

Big Data Analytics for Optimal Bottom Line Profit



Lee Blackstone - CEO

About Blackstone & Cullen

We deliver Business Intelligence/Analytics solutions, Data Warehousing, Collaboration/Portal solutions including Document Management, Business Process, Enterprise Project Management, and Custom Business Applications that enable our clients to realize optimal bottom line profit.

Interview conducted by: Lynn Fosse, Senior Editor, CEOCFO Magazine

CEOCFO: *Mr. Blackstone, your website indicates that Blackstone & Cullen has been delivering best of breed and highly customizable technology and consulting solutions to the world's leading brands. How so? What do you do?*

Mr. Blackstone: We work in a number of areas. Most recently, Blackstone and Cullen was named in the top 100 big data analytics companies in America, which we are very proud of. Over the last 25 years, we have spent a great deal of time working in and around our customers data focused on driving revenue and maximizing their profits and giving them what we like to refer to as a significant, sustained competitive advantage in their market. We also do this by very tight project management controls. A normal development and deployment cycle runs between five and 10 days, which is an interesting thing, and most people look at it and say that is pretty fast, but we like executives and business owners to see results as fast as possible and to operate in an agile environment is critical in today's business world. That is the focus that we have taken. We also supply our customers with complete project teams. With a team of one, if necessary, we will do end to end projects and we will mix our consultants with other consultants from other companies to make sure that we absolutely bring the best of breed to our clients. We maintain a stable of highly experienced individuals around the world on various vertical industry expertise that we call on as part of our bench reserve to be able to solve whatever unique problem our customers have.

CEOCFO: *What do you understand, fundamentally, about big data that perhaps new up and comers or people in general do not?*

Mr. Blackstone: The interesting thing about big data is people talk about wanting to look at everything. I have been working in big data for 30 years going back to looking at data coming out of the wind tunnels at NASA, which to me was really big data when you are looking at 50,000 readings a second from 500 points on an air frame to figure out what is going to happen and how it is going to perform in flight. You want to be able to not only look and see what is going on but to predict what is going to happen and then ultimately to prescribe what needs to be done if in fact a certain control goes out of kilter. If you are looking at business today, I asked the president this week what the top five things they were worried about, and let us give them red light, green light or yellow light and make sure we have these control areas laid out so we know the parameters around what you want if it turns red, green or yellow. I said if it turns red, what do you do? Of all the people who report to you, if theirs turns red, what do they do? Do you know? We need to write out a prescription first to prescribe what is going to go on. If you want to think about this, it is very much like a control system because in process control they have been doing this for years. If a factory goes out of kilter, it is making paper, and the paper has too much moisture in it, there are about 20 things you can do to take the moisture out, but what is the best practice? What is the optimal thing to do? Now, we are bringing that optimal prescription back into the world of big data and actually letting people see the prescribed outcomes. We have been doing this prescription-based work, for example for Microsoft, for years and years on prescribing to them how a partner can expand their role in doing a better job with Microsoft in comparing themselves and benchmarking themselves with other people with other partners that are of similar size, shape and form. We work with Microsoft's and their focus on and analyzing their 600,000 partners in the world, so that is a good example of big data. The other piece that is tough is that people can put a fancy front end on some data, but if you do not have all the data aggregated properly on the back side, you have a very pretty view of bad data. At Microsoft, for example, we pull from about 50 different disparate global data sources every day. For one of our clients, one of the largest public school systems in the state of GA, Gwinnett County Public Schools, we are pulling from 275 data sources every day,

mashing them together to produce meaningful and actionable output. Many times, the fancy data front end that people look at, is not delivering a single source of the truth, and you have to make sure that whatever information we bring forward from big data is something that somebody can take action on and ultimately deliver the prescriptive model.

