I think it was constant communication and and well and all that's held together by culture. We had to hire smart people. We had to hire really you have to hire. You have to have IQ and EQ. And if you didn't get people that were smart enough in an environment where you really are, we're a consultancy that that helped sell and we we obviously help optimize. You're not going to be able to do the job. I mean, you have to you have to be a day ahead of the of the client or two days, ahead of the client that comes from, you know, people that are smarter, people that want to move faster and then they have to have that emotional quotient.

Kevin Dobbs [00:05:13] Yeah. And I think you've got to listen to what the client's trying to do and then bring your experience to help them, because you have a lot of clients and lots of different products and lots of different markets. So, I think being able to bring kind of that that industry perspective is really important. So, you know, one of the things that I thought was interesting is kind of your business scaling from where it was to a couple of hundred million dollars. That's that's a journey a lot of our clients end up getting on as well. So, you know, those were all really good insights. Any anything about kind of how do you measure success kind of as you're thinking about? I know a lot of times and our clients are talking to us, it's the typical MQL, SQL, sales metrics. But were there other things as you were building your business? And even when you're working with your clients, are there different kinds of metrics or benchmarks that you want to look at as you're kind of building your business?

Jeff Laue [00:06:14] Oh, we had lots of metrics and KPIs. But if I think of the one where we measured the business all along was were our clients getting promoted. Right. If you think about the world we live in sales and marketing, what's that? Thou shall not miss a goal. And so, we will always great company that we were always the company first in our first founding company that we focused on for many years to be relevant. And then when we started to diversify five years ago, did our clients get promoted and did they bring us back? And so, at the end of the fiscal year, that was like, well, Jeff, did you look at the other KPIs? Of course I did. But but you can get lost in numbers sometimes and you've got to correlate the numbers back and you can dilute yourself. But did your client get promoted? Did you get the referral? Did you get the renewal? You know, those those are the basic metrics. Well, what are some of the other what are what are some of the other metrics? We were we were we growing at the rate we wanted to grow? I mean, so it's our rate of growth. What did what did our rate of growth tell us? Our rate of growth told us were we effective. And then the other part. Right. You know, you can spend a lot of time and certainly over the years, I love to hire consultants, hired a lot of them and

Kevin Dobbs [00:07:43] have been having been one yourself.

Jeff Laue [00:07:45] Having been one. Yeah. Got to have them. So it was effective and the other part was efficient. And how do we measure efficiency, profitability, CCI profitability. Yeah. In our world, you know, while we're trying to create this one hundred percent growth year after year, are we efficient? And there were some years where we grew one hundred percent, one hundred fifty that I knew maybe next year we dial the growth down a little bit. I mean, we were effective so that we'd be more efficient so that we'd keep the profit in the in the company. And so those were the two. And of course, you know, the other one was customer sat. So we did a lot of work. We could have done more around surveying customers, customer sats and then of course KPIs. I mean, the KPIs, you know, down at the business sales rep level. Yeah. We would we would measure them

on their performance. How much are they over their clients goals? What is your efficiency rating? We do that ad nauseum and then went up the ranks in the management. I think one of the things and looking back and now I didn't KPI our managers to death, because in my career journey, the way that that I succeeded the businesses, that I succeeded in running a billion dollar organization before founding this was can you have a conversation with your boss? And do you know that your boss is there? Does he know what's going on and how does he know that's going on? It's a weekly report. It's a dialog. And I mean, we we at N3 and up, just like Accenture. Now we talk all day long on everything. And so so you really are dialed in and then, you know, and that and my my personal metric was how well was I retaining people? And what I'm really proud of, you know, and about 30, 40 people, I didn't lose anybody I didn't want to lose. And that is the secret to a self-funded service business. If we lost somebody, I wanted to lose them and so I put enough time into worried about, are they focused on the mission or are they happy? Do they need to make more? What can we do? And then there are people that we're on our journey that didn't make the journey You know, you wouldn't listen. We said, go right, you wouldn't go right. And we said go left, you wouldn't go left. And so that that's kind of the basics.

Kevin Dobbs [00:10:31] And in addition to the people side of that, I agree, and you talked a little bit about kind of your platform and the technology you put in place. So, I always think we're good consultants, right? People, process, technology. So is you started scaling. When when is it you really started feeling like, wow, we need to infuse a lot more technology into what we do so we can scale?

