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## OPINION

### A VC Model for the Recession

By Richard S. Garnick, The ConJoin Group  
(Continued)

The transformation of Avotus was executed in two phases. During the first phase of the transformation, non-value adding activities that did not provide value to the clients and company were eliminated. In the second phase, Avotus invested 4,000 hours of analysis, spread over 12 weeks to an in-depth review of managing operations. Current assessment of the company's strengths and weaknesses and an actionable roadmap that included operational redesigns and future process recommendations were developed. The effort resulted in the design of a new operational architecture and recommendations for improvements included a comparison of operating from within the U.S. versus other lower cost locations (India),

Along the way some short term improvements were also achieved. For example, as part of the TEM analysis provided to customers - the legacy organization would read through several lines of documents and needed to pick specific pieces of information based on a pattern. The ConJoin team automated the process based on the pattern and reduced the process time from a few hours to less than two minutes. This also eliminated the risk of human error inherent in the legacy process.

As part of the transition process, By identifying best practices and tools, a framework was established to accelerate what needs to get done, so that the Company's TEM solutions reflect many years of unique expertise. The new Avotus team, staffed by Conjoin Group personnel were trained on the nuances of TEM and unique customer specific exceptions for improved client service and a more efficient operations. In addition to cutting costs, retaining Tem expertise and establishing a higher level of efficiency, a balance scorecard based performance metrics were developed for measuring and improving. Quality metrics were established and CSAT Improvement was set as a key focus. Conjoin is also working to implement ISO 9001 and 27001 certifications together with 6 sigma methods for increased operational performance.

Optimizing costs has set the stage for reinvesting money into the business for achieving improved operational efficiencies and business growth. This would result in stronger client relationships, an effective and efficient sales team, and more customizable solutions, which delivered the right product to the right customer segment, as well as the right managed service into the offering.

#### The Bottom Line

Conjoin helped Avotus improve EBITDA by more than 300 percent in less than 3 quarters and achieve financial viability. With the improvements, Avotus began investing more heavily in sales, new products and services, while exploring new potential markets. This has now enabled the company to be self sufficient much sooner than it could have under its legacy structure while simultaneously setting the stage for the company to now leverage its core capabilities. The ConJoin team orchestrated leadership to set a course of profitable growth regardless of the macro economic environment. This all creates enterprise value and options for future shareholder returns much brighter than what were the alternatives.

In this challenging economy, it is critical for venture capital firms and startups alike to develop on new models to deliver value to their investors and maintain their position of influence in the next era of business innovation.

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