

MEET RANDY MATTRAN

New VP of Professional Services – and Coffeemaker -- for Lancet Software

After a prestigious tenure at Best Buy, the longtime IT/IS pro joins Lancet Software to take it to its next phase of growth. Capture Mattran’s powerful insights into the industry and his new employer here in an in-depth interview.

Randy, you’ve just joined Lancet Software Development. What motivated you to make the move?

Randy: It seems that my career has come full-circle. As an intern in college back in 1976-77, I worked for a small consulting firm that was a spin-off of Arthur Anderson. In the time I was there, it grew from about 18 to 30. I enjoyed the camaraderie of the small firm environment. We were able to help our clients effectively, and it was a great environment for learning. Lancet is a chance to return to that environment. Back then I was low man on the totem pole, and the Principles of the firm worked with the client executives and made the business arrangements. I’ll need to play in that type of executive role now, but the intangible benefits of the small firm environment are present for everyone, especially at Lancet, which has a rewarding open culture that is perfect for a small business in a tough industry.

You were at Best Buy during the Accenture outsourcing, did anything about that change drive your decision?

Randy: Not specifically, although the changes probably prompted me to reconsider my long-term career plan. Everyone thinks IT outsourcing is a ticket to disaster for the incumbent employees. While I preferred the situation I hired into as part of Best Buy’s in-house IS team, I think Best Buy and Accenture Management did an outstanding job of integrating the existing team into the new Accenture-led structure. The outsourcing arrangement added complexity to things; capability teams needed to keep several more parties happy in the outsourcing arrangement vs. a more simple end-user and IT relationship.

However, there was no proverbial school bus backing up to the front entrance full of young Accenture consultants coming off the bench to fill Best Buy roles. To the contrary, we were actually able to recruit additional outside people into the Accenture structure to fill the need for additional talent. Accenture leadership wanted me to stay, and they offered a rewarding role for me in the new model. But, they also understood my interest in moving to the Lancet position. I worked with Accenture to time my departure to coincide with completion of some key projects and preparation for the holiday season.

If things were so good with Accenture and Best Buy, why did you leave?

Randy: It is true that we were doing some pretty innovative and exciting things at Best Buy. The implementation of the Teradata Enterprise Data Warehouse and all the analytics we provided for the Customer Centricity initiative were industry-leading accomplishments. We were all learning a lot. The folks on my team who stepped up to take on the challenge of the major projects probably advanced their career 10 years in the span of two! But for me, after three-and-a-half years of being on what you might call the “buy-side” of IT, I was drawn back to the “serve-side”, where I’d spent over 20 years.

Several friends had been recruiting me, either for solutions’ roles in the vendor space, or for other consulting firms. While Accenture is a 100,000 person serve-side organization, I felt it would have been difficult to carve out a niche where I could really practice my craft without being a cog in a very large wheel. Accenture would have been fun for a few years, but I had always pictured my career target being a Principle in a smaller, high quality, high-expertise firm. When I realized that the timing in the business climate was probably as good as I could imagine to make a change, I decided that I’d better make the commitment to gracefully disengage from the Accenture team and pursue the dream.

Why Lancet?

Why Lancet? What is so special about this firm?

Randy: For people who work a lot with Lancet, I might think that is a lightweight question with an obvious answer. But Lancet is not really known outside the circles it serves, so it makes sense to explain. From an employee’s standpoint, it is a great place to work. People who come out of the standard issue Professional Services meat grinder are subject to several paradigms that tend to be consistent in the industry. One of them is the notion that you come in as a young recruit, you get exploited by the Principles of the firm who take most of the money you generate and use it to line their pockets, and then if you wait long enough and make the right moves, you eventually get to do the exploiting and pocket lining. Not so at Lancet with its open book culture.

There are no secrets about where the money goes. Any petty competitive or political issues are minor, because there are no hidden agendas and the leadership is approachable and trustworthy people who probably have similar issues and concerns as the consulting force. As one of the founders, Tom Niccum, says often, “We don’t have politics internally because there is nothing to compete for.” It is a true team environment.

Another unique part of the culture is the theory is that people “do what they want”. Of course, “what you want” needs to somehow equate to something of value for the firm and its clients. But the point is that Lancet is a vehicle that allows people to progress in their career at a pace and in a direction that is more encouraging and less restrictive than a typical professional services situation.