Jeff Laue [00:10:57] Well, we felt it all along, right. And we didn't have the time. And admittedly, we didn't really have we hadn't hired the capability. And that's part of the other thing you got to do right. I had a tendency in the early days to want to grow people and hang out and grow up. And and that was always good. And a lot of people have benefited as the company has benefited from letting them grow for a long time. But it was when we knew the technology, we made a transformational hire and he was able to take kind of the vision we were operating against the processes that we're using and basically build out our technology platform. Right. And just integrate it all. And so that was five years ago. Now, I guess it was six years ago now that we really knew that the that we had to make the commitment to it and the commitment was getting the right individual in the company and getting people out of that individual's way.

Kevin Dobbs [00:11:52] And kind, of as you were going along your journey. Any any surprises as you've gone along that people might run into and as they grow their businesses?

Jeff Laue [00:12:03] Oh, sure. There were a lot of surprises. You know, I mean, there were there was always the surprise of working for a large client. And you we've launched and we're bringing their platform to market and we're killing it. And we find out that they've allocated the funding to the wrong budget area. So we have to shut down right away. And somehow, you know, I was a good enough steward to have enough profit there and to pivot and then you make you make the right call. So that's kind of the client surprise. You know, there were always surprises, employee surprises. You know, you'd have somebody that you thought was really happy and then you'd have that one on one and you'd find out they're they're not happy. You know, one of the surprises where I'd hit my head in the wall a lot and it's unpopular is, well it surprised the people around me. You get somebody that's not working out. You hang out, you counsel them, you know, and we're surprised we're not getting the outcome. We're always surprised and then as we started to evolve, I'd let the

management team run their own thing and they'd look at me as crazy, get rid of the person, get rid of them, and they'd come back surprised.

Kevin Dobbs [00:13:41] So we were talking earlier about kind of messaging and we were talking about, you know, testing different things in the market, different concepts and messages. But I always chalk that up to kind of taking more of a data driven approach. I'm sure as you were building your business, that was probably a key component of kind of what you were doing. You talked a little bit about KPIs, but any other examples of how you use data to kind of make this important business decisions?

Jeff Laue [00:14:10] Yeah, I mean, the data that that we used a lot of data in the early days, you know, we would, you know, on a macro level, we would analyze like when we were going after SMB clients because we did a lot of through channel work for our big ecosystem clients. And we'd always say, well, it was a great model because then, you know, if you work with Adobe, that's probably, you know, they're very large. But if you work these small resellers, we're going to renew them and we're going to continue to work with them. And then we started analyzing the data that sure, when it wasn't funded by the ecosystem and SAP, a Microsoft, you pick a Google, they they'd renew, but they didn't quite have the budgets, you know, if they were too much SMB. And so we put an equal amount of effort. And so we started looking at, well, our campaigns weren't as effective and we weren't making any money on them. You know, and fast forward to after, you know, two-thousand-sixteen when when we got our COO, CTO, you know, the data went really beyond that. We look at how quickly that it take us to set up a campaign after we set up a campaign how quickly with smaller companies. He would quantify it. Look at this. Look at this. I get text in the middle of the night. Look at this. Why are we doing this? I'm like, well, because yeah, we didn't know. And so, we had the data that that gave us those insights. And so we, you know, what's what's the purpose of data in the world of messaging to listen to the message, make the changes and and get the message on point for the market that you're targeting. And so when we started the cobbler's kids had no shoes. And once we had that data and the ability to then on the other side, we were doing better for our clients. As one of our largest clients had us a CRM product and they competed against the most dominant CRM player. And every one of their messages was a competitive message, you know, kind of a competitive when somebody in the back office said, well, we're going to have to give a competitive offering, competitive offering to compete, to win. And we're being trained and we're going along with the client. I'm not sure this is going to work. Well, guess what? We had the data and it came up into a pivotal meeting. You know, one person below the CEO of this big company. And we came in with the data. We provided the insights, we provided the call recording. We provided the tweets out. We provided the response back in. We broke it all the way around and we said, look, it's not going to work. You know the largest CRM provider. Their clients love them. They don't want to compete. However, here's what the data shows. The market is still nascent. That provider only has twenty-three percent of the market. Why don't we play in this segment? Why don't we play in this segment? Why don't we play in that segment? And that was, you know, that was, you know, analyzing data, looking at insights and changing the direction. And it changed the direction for not only us, but they took that insight and it changed direction for the entire for the entire salesforce. It made us sticky to the client we renewed, I think at the time was twenty twenty-million, thirty-million dollar contract.

Kevin Dobbs [00:18:12] Yeah, well, and it probably had a much higher degree of success than just kind of guessing and continuing to kind of bang your head against the wall. Well, Jeff, thank you. This again, this is great to get some insights on how you built your business and kind of I think there are a lot of parallels for people who are listening to this

podcast, you know, things even building businesses inside of large businesses that they can learn a lot from kind of what you talked about. So, thank you.

Jeff Laue [00:18:41] Thank you.

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