

McMahon Worldwide Management Consulting

Tim McMahon insists he doesn't really sell software for [Groove Networks](#), makers of Groove Workspace, the low-cost Web-based group collaboration tool he uses. It just seems that way sometimes. He admits he *is* one of Groove's favorite customer references, though.

McMahon is the owner of [McMahon Worldwide Management Consulting](#), which specializes in reengineering sales and marketing departments at major clients such as camera maker [Canon USA](#) and chemical firm [W. R. Grace & Co.](#) It's a virtual firm — McMahon is the only employee.

Workspace is central to everything he does. Most of his clients use Groove too. "I use Groove to run the company," McMahon says. "I also use it to deliver programs to my clients. And it's so inexpensive, it's unbelievable."

A perpetual license costs as little as \$70 per seat for the Standard version. The most advanced Project edition sells for \$200.

Workspace helps groups collaborate online by establishing secure virtual work spaces where members can review and edit documents together, chat in real time and contribute to discussions threads.

They can also share structured information created and stored using the Workspace forms tool, and schedule and take minutes at online meetings. Workspace even offers voice over Internet protocol ([VoIP](#)) capabilities. Users can run multi-location virtual meetings with audio using only Workspace and the public Internet.

Feeling Groovy?

A good part of the product's appeal is Groove's peer-to-peer architecture ([P2P](#)). It requires only that participants run the program and have access to the Internet.

"You don't need to buy or set up a server," notes Andrew Mahon, Groove's director of strategic marketing. "That means there's no server maintenance to worry about either, and no need to set up database directories. It doesn't entail a lot of the IT [information technology] overhead that other solutions in this space do."

Which is one reason — along with the price — that Groove appeals to small businesses, Mahon says. Most small businesses don't even have IT departments, he notes.

The program was designed for small distributed work teams, whether in big companies or small. But more and more small companies, especially professional services firms like McMahon's, operate with virtual teams.

"Members of distributed work groups need to be on the same page," says Mahon. "They're not having the coffee pot encounters, they're not always on the same network, they're not getting the same information. Groove fills that gap, whether it's real time or over different time zones."

Collaborative Harmony

The document review function with its powerful version control features is often what draws first-time users to Workspace. Every time a member of a document review team makes a change to a document in the workspace, Groove automatically sends changes to every other member.

So there's no more confusion about which is the latest version of a document, and no more costly errors or delays resulting from that kind of confusion.

They may buy the program for the collaborative document editing features, but users almost always find that the program's other functions add important new dimensions to the process, Mahon says. Especially chat, which encourages exactly the kind of *ad hoc* communication often missing when work team members are separated in time and space.

"There's a dynamic around this sharing that is an important part of the Groove experience," Mahon says. "It's often what customers really latch on to — even if they have difficulty saying what it is they like. They're apt to talk about the 'liveliness' of the communications with Groove."

associates with complementary consulting expertise that he brings in to work with clients as needed. He also uses it to run meetings, deliver training and for ongoing communications with clients.

For example, for one central U.S. region of cement producer [Lafarge](#), McMahon runs monthly two-hour sales management meetings using Workspace. Forty employees from across the region participate and McMahon delivers a training topic at each.

"They use Groove to work on pre-session assignments, they use the discussion boards to talk about it, then when we do the meeting, I use Groove to deliver the training course," McMahon says.

He doesn't use the VoIP capabilities for the Lafarge meetings, but would if he could. "If at some point Groove VoIP could handle larger groups, that would be spectacular," he says. "It would be a lot less expensive."

Groove's Mahon cites the case of a small UK-based pharmaceutical firm with offices in the U.S. It *is* using Groove VoIP for its regular trans-Atlantic staff meetings. Besides radically reducing business travel, the company is also saving money on regular long distance charges.

Online Business Relationships

Mahon and McMahon both point out that Groove is also significantly less expensive than popular Web conferencing tools such as WebEx from [WebEx Communications](#) that provide similar but more sophisticated Web-based online meeting capabilities.

The Lafarge managers were skeptical about Groove in the beginning, McMahon admits. "I had to convince them, and for the first two months, [the online meetings] were pretty awkward events. But now you can't stop them. They're using it for everything."

When two companies approached McMahon earlier this year about starting a joint venture to develop a new kind of sales and marketing e-learning product, the partners faced a small challenge. One company was in Calgary in western Canada, the other in the Washington, D.C. area. McMahon is in New Hampshire.

Travel could have been a deal killer, but McMahon knew how to solve the problem. "Groove will make it work," he predicted. And it has.

The partners now use Workspace almost exclusively to manage [Top of Your Game Performance](#), the company they formed. Content experts, for example, work together with McMahon editing storyboards for the e-learning programs. Then they bring the technology company into the process. All using Groove.

"We may have 15 courses under development at any one time," he says, "and Groove is managing all those processes. Since we started the company six months ago, we've only had one face-to-face meeting. From that perspective, it's working extremely well."

The Bottom Line

Avoiding face-to-face meetings — or rather, avoiding the costly, time-consuming travel that makes in-person meetings possible — is for McMahon the principal cost benefit of using Workspace. His business used to involve endless travel. McMahon works all over the world and spends as much time in Europe and Asia as he does in the U.S.

"My kind of business has changed since 9/11," he explains. "It used to be that I hopped on a plane all the time. You can't do that anymore. A lot of companies [that kept trying to work that way] went out of business."

Groove lets him keep close enough contact with his clients and deliver his programs without incurring the travel costs or the productivity hit of being on the road. A trip to the West Coast to deliver training at a conference, for example, would have kept him out of the office — and unable to be as productive on other work — for a minimum of four days.

Now he can deliver the training to that West Coast client from his desktop. "So with one or two hours on the phone and on Groove, I pick up three days."

"Seventy percent of my business is done by some kind of online collaboration now," McMahon says. "And my billable rate didn't change. I'm not charging any less for the fact that I'm not traveling. It's exactly the same fee. That's the beauty of it."

The bottom line is that McMahon has more hours of his time to sell at the same price.

He still does travel. To deliver three hours of training at a client's sales conference recently, he ended up

The reason McMahon sometimes seems like a sales person for Groove is that he convinces most of his clients to adopt the tool as well. After successfully piloting the online process in the one Lafarge region, the cement giant is now set to roll it out across the company — which will involve purchasing another 200 Groove licenses.

"For me to recommend this thing to my clients," McMahon says, "it had to work *really* well." Apparently it does.