



groove NETWORKS

MTG Management Consultants, L.L.C.



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Company background

MTG Management Consultants, L.L.C., (MTG) is a national, independent management consulting firm that focuses on the management and technology issues affecting the local, state, provincial, and federal government communities. Since 1973, MTG has offered management advice, reviewed organizations and projects, developed complex implementation plans and designs, and provided technical assistance to local, state, provincial, and federal governments throughout the United States and Canada. With 26 full time employees and headquartered in Seattle, Washington, MTG offers a broad range of services to many different types of public sector clients, particularly those in the following sectors:

- Public Safety and Homeland Security
- Labor, Employment and Human Services
- Transportation and Natural Resources
- Education and Administration

Business Challenge

MTG faces daily challenges in the logistical coordination of projects, both in terms of managing projects internally among traveling team members, and externally with remote clients. Internal project coordination challenges result directly from MTG's distributed workforce. Each of MTG's client projects, averaging three to nine months in duration, requires constant attention and coordination between project consultants and management staff, who are frequently at client locations. Due to the constant attention given to clients, many consultants travel for days at a time, with irregular access to the MTG network.

Before purchasing Groove Workspace, MTG's decentralized staff primarily used email to manage projects, communicate, and share information. Though email was sufficient for passing documents or communicating between two people, it proved to be a challenge for coordinating the firm's 15 or more concurrent projects, each with four to eight team members. Project management software helped, but required consultants to be diligent in emailing up-to-the-minute project updates, which then needed to be "rolled up" by management - an inefficient process. MTG staff also experienced challenges using email to transfer knowledge assets and resources, often of large size, between management in Seattle and consultants working in the field. Multiple versions of corporate documents were scattered across team members' hard drives, leading to version control and change issues. Valuable discussions were often trapped inside email in-boxes, unless users remembered to forward them to others.



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ROI Snapshot

Top line growth:

- 5% increase in per quarter profit

Cost savings:

- 20% reduction in per month travel expenses
- Phone, FedEx costs reduced

Intangibles:

- Reduced project "cost of coordination"
- Real-time feedback from consultants & clients
- Competitive advantage

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Ultimately, using email as the primary tool for internal project coordination could have caused delays in time-to-completion of projects, and occasionally led to inefficiencies in managing corporate knowledge.

"Before [Groove], team members wouldn't send us work until they thought it was ready. Now we provide better services since we monitor projects on all levels."

Just as email sometimes impacted internal productivity, it also proved ineffective as a tool for coordinating externally with clients. Communicating and collaborating with clients through email was a poor substitute for face-to-face interaction. Frequent travel to client sites is important and necessary in the consulting industry, but also raises MTG's out-of-pocket expenses and separates its project teams from headquarters. As a fast growing

business, MTG recognized the need to find a cost-effective solution that would allow it to unify its dispersed project teams, deliver high-touch service to its clients, and keep travel expenses to a minimum.

MTG implemented an Intranet solution, which houses all project related information, best practices, and other key resources. Quickly, though, it became clear that in addition to the Intranet, MTG needed to employ a complimentary collaboration solution that was more aligned with the work style of its consultants. The solution needed to be available online and offline, since consultants can access the Intranet only when they have a network connection - a rarity when traveling or working onsite with a client. The solution also had to include messaging and project management tools, so consultants wouldn't have to use more than one tool or take multiple steps to get their jobs done. Lastly, the solution would have to be extensible to MTG's clients, so consultants could easily invite clients into project work spaces in an ad hoc manner.

Groove Workspace solution

Since December 2002, Groove Workspace desktop collaboration software has been in use companywide at MTG. Groove is a mandatory tool for internal communication and coordination, and is also used for external project coordination with a growing number of MTG's client organizations.

Groove software's usage at MTG falls primarily into three camps:

- As a distributed knowledge repository
- As a mobile project workspace
- For external project management with clients

A distributed knowledge repository



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In addition to hosting corporate documents and best practices on a server or Intranet, MTG now houses this information inside Groove shared spaces, which reside on each user's PC. Some spaces have content applicable to all employees, while other "special interest" spaces focus on specific topic areas. By logging onto Groove, consultants automatically receive the latest information without having to download any files from a central location. For example, the company recently implemented a formal marketing program and needed to distribute collateral and information to all its consultants. The entire staff was invited to a "marketing" shared space, which contains marketing documents in the Files tool. When new marketing documents are completed or existing documents are updated, consultants automatically receive the new versions via Groove, without having to download documents from the Intranet. And if consultants are disconnected at a client organization, they have access to all marketing materials on their laptops.

Mobile project workspaces

A second use of Groove is for day-to-day coordination and management of all client projects. When a project