CEOCFO: *We have computer-driven results these days, but you started when there probably were not any. Where does the role of experience and gut feeling come in or does it play a role anymore?*

Mr. Blackstone: I think it does. I think the experience of being able to take a solution that you have worked on in one industry and apply it to another industry is some of the most intriguing and exciting things that you can do. For example, building models to predict which tiles were going to fall of the first space shuttle before it was every launched was an exciting project. How do you take that same type of project and predict the actions and responses of the marketplace? In the case of Microsoft, with partners in the marketplace? I believe an intuitive understanding of disparate data and very quickly looking at the implied interactions of that data, and to be able to derive conclusions very quickly is the key to success. It is interesting when you talk to executives. You have to make sure that you do not get way use too many fancy terms. There are many data scientists that like to talk in fancy terms. They use statistics and all these funky things, which they intuitively understand and I intuitively understand, but when you talk to executives and you start using words they do not understand, they are not going to appreciate that very much. You have to be able to have a conversation with them about their business and where they are trying to go with their business. Very few data scientists truly understand global business and I would say that combination is deadly in the market today for the people that can talk data, understand data and understand global business as well.

“The fact that we are now recognized as one of the Top-100 Most Promising analytics and big data firms brings to light that we do have some incredible strengths in what we do, the ability to openly discuss and understand global business and be able to deliver projects to turn revenue around and to respond extremely fast.” - Lee Blackstone

CEOCFO: *What is the key to understanding what a company really wants to accomplish, not just what they say or think they want to accomplish?*

Mr. Blackstone: You have to look at a number of things. You have to go back in to speeches that their key executives have done, and you need to look at Harvard business cases that have been written about the company and their internal strategy. Basically, that becomes how they think as a company, and then you begin to look at their 10K's and 10Q's to unravel where they want to go. You look at the mergers and acquisitions; and you look at their markets, and then you begin to look at their competitors and how they are positioned in their marketplace. Then, you begin to look through their eyes into their market and into their customer base understanding what drives their customers on buying that company's products. If you begin to look beyond just selling to a company, then you have a different conversation. To me, that is absolutely critical to get beyond the four walls of the brick and mortar of the company you are calling on. You had better understand their global business and you better understand what they are trying to accomplish. The difficult thing is to be able to discuss business issues because anybody can solve a problem if you ask them what problems they are having today. That is easy. If you want to have a discussion about the global issues impacting you as you are making a choice between building a factory in China versus building a factory in Vietnam versus building a factory in South Africa, what are the implications of that, and let us talk about that. Let's talk about the global banking and how that is going to impact your structure going forward. Those are the kinds of things we discuss. You have to get well beyond just technology because technology is easy. Give me a problem and we can solve the problem that's easy. While running global accounts at Hewlett Packard, I had 3,500 people I was responsible for in a billion dollar business. I only had about three people who excelled at sitting down with CEO's like Jack Welch at GE and Fred Smith at Federal Express and uncovering global business issues and then being able to functionally decompose those into problems that you can actually create actionable results around.

CEOCFO: *What about global issues that have not happened, such as Putin and the Ukraine or the market meltdown. How do you account for what is very unlikely but can be very impactful?*

Mr. Blackstone: I think you must have a multi-level plan. Successful managers in my mind have a contingency plan on everything that moves in the company. All of their managers have the same level of plans. They do not have to be super detailed, but you better know what is going to happen if something goes bump in the night, and you better plan how you are going to deal with it. When something does go bump in the night, you do not even flinch. You just pull plan B off the shelf and you execute. If that breaks, you pull plan C off the shelf and you execute. If that fails, you are probably working at another company the next week, but the point being you have to have multi-level planning. I will give you an example. One of my dear friends has a company whose primary development center for software happens to be in Moscow. I told him he was going to have to come up with a way of explaining to your customers, and asked how he was going to mitigate the risk of your primary development operation being in Moscow with all this stuff that Putin is doing in Crimea and the turmoil over there. You have your whole company at risk. How do we word the marketing and spin on this, and how do we move some of that development outside Moscow into either the Philippines, India or back into the US so you are not at

risk anymore and your customers feel better about having multiple development centers as opposed to one primary development center? We spun that by having redundancy and follow the sun development.

CEOCFO: *Do you find that many clients come to you proactively?*

Mr. Blackstone: It depends on the level you are talking to within the company. It is interesting today that people think about solutions selling, and solution selling is, for the most part, gone by the wayside with the Internet and everything that is on the Internet. Customers pretty well research everything that they want, and they have decided what they are going to do. They simply want to know if you can implement it. However, when you get to a global strategy, that is a different level of conversation, and there are not that many people in the organization that can have a technology angled business strategy conversation with clients. I feel like clients are missing out by not talking to us. Many of them are talking to the McKinsey's of the world and the Bain's of the world, which are wonderful companies with really smart guys, but those guys stop at the strategy. When we show up, we have done the strategy, we have done it globally, and we have done it probably 25 times, which is different than somebody asking if we can put in an ERP system. We have done those types of things many times globally, so we have an interesting view. We have walked the minefield and we know where the mines are across multiple industries. It is fun.

