

LUTRA'S REFLECTIONS ON EIGHT YEARS TRADING AS AN SME.

“No plan survives reality”, (alternatively contact with the enemy). Asked to discuss why the then UK Prime Minister Harold MacMillan is reputed to have replied “Events dear boy, Events”.

Lutra set out to break the business mould in defence and security by adopting a different way of working and relating to customers and clients.

The model called for a virtual company where trusted, knowledgeable associates formed a team, tackled a problem, disbanded and moved on to a new problem with a different team. We aimed to use our network, knowledge and experience to find and advise SMEs on defence and security business by plain spoken advice based on that experience and knowledge. Work could be continuing or “one off”.

Target areas were market access (Into and from UK), winning business, business improvement and best practice. The Chief Executive's history suggested CBRN, EOD, Counter Terrorism, Vehicles, ISTAR, Sports/ Major Event Security and Training/Simulation would be focus areas. We were not going to manufacture anything.

How did the plan and reality match? The first contract we won was manufacturing! Events dictated the manufacturer we were helping's withdrawal from the project for personal reasons. Having passed the PQQ and won the competition we were not going to surrender the opportunity; rapid change of plan, happy customer. SME's are more able and freer to quickly swivel strategy and tactics and do the unorthodox.

It's a fair bet that when that original equipment was specified 7 years ago no one thought about its current use. Lutra thought about it in the design phase and could launch straight into modification and delivery. SMEs have the luxury to think differently. It's not just about the contract.

The manufacturing concept adopted was a springboard for other contracts not a fixed template. It is constantly re-thought for other contracts for us or those Lutra helps. UK Industry is full of SMEs run by people who have left big companies because the culture and structure does not suit them. Often they are innovators or have traditional skills and capabilities not now available in big companies. By networking Lutra brings skills and new technologies to projects that many trade associations, major companies and ministries have neither the culture nor the organization to access or deliver.

Two theories expounded by business schools are minimum manning and short narrow supply chains with the fewest possible suppliers. Major companies have shed skills and suppliers as a result. SMEs operate on a different network to big companies. Concurrently SMEs find ministries and bigger companies treat smaller entities, 1-199 people, as some sort of irritant, disrupting short, narrow supply chains and increasing their number of suppliers. History shows that in a crisis companies modelled on SME's always respond more effectively and much quicker than larger ones. Better several SMEs than a few big companies.

Too frequently big companies are stretched to meet the skills requirements of a manufacturing contract. The SME network can step in. Lutra can help the big company by using its SME network to take up the slack. SME's rely on cooperating as teams not working by the terms of a contract in constant competition with other contractors and their customer, usually big companies or ministries where point scoring is more important than progress. For an SME a project is about skills, technology and teaming with the customer and end user. Falling back on a contract means all of you failed.

The idea behind assisting market entry was provision of marketing and business development advice and help for new entrant SMEs. Lutra still does that. It is a major work generator but we now help large companies who for different reasons are often as bereft of ideas and know how as new entrants. Writing bids and proposals for all of them is a major activity as is market and competitor assessment. We find command of the English language in industry is poor. Writing clear, concise English seems to be missing from those, even graduates, coming through the education system.

Most vehicle work has involved sourcing esoteric equipment, e.g., CBRN and designing it into the final design. Preventing this being an afterthought is a constant struggle. The downstream issues e.g., training, maintenance and logistics are where Lutra is constantly advised clients. The prime's focus is always the vehicle, or other equipment's, basic capability. Many forget that if the vehicle or equipment can't get to the battlespace it is as much a casualty as if it had been hit by the enemy. Lutra's worry is that too much attention is focused on “the platform”, not enough on whole life, the esoterica and the unsexy bits of equipment supply.

UK industry is brilliant at these areas but too often Business School trained executives spend so much time focusing on the platform they miss the elements crucial to operations. It might not be how far it shoots but how well it travels, can you, (yes it's a person not a “resource”), operate it with ease and mend it quickly? Procurement specialists pay less attention to training, spares, maintenance, or decontamination and Without organizational constraints and orthodoxy SMEs can think more freely and comprehensively.

The French may have invented bureaucracy in response to events but the British adopted it, changed it and embedded it in governmental culture. Every form and contract clause is a response to an event and is then kept on long after the event or reason for it had been forgotten about. SME's waste time and effort dealing with government and large company bureaucracy. They are not innovating and being agile as a result. It frightens them away from government contracts. As a rule 50% of the forms are not necessary and the rest are 50% too long and complex.

Events do shape and change business. Who would have thought that CBRN experience would have been brought to bear on pandemics? Who would have thought that right wing terrorism

might become as worrying as Islamist threats or that cyber would be the threat it is? Watching the world, thinking about events and responding nimbly is what SMEs are able to do quickly and without fuss.

It has been good to work with 40+ clients, big and small, in 6 continents in teams of all sizes for short and long projects on; Market Entry, Winning Business, Business Improvement and best practice, CBRN, Counter Terrorism, EOD, Vehicles, ISTAR, Sports/ Major Event Security and Training/Simulation. Not as we envisaged, events saw to that, but we still hate form filling.

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