



The Most Powerful Name in Corporate News

Technology Enabled Consulting helping Real Estate Corporations And Enterprises Develop a Strategic Roadmap



Phil Wales
Founder and CEO
eBusiness Strategies, LLC.

281-647-6183
Phil.wales@ebsllc.com

CEOCFO: *Mr. Wales, your website tagline reads: “Envision, Enable, Evolve.” How do you make that happen for your customers?*

Mr. Wales: It was both our vision and the outline of how we provide our services. We are a business consulting company that is heavily technology enabled. The technology enables the things our client needs to do but it is not the solution. In almost every type of consulting we do, we go through an envision phase where we are working with a client to determine what is the strategic vision of the company and where they want to be versus where they are now. In short we help them envision their end state and to develop a roadmap. Enabling is working with them to determine if it is an operational change, is it organizational or data management; whatever the project is or projects that help them implement the roadmap is the enable phase. Evolve is to work with them after the fact to see what worked well, what did not work well and what has changed now that they have a deeper view into their operations. We help them determine the next steps that need to be done. It is kind of a cyclical exercise. This helps them to evolve to the next level. That is how the three words in our tagline apply.

CEOCFO: *When you are first working with a company what is the key to understanding what they really need?*

Mr. Wales: We are a general business-consulting firm but our focus is around the corporate real estate world so we have clients that in many cases have very large real estate portfolios and operations. Our focus is how the real estate/facilities world within big companies organize their work to enable their corporate mission. We have a couple areas that give us an advantage here; one advantage is our senior staff. Our senior business analysts have come from the CRE world so they are intimately familiar with what it means to manage leases or to operate facilities or manage assets or track space. When our Analysts sit down at the table with our clients they come to the table as peers. Our analysts can carry on a conversation about industry standard processes and proper operations management. We bring best practices as a model for comparison and streamlining how work gets done. In support of this consulting, we also have codified about 100 business processes found in corporate real estate. For these Leading Practices (we no longer call them best practices because there is no certifying body for our industry) we have guidebooks around all five major domains of real estate portfolio management so that we can sit down and test how they do work against how it is general done in the industry. Occasionally someone will throw in an oddball process that we have not heard of but it is rare. So, our advantage is that we bring to the table both extreme expertise in their world and we bring documented qualified practices. We can say how to you things better because this is a leading practice in the industry. This exercise allows us to document true business requirements that in turn can drive to true ROI opportunities. Maybe they can adapt their portfolio quicker to the changes in their company or industry. They can justify the expenditures, which is becoming more critical these days.

CEOCFO: *How are you able to guide a company through unseen circumstances?*

Mr. Wales: A core fact of real estate is that it is not very flexible. You sign ten-year leases or build a building with a forty-year life and what happens if next year the world changes and you do not need that asset anymore? So that is the fundamental piece, it is not a very flexible asset to manage. There are some things that can be done to be a little more flexible in how the client responds to a shift in their corporation. From our perspective, the most critical thing a company

can do is understand what they have and how it is performing. That is fundamental part of how we approach our services. Also having good capital planning and strategic planning capabilities helps prepare for the surprises that come in every industry. Finally, we help them put in place solutions that give them real time information that they can use to adjust their portfolio strategy as almost real time.

CEOCFO: *Do companies tend to work with you on an ongoing basis?*

Mr. Wales: They do. We do not typically have retainer relationships where we are just available forever. Our clients typically start with a three to six month engagement to help them develop a strategic roadmap. They then identify projects or advisory roles where we can add value to their operations. We have one client we have been working with regularly since 2007. Most of our clients we will work with for two to three years at least. Many of our services are associated with helping them get the right information so once they have a plan in place that needs implementing, we are their provider of choice. Some of those clients will come back to us repeatedly so we will be with them for a while, then we are done for a period of time and then they come back and want us to do another strategy. We tend to have long-term relationships with all of our clients. We rarely but occasionally have a client where we will do a one-off project that lasts six to eight months.

CEOCFO: *What is your geographic reach today?*

Mr. Wales: We are based in Houston but we are opportunistic. We have staff all over the country from California to Virginia and Florida so we have people all over the country. Most of clients are international companies and we are very familiar with international requirements but our clients are typically based in the US. We have not ventured outside the US to develop work yet. We have been so busy focusing on US companies that we just have not done it. Thus, I guess you could call us a nationally focused consulting organization.

“From our perspective, the most critical thing a company can do is understand what they have and how it is performing. That is fundamental part of how we approach our services.” - Phil Wales

CEOCFO: *When you are assessing a company for your services what do you look at that others may not realize?*

Mr. Wales: When we are assessing whether or not we want to pursue an opportunity our number-one criteria is whether they recognize that the problem is a business issue and not technology, organization or something else. In today's world, there are many companies ready to implement a “solution” for the real estate world particularly around technology called Integrated Workplace Management Systems (IWMS). It is kind of the ERP solution for corporate real estate or large real estate portfolios. If a client come to us and say they need help implementing a solution or technology but they cannot answer some basic questions about how they are organized or their processes and whether they are standardized, then we will usually walk away from it because just buying and turning on new technology is a disaster if you are not doing it as an enabler for something else. Our number one criteria when a potential client talks to us is whether they recognize that there is a disconnect somewhere in their business they need to fix and if they do then they tend to be a good client. The other is realistically, for a client to hire someone like us, they have to have a portfolio that is big enough that they can justify the solution they will have to put in place. If they come to us and they are interested, we might do a strategy for them to help them get to a decision. The business issue needs to be sizeable enough to give them a real opportunity to make a significant change with a measurable ROI. Most of our clients now are Fortune-100 clients; we will do Fortune-500 clients also but they tend not to be much smaller than that because they cannot usually afford a consultant or a solution.

CEOCFO: *What might be different next year when we talk?*

Mr. Wales: Looking back, we have seen shifts from companies that are consolidating and standardizing operations and moving everything in. We have seen a shift to where they tried to move things out to the regions and be closer to their clients. We have seen all kinds of shifts but what has not changed the last ten years is there is always pressure from above to reduce non-revenue-generating cost to the company. In most industries, real estate is considered non-revenue generating. Most of the corporate world space is just a necessity. I think the reality is there is going to continue to be that pressure and as CFOs and CEOs of the companies get smarter about the impact of that cost, there is going to be greater expectation on the real estate group to be more sophisticated and to have better analytics to be able to do more what-if analysis. Additionally, there is going to be more pressure on environmental and sustainability issues. With more pressures in those areas, there is going to be more expectations that good data is at people's fingertips. It is already becoming a reality that CRE groups can slice-and-dice portfolio data real time to answer any questions that come from the C-Suite.

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

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