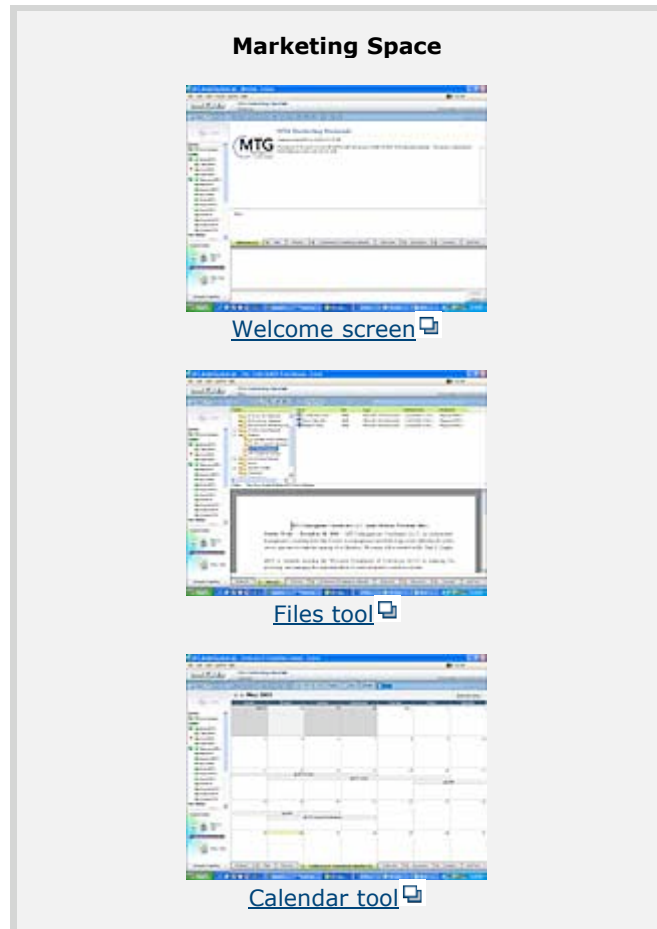
begins, a Groove shared space is created and appropriate team members are invited, including the manager, practice leader, and all project staff. Inside the space, team members track key project dates, milestones and tasks, store client contact information, and share and update files. Using Groove software's co-editing and document review features, team members edit documents jointly or in parallel review cycles. Instead of email, Groove instant messaging is used to alert team members to updated content. Utilizing Groove software's Outlook integration capability, external client emails are imported into a Groove Discussion tool labeled "external email," -- preventing the need to "forward" emails to the entire team, and keeping all communication in the same space. Team members can access and update all project information, whether they are on the LAN at the office, connected at a client site, or off-line on a plane. When a project is completed, the space is archived after beneficial information is moved to a separate Groove shared space or to the company Intranet.

Collaborative client service

For approximately one third of its projects, MTG works collaboratively with its clients inside Groove shared spaces. In these cases, MTG suggests its client organizations install Groove and join MTG's project team in an "external" project space, which operates side-by-side with an internal project space. Two examples of projects that were coordinated externally using Groove involved Oregon's criminal history information system and Kansas's public employees retirement system.

- **Oregon Criminal History Information System**

In the first quarter of 2003, MTG completed a major assessment of the criminal history information system for Oregon. This large project involved a business needs assessment and a technology analysis of each of the state's 36 counties. Two state employees worked with MTG consultants on each county assessment. Project work





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was coordinated in a single Groove shared space, allowing the two state employees to follow the assessments as they were completed. As MTG consultants gathered information in each county, their clients were updated in real time and could monitor the project, eliminating excessive "back and forth" travel. When the state employees noticed something needing attention, they provided immediate guidance, shrinking the cycle time of each assessment. MTG also cut the time required to draft each assessment by sharing drafts with clients "in progress," instead of waiting to present the statewide summary. Overall, the firm believes, by using Groove, it reduced the time required to complete the project by 10-15 percent.

- **Kansas Public Employees Retirement System**

- A second project completed using Groove involved the Kansas Public Employees Retirement System. MTG was hired to complete a business process re-engineering project, which required defining a methodology that could be applied statewide. MTG completed the methodology, but didn't have the resources to apply it to each of the state's business units. This phase of the project was outsourced to a local firm in Topeka, which joined the client organization and the MTG team in a Groove shared space. MTG used Groove to share information with the client and the Topeka firm, train the Topeka reps on its methodology, and ensure the methodology was being applied consistently in each of the Kansas state business units. MTG employees monitored the progress and quality of this phase of the project on several levels, one such using Groove, eliminating the need for excessive, expensive travel. MTG's CEO & Principal Stephen L. Davis says: "There's no way this kind of project could have been done without Groove. We would not have subcontracted the work to a local firm without knowing we could monitor the progress and quality of the work to ensure it met our standards."

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Benefits

In just six months of use (three months companywide), MTG has realized a significant return on its investment in Groove Workspace. According to Davis, Groove has reduced coordination costs, enabled a higher quality of client service, cut travel costs by 20 percent, and increased profits by five percent over the previous quarter.

Reduced coordination costs

Mr. Davis believes the most significant benefit Groove has provided MTG is reduced costs in coordinating projects among its dispersed project teams. By putting all project team members, project content, and tools in one place, accessible off-line, MTG has significantly reduced its internal emails and phone calls, and cleared up confusion about where to find resources needed for projects. According to Davis, "The overhead associated with communicating and seeing the status of projects has gone way down."

Real-time feedback

Another major benefit of Groove, says Davis, is "real-time feedback from project team members and clients." Managers can effectively monitor the work of team members, enabling them to ensure tactics are implemented and completed with the highest level of service. "Before [Groove], team members wouldn't send us work until they thought it was ready. Now we provide better services since we monitor projects on all levels."



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Using Groove with clients allows MTG to get real-time feedback from clients without having to travel as much. As a result, MTG can offer more competitive pricing, yet deliver a higher quality product. "When we put a proposal together for a specific client, we offer Groove as a selling point," says Davis. "By working collaboratively with our clients, our work products, analyses and recommendations are more on target. We're getting real-time feedback and participation - in doing so, we end up being better and more cost-effective consultants."

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20% reduction in travel expenses

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5% per quarter increase in profit

Like many consultancies, MTG's fixed-rate project fees combine services and out-of-pocket expenses (travel, phone, FedEx, copying, etc). Profit is derived only from service fees, according to Davis. MTG boosts its bottom line by reducing travel and other out-of-pocket expenses, increasing its percentage of billable hours. Davis explains, "Speaking hypothetically, if I can move \$10,000 a month from travel to fees, and I make 25% profit on fees, that's an extra \$7500 per quarter towards the top line."

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