From a client perspective, as one of Lancet’s larger clients – what Lancet characteristic did you notice that made the most difference?

Randy: One telling factoid is that Lancet is the only firm --and I am talking about the big international firms, the regionals, and the independents – whose people never needed to be sent

home. We were a very demanding client and we had little tolerance for people who didn't contribute, or didn't fit in. Lancet people are really very competent, but the Lancet culture and its hiring practices tend to give make them a humble and pragmatic competence you don't often find.

Lancet folks don't toot their own horn much, but they deliver dependably and consistently project after project. Their book learning is always tempered by real-world application experience. They also tend to take on that "man-behind-the-man" role, where they make the client or project manager the successful and visible contributor. There is plenty of appreciation and recognition internally within Lancet, so I suppose it is not necessary for Lancet consultants to compete for recognition as part of the client project team.

Lancet people also become trusted advisors and confidants for the client, which is a desirable role for any consultant. All of these qualities are things clients like, but if they ask for them they are probably less likely to get them. These are huge, but intangible differentiators that need to be experienced; few professional services cultures are able to generate them repeatedly and naturally. I'm sure new clients will be skeptical if this quality is oversold, but experienced clients will appreciate it, and hopefully they will be very loyal to Lancet over time as a result.

What specifically are your roles at Lancet?

Randy: I see three primary roles, Practice Manager, Business Development Manager and Product Manager. I may also take on some other roles involving coffee making and refilling office supplies, but these will be the major ones. Practice Management is about engagement execution. I think it is incredibly important that we spend the time to understand our clients needs and objectives, which means understanding a client's expectation for Lancet and make sure we are meeting and ideally exceeding those expectations as the engagement progresses.

Too often – and I see this more in Minnesota than other places – a client will just want a "guy" to fill a "slot". That's really more of a staff-augmentation paradigm, and it is easy for a client, and a firm such as Lancet, to fall into the staff augmentation trap. I will try to structure our engagements to be more project-oriented and based on deliverables. If the client is willing to work on that basis, we certainly prefer it.

The Business Development role is about getting Lancet introduced to more clients. I don't see this as a sales role. Smart clients are not sold services, they choose a provider. It will be my job to make sure that Lancet is considered properly, and if the situation is right for us, the client will make the decision to use us. I like to think that the empathy I have from performing in the client role for the last several years will help me relate to clients better. Ideally, clients will seek me out as an advisor.

What we learned from the accomplishments and mistakes we made at Best Buy in Business Intelligence (BI) and Data Warehousing now come with the Lancet service offering. There is a lot that can be shared in managing the data warehousing and BI work inside a client shop that doesn't bump into the confidential work that is privileged to Best Buy. The Product Management role is about clarifying and describing the offering. In every shop I've been able to

visit, I know there is *latent pain*. That's a fancy term for problems people don't know they have. I want to create service offerings to attack the more common issues, so clients can avoid risks and potential failures they might not be aware of. We are also likely to develop a few more software products and utilities if we don't see a need filled elsewhere in the market. Product Management applies to these products, in addition to the service offerings.

The Future of Business Intelligence (BI)

Where do you see BI going?

Randy: I think we see a lot of trends in play right now. We will see consolidation between the providers such as the Business Objects and Crystal merger. It was painful for the two companies, but they are coming out with a very strong integrated product suite that exploits the best of both company's work. We will see new technologies like BAM or Dashboarding tools that make new types of applications possible. As people see the potential, lots of new business problems will emerge such as allocating associated costs to retail transactions to help determine the real cost of doing business with a particular segment of customers.

Companies will have higher expectations in terms of accuracy and timeliness, integration, and presentation methods. People used to be rather trusting and tolerant. The notion that "if it's from a computer, it has to be correct" has gone away, and clients now are rapidly seeking systems that provide a single version of the truth. More capabilities are available for less money, which makes advanced BI available to more companies. More clients are going to need a lot more help to take advantage of all that will be available.

What kind of practice is Lancet really? Will you have any challenges communicating what Lancet can do for a client?

