Point of View

Perfecting the Pivot Series: Agile Adaptation

Pivot Imperatives

Atop the long list of attributes determining star performance in business - as well as in sports - agility stands apart: king of the hill. Agility is the ability to intelligently and intentionally shift direction when circumstances call for it. Agility is best brought to life through the action of pivoting. A pivot, in business terms, is a rapid, significant and successful change of strategy – sometimes the shift is in the form of a fluid course adjustment and sometimes it is a radical new direction.

Like a basketball player stopped on the court, one foot planted, swiveling in search of the next best play option, professional services firms in the Architectural, Engineering and Construction (AEC) arena must be ready to turn and move in the midst of a fast-changing game.

Arguably, the ability to pivot successfully has become the most important management competency of the 21st century AEC firm. On February 27, 2014, Avanade hosted a webinar panel discussion for AEC leaders titled “Perfecting the Pivot” held in conjunction with Engineering News-Record, FMI Consulting, Microsoft and Creative Growth Group. The recorded on-demand webinar is accessible by clicking here. This is the first in a series of four Executive Briefs emerging from that conversation and designed to help AEC firms perfect their ability to pivot especially through the use of technology.

Four powerful trends are forcing AEC firms to pivot more frequently and at a far greater pace than ever before. The four imperatives are:

1. **Agile Adaptation**: This is a firm management and cultural imperative demanding an environment of measurement, transparency, and rapid, fact-based decision-making.

2. **Client Expansion**: This is a revenue imperative based on the relentless pressure to grow existing client relationships and new client revenue in a marketplace defined by perceived scarcity.

3. **Changing Workforce**: This is a people imperative linked to the disruption occurring due to a radically changing, multi-generational workforce increasingly dominated by the Millennial Generation of workers who are extremely tech savvy.

4. **Collaborative Execution**: This is an execution imperative driven by a tsunami of collaboration technologies and by rising corporate interdependencies that are shifting how we work with colleagues and clients.
This Executive Brief will focus on the first of the four Pivot Imperatives: Agile Adaptation.

**Pivot-Ready Technology for Agile Adaptation**

Agile adaptation is the leadership obligation to create a culture of on-demand transparency and visibility into financial and operational progress at both the firm and project levels. New technologies and the expert advisors that implement them on behalf of AEC firms provide the most effective leverage supporting the pivot-ability of your people, programs and processes.

In evaluating the appropriateness of these resources for your firm, consider how each technology tool – and the associated implementation advisors - help you respond to the Agile Adaptation imperative with the necessary speed, scope, scale and strength that characterize an agile firm.

**Speed** – Agile Adaptation Pivots are best executed with rapid response or, better still, anticipatory initiative: that is, you “skate to where the puck is going to be.” To adapt with agility in high velocity environments requires a culture that is willing to abandon best-laid plans when they’re no longer valid. As a leader of your firm, how are you empowering your colleagues to diverge from the well-trodden path and take a risk when stuck? Are you confined by linear thinking and legacy systems or do your culture and technology enable lateral thinking and the ability to take action quickly?

The most progressive AEC firms are deploying enterprise resource planning systems with robust business intelligence and analytics functionality that deliver projections, profitability and project data instantly to the organization’s decision makers. The Tridel Group of Companies is a superb model of agile adaptation through smart ERP and business intelligence deployment.

Tridel is one of North America’s largest residential real estate groups with a diverse set of business interests including development, sales, construction, property management and other related real estate services.

During Avanade’s Perfecting the Pivot webinar, Tridel CIO Ted Maulucci shared this example of his firm’s information transparency and organizational speed not just within Tridel but also between Tridel and its supplier partners: “When you use technology to bring partnering companies together to do things on behalf of your customer, it can fundamentally change how you do business. We build residential properties and one aspect of that is letting buyers pick finishes for their homes – they choose the color of carpet or type of tile, for instance. We’ve integrated one of our key product manufacturers into our ERP system. Prior to having them connected using technology, the supplier was constantly trying to anticipate what material quantities we would need, loading up their warehouse and then running out of the high demand products. Then we would have to call back our customers to explain why we didn’t have enough of the material they want. By tying the supplier directly into our systems, we enabled real time interaction and visibility. That solved the problem of material shortages, saved the supplier from the cost of unnecessary inventory and improved our customers’ satisfaction levels.”

