



Case Study: Technology Start-up

November 2016

Background

hmc provided consulting services to Ethelo Decisions from May 2014 to September 2015. The principal consultant joined the company as an employee from October 2015 to October 2016 as part of a contractual client condition.

Ethelo Decisions is a SaaS and Managed Service technology company that provides customers with a unique online collaborative decision platform. Its client base includes the Government of Canada, Vancity Credit Union, Vancouver Coastal Health and the US-based Land Trust Alliance.

The company was formed in 2011 in Vancouver, started market validation in 2014, and began commercial deployment in 2015. It has doubled in growth every year since inception. For disclosure, Dan Hathway was a board member from July 2014 to February 2016, is a minor shareholder in the company, and is currently retained by the company for ad-hoc projects.



This case study is about the work hmc performed during the period to October 2016, the main outcomes and some independent observations. The mutual decision to work with the company was in part influenced by principal consultant Dan Hathway's interest in decision making processes within organizations and the company's need for strategic and hands-on work.

Company Analysis

In 2014, Ethelo Decisions, "*the company*", had a profile like other serious technology start-ups. There was some existing market validation, a handful of staff, some patent-pending intellectual property, an anchor client and a genuine conviction for changing how organizations did things.

Like many innovators, the company had a disruptive technology with a strong potential for wide adoption but had a set of immediate constraints and choices to make.

hmc performed a strategic market analysis on the company. The template for this can be found [here](#). The purpose was to describe a clear path for growth based on the current market and company capabilities. Market categorization and segmentation work was given particular emphasis, given the level of disruption potential.

[hmc] produced a very thorough market, product and competitive analysis that had a profound impact on shaping our future business development activities.

John Richardson, CEO,
Ethelo Decisions Inc.

Main Outcomes

The analysis report gave a clear recommendation about positioning the company, and associating it with specific market categories. It provided a shortlist of market segments to compete in, priority use cases and put forward a set of fundamental decisions that needed immediate attention.

Business Development

hmc's Principal Consultant, Dan Hathway was asked to perform the role of Business Development Director, to follow through on some of the recommendations made by the report. The principal consultant, Dan Hathway had held sales management positions in technology firms in the past, and was happy to provide the support needed on an interim basis to increase sales and establish some processes and routines. He also became a board member.

There were priority activities that needed to be performed, including the establishment of a sales team, value proposition development, targeted campaigns and strengthening relationships in existing key client accounts.

Main Outcomes

The company gained the Government of Canada, the Land Trust Alliance (the first US customer), Telus and Vancouver Coastal Health amongst others. It was also able to secure annual renewals from its largest account at that point, Vancity. This market validation activity for collaborative staff decisions proved to be successful, leading to 4x revenue growth over a period of 2 years.

Projects Delivery

The projects won, particularly with the Government of Canada were long-term engagements that required dedicated resource and careful management of internal resources and external delivery. Because the level of innovation inherent in the platform was high, it was important to minimize client risk whilst still delivering new functionalities.

Each engagement began with a period of business analysis activity, which often included proof of concept prototyping as part of the validation exercise. The projects were then run from configuration through to results analysis and case write-up.

The client engagement and requirements process was documented during this period, to allow repeatable delivery templates and efficiencies for the benefit of future clients.

The projects delivered were in the domains of risk management, staff action planning, business process improvement, performance management and objective evaluations.

Main Outcomes

All projects were delivered with success and client commendations. The company also had clear paths to productize some of the templates produced, supporting an eventual transition to full SaaS delivery.

[Over the course of 2 years] we doubled our revenue each year, due in no small part to his diligence, excellent client relationship abilities and high degree of competence.

John Richardson, CEO,
Ethelo Decisions Inc.

[hmc] was always on-time and on budget for 100% of the projects undertaken ...

[hmc] proved highly competent in configuring the platform... which required a great deal of analytical ability.. The results were always excellent.

John Richardson, CEO,
Ethelo Decisions Inc.

Marketing Support

The strategic decision to concentrate on direct sales within the local market places required the development of several new assets. hmc led efforts to upgrade the website, and introduce a CRM. It also provided support to external service providers assisting Ethelo with branding support and some explorative social media activities.

Several promotion artefacts including decks, product sheets, cases and conference materials were also produced.

Operations Support

hmc provided the CEO with support for financial modeling and forecasting and introduce scenario planning into cash-flow analysis.

This additional introduced some formality into the company's growth plans but was designed to be as simple as possible to reduce administrative overheads.

Several consulting, partnership and employment contracts were also created or revised and work was done to set up the company for RRSP eligible trusts, to help attract investors. Paperwork was also completed for the company to take advantage of CanExport grants, BCIP contracts and additional IRAP claims.

Conclusions

Start-ups and innovators need to balance the competing needs of early market validation, revenue generation and operational integrity.

This engagement worked well because there was a high level of fit between both organizations in terms of needs, capabilities and relationship quality. The consulting model had to be focused and lean, to support early growth and had to be flexible to respond to emergent needs.

[hmc] led development of a new website that was a vast improvement over the prior.

[Dan] proved highly effective in directing staff & consultants for the best results.

**John Richardson, CEO,
Ethelo Decisions Inc.**

Dan's experience leading his own company in the past proved a valuable asset as we charted the growth of Ethelo.

[hmc] played an important role in the corporate evolution of the company.

**John Richardson, CEO,
Ethelo Decisions Inc.**

Dan would be an excellent lead on any important or sensitive project requiring a thoughtful and skilled manager.

**John Richardson, CEO,
Ethelo Decisions Inc.**