Randy: Yes it will be challenging. According to David Maister, a guru of Professional Services practice management, a firm is usually one of the following:

1) A staff augmentation practice: In this scenario, a client brings people in to flex the capacity of their internal work force. The client is hiring people with similar skills to those already in house, and as much as the staff aug firms may argue otherwise, the firm adds very little value beyond that provided by the individual consultant. It is just a brokerage that connects workers with clients. In your personal life, this is like hiring the teenager down the street to mow your lawn. He or she can't mow the lawn any better than you can, but you have better things to do with your time, so you pay them to mow the lawn.

2) An experience practice: In this scenario, a client uses this type of firm when he/she needs a trustworthy outcome. Generally an experience practice extends the range of the client doing work he/she might do on their own if they had the time. An experience practice mitigates the risk of project failure, has strong references, and has a been-there-done-that value-add to the basic skills the client seeks. This is a little like hiring a general contractor through a friend's referral to finish your basement. You might be able to do all the work yourself, but you know there are plenty of mistakes you might make that end up costing you more time, money and hassle than writing the check for an expected outcome.

3) An expertise practice: In this scenario, these are the people who have specific skills and training with a certain technology. These skills and training might be expensive to develop and maintain in-house, and it just makes sense to call in the experts on those occasions when you need special help. The analogy here might be when you call in a consulting engineer to recommend a solution for a structural problem. You just don't know how to handle the issue without expert consultation.

The challenge with Lancet, is that we do all three types of work. In some of the accounts, Lancet has been brought in for staff augmentation, and the experienced Lancet consultants are doing experience and expertise work as part of a staff augmentation arrangement. I hope to provide better structure in the engagements that more clearly identifies the type of work a client needs, and make sure we staff and execute to meet and exceed expectations. These different tiers of work offer different levels of value. By clearly delineating between them, we can charge more fairly for the type of work we provide.

OUTSOURCING: THREAT OR HYPE?

Is offshore outsourcing a threat to Lancet?

Randy: It probably was initially, but Lancet did a nice job of dodging the bullets. I think the pendulum has swung back a bit, as more clients understand what offshore can and cannot do well. At Best Buy, it took about a year and a half to be productive, but we were able to do data warehouse ETL work offshore. I think the BI work that Lancet does most often is counter-productive to attempt to do offshore. To use offshore consultants well, you need to have fairly precise specifications packaged and presentable. It is possible to do this in a waterfall lifecycle with stable requirements.

However BI is best done iteratively. Project sponsors need to work interactively with BI developers to craft a new analytical capability to experience the nuances in the data, and to tune the usability by experimenting with various graphing, placement and presentation options. Requirements are developed as part of application construction. The BI tools are so productive that once you are done with the prototype, you've built the application. The metadata is getting richer and richer and is becoming the ultimate definition of the application. It just doesn't make sense to dogmatically extract a written specification and send it offshore for redevelopment.

Another reason why I think Lancet practitioners are more productive than the division of labor you see in the larger shops is that Lancet people have competency in a broader role definition. One Lancet person generally does the work of 3-4 people in an offshore model. Lancet people can do data modeling, data analysis, business analysis, BI application development, BI system administration and configuration, data validation, QA, some physical database design work, and project management support where needed. This broader role versatility makes things happen faster, reduces cost, and eliminates communication overhead.

Lancet people, properly deployed, can and should complement offshore service providers to build the best BI applications.

Lancet does both Web work and BI work. Are there synergies created by blending the two skill sets.

Randy: Absolutely. For the past several years in BI, we built reports. We could broadcast them, or make them available on demand. Sometimes we used fancy graphing and controls to make the reports more easily understood. But the paradigm was reporting. I think advanced BI applications will still take advantage of data warehouse technologies, but instead of pure-play reporting, operational applications will integrate business intelligence capabilities to drive the business process workflow. For example, when the data indicates an actionable out-of-stock condition, a retailer will be systematically led through the process of changing allocations, or reorder quantities. Rules will define the conditions where certain actions need to be taken, as opposed to the more traditional approach where tables of numbers are presented to a human, and a human is required to correctly interpret the information.

The Lancet web application development and BI skill sets will all be required to develop these rules-based, operational BI applications of the future.

What will it take to make you happy when you look back five years from now?

Randy: I'd like to see prudent growth. The right size for Lancet is about 50 consultants. To get there we will need a more diverse client-base, and continued recruiting of the same types of great people who formed Lancet initially. I want us to be recognized as the go-to firm for BI expertise in the Midwest. Continued business success with happy clients and happy employees is what we are after. I'll do my part to make this happen.