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Tridel CIO – Ted Maulucci
Scope – Sometimes, agile adaptation requires broadening or shrinking your firm’s capabilities and offerings based on shifts in your clients’ preferences. Client-centric pivots might impact what you do, how you do it and where you do your work.

“The most successful firms make targeted use of market knowledge and information…”

The appropriate pivot-enabling technology solutions give you the ability to instantly and effectively sense changes in your client-base and marketplace. Steve Jones is Senior Director, Business Development and leads AEC technology thought leadership initiatives for McGraw-Hill Construction that publishes Engineering News Record, Architectural Record and the Dodge Reports. Jones said, during Avanade’s Perfecting the Pivot webinar, that the AEC firms he has seen practice market-sensing most effectively are those that integrate client information from CRM systems with account, project and service-line information stored in their enterprise planning systems and then go a step beyond. Real competitive advantage, Jones notes, comes when information from such linkages is combined with real-time, accurate market, client and competitive intelligence and it’s presented in a user-friendly dashboard and made readily available to client-facing professionals. It is then that your team is truly enabled to make informed decisions about shifting the scope, direction and nature of your capabilities and services.

“The most successful firms make targeted use of market knowledge and information. At McGraw-Hill we track all the building activity that’s taken or taking place. We collect market data and calculate market size and identify opportunities across the AEC industry. We maintain intelligence on all the companies out there and the relationships between companies in the market,” Jones said. “Right now, our Network Express program delivers that project news, data and intelligence directly into the CRM systems of 300 leading AEC firms. The important trend is to curate rich market information and tailor it to your strategy and get it into the hands of the people who can put it to work the fastest. It can’t be a top down dissemination strategy any more.”
Scale – Pivots may involve lightening-fast expansion or contraction of a firm’s staff, space, systems and structure. Technologies that enable your firm to operate with a less hierarchical structure and with more flexibility and modularity are preferable for pivot-ability...or in this case, scale-agility.

The AEC market may have downsized during the recession but it is now on the upswing. As your firm and opportunities expand, you need rapidly scalable technology systems and infrastructure to support new users, new geographies and new business units or service lines. If you are growing organically, look for technology solutions that let you consistently improve the efficiency of your core business processes and enable you to quickly add new locations or international offices. Cloud friendly systems are essential. If you are growing through acquisition, validate that your technology solutions allow for smooth integration of merged or newly acquired companies. Having agility also means the flexibility to schedule just the right professionals to assist in just the right client situations at just the right times.

Strength – A strong pivot is one that makes the desired client, firm and financial impact with a high degree of certainty. The most pivot-friendly technologies and the advisors that implement them are those that let you and your colleagues gather facts, assess them and discuss decision implications any time, any where with full transparency and accuracy. This requires more than robust integrated systems and accurate data. Strong pivots on the basketball court begin with a foot that is firmly planted but which can swivel with experienced confidence. You need that same experienced confidence in the advisors that support your agile adaptation technology efforts. When it is time to engage outside support in your pivot-ready technology initiatives, narrow your selection to those advisors who have deeply committed to supporting the AEC market. Their knowledge of your business challenges in addition to their technology expertise will help guide your decision and implementation processes with certainty.

Prepare to Pivot
As you consider the four pivot imperatives impacting professional services firms in the AEC market, you will want to evaluate your choices of technologies and advisors based on how well they help you pivot with speed, scope, scale and strength. We have intentionally crafted Avanade’s service pivot-ready service offerings and the Microsoft Dynamics™ AX and Microsoft Dynamics™ CRM systems that we implement to enable maximum agility for firms

adaptation is an example of our dedication to AEC industry success. Stay tuned for three additional Executive Briefs on Perfecting the Pivot. In the meantime, consider this question: How pivot-ready are you? Contact Avanade’s AEC technology experts for a Pivot-ready Assessment and we will help you find the solution.

1 The webinar, “Perfecting the Pivot: How AEC Firms Can Gain Agility through Innovative Technology and What Happens When They Don’t” occurred on Thursday, February 27, 2014 and is available here.