CEOCFO: *When you are speaking with a prospective client, do they understand the depth of what you offer? Is there an aha moment when they get it?*

Mr. Blackstone: It becomes an aha moment, but it usually happens after you sit down and have a conversation with them. It is rare that we will actually stand up in front of the group with a big presentation of what we do because we tailor our solutions so tightly around what the customers' needs are and what the burning issues are that they have. One of the ways that we work with a customer that is non-threatening is we ask them what they have on their plate this year that they are dealing with. If you ask somebody what keeps them up at night, that is a rookie sales question. You do not do that. You have to get well above that, and I think if you are obviously smart, you never ask for more than 10 minutes, and you understand that if you are talking to the CEO, it is a five minute process. You only ask for five minutes. If you ask for more than that, then you have shown that you do not understand who you are dealing with. If you are in that environment, you present for two minutes, they ask questions for three minutes, and then you move on. If they want to keep you, they will invite you to stay. Once we are in that conversation, we can make that conversation very compelling, and our close rate on doing business with a customer in that environment is about 70 percent.

CEOCFO: *I would suspect that you have many people would like to work at Blackstone & Cullen because of your reputation, and I am also suspecting that you want the best of the best. How do you know when somebody is right for the company?*

Mr. Blackstone: We have an extensive process that we go through. Much of it is who do we already know that we have worked with. Being in business as long as we have, we probably know somebody who has done what we are after, or we have friends who know somebody who has done what we are after. We are very selective that way. We look at people who have not just technical and business skills and not just people skills, but they have to have all those combined. I want a consultant who can have a very serious conversation about the implications of international finance, for example, and then turn around and write the code that would support the solution that they have derived. That is a different kind of person, and many businesses want to do an offshore model where every .net developer in the world is all interchangeable. They want to spend very low amounts of money for people like that. I do not find that to be terribly efficient when you are trying to do agile development and you are trying to deliver a solution to a business problem every five to 10 days. It just plain does not work, so the people and skills are much higher and we use A players only. I do not have B players, so a project manager for me is someone who has extreme project management experience who is probably an industrial engineer who can write code and have extreme interaction with people. It is a high end group of individuals focused on clients. Another interesting thing is that when we show up, we measure if our clients are either promoted or bonused as a result of the work that we do. If your customer is promoted, your life is wonderful because that translates into a long-term relationship. Over the course of 25 years, about 80 percent of the work that we have done has resulted in clients either getting bonused or promoted.

CEOCFO: *Put it all together for our readers. Why pay attention to Blackstone & Cullen?*

Mr. Blackstone: We may be the best kept secret in America. The fact that we are now recognized as one of the Top-100 Most Promising analytics and big data firms brings to light that we do have some incredible strengths in what we do, the ability to openly discuss and understand global business and be able to deliver projects to turn revenue around and to respond extremely fast. Part of the philosophy we have is that when we show up, we believe the missiles have launched. If you do not get it right and get it right in a hurry, you are going to have a problem, so we are extremely agile but focused with the understanding of the business that we are going after. With the management team, we have worked in virtually every industry in the world and across many countries as well. Today, for example, with Microsoft we work in every country every day and we do a great deal of the back end business intelligence work. In the case of Microsoft, that could have gone to anybody in the world to get their business intelligence work done, but they came to Blackstone & Cullen in Atlanta, and we are thankful for that.

BIO: With a career spanning 20+ years working for HP companies and 25+ years as an entrepreneur, Lee has a passion for driving client success, measured by the fact that over 80% of our clients' project owners receive bonuses or promotions as a result of the solutions we've delivered. With broad and deep global industry experience, Lee is uniquely qualified to bring cross-industry solutions to complex problems. As an entrepreneur, his focus has been to assemble a team of "A Players" who have the same passion and drive for ensuring client success by providing elegant solutions to complex problems.



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