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Made up of Business Leader, CFOs, Human Resource Strategists, Risk Management Analysts and Technology Experts who deliver World-Class Workforce Intelligence Systems, OrcaEyes is helping their Enterprise 1000 Customers with Business Performance Improvement and Risk Management

Business Services
Business Performance Improvement
Risk Management

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Dan Hilbert
CEO

BIO:
Dan Hilbert founded OrcaEyes in 2007 with the vision of helping organizations run more efficiently and productively through the use of workforce intelligence and planning. For more than 19 years, Hilbert has led Venture Capital backed software companies, some of which were acquired by CA, BMC, IBM and Legent. His experience in leading these companies is reflected in the rapid deployment and adoption of OrcaEyes software and consulting services by such companies as Deloitte, Mercer, Talent2, HCA Healthcare, Bayer, ATK and Nestles.

About OrcaEyes:
OrcaEyes is made up of business leaders, CFOs human resource strategists, risk management analysts and technology experts who deliver world–class workforce " intelligence systems and consulting to businesses seeking to optimize productivity, earnings, costs, quality and manage risks by way of the workforce. OrcaEyes simply monetizes and creates value from company's human capital and business Big Data.

Interview conducted by:
Lynn Fosse, Senior Editor
CEOCFO Magazine

CEOCFO: Mr. Hilbert, would you tell us the vision for OrcaEyes?
Mr. Hilbert: The vision is to measurably improve business performance and reduce business risk. I have had twenty-five years in the business of software companies in areas like supply chain management, refinery management, network management, etc… When I spent sometime around the human capital practice, what really stunned me was the fact that the same tools, business executives use to run nearly every single mission critical function including finances, they do not have any of those tools to optimize and manage what is usually by far their largest investment and their most impactful resource that touches every area. My goal is to deliver that capability to leaderships and executives. Instead of just blindly managing this massive investment without understanding cause and effect and optimization, etc.., and the impact on revenue, labor cost, performance, quality, and customer satisfaction is to make that clear to them scientifically what those relationships are and what options they have to improve the business. One simple example is turnover. Some turnover is healthy related to under-performing employees. In general, most companies accept turnover as the cost of doing business. We are able to define the specific costs of turnover. Turnover of hourly employees results in increased labor costs manifesting through increased overtime and temporary labor. When OrcaEyes correlates turnover to specific areas of business impact, the measurable costs are quite dramatic. Turnover definitively and measurably impacts: revenue, costs, performance/efficiencies and quality – frequently all four of these. Today, without the data to make intelligent decisions, business executives are left to play the shell game. So they accept labor cost increases from turnover of hourly employees and move the ball under the "cost" shell. What they could not see before OrcaEyes was the measureable impact under the now vacant shells of revenue, performance and quality. By using intelligent data to improve simple talent acquisition processes and precisely align their expensive TM software systems, revenue and labor cost reductions are dramatically improved.

CEOCFO: Do you find that most companies today understand the concept or is it still not quite as mainstream as it should be?
Mr. Hilbert: We find that when we deal with business executives, par-

ticularly finance and operations executives, that they understand it even though it is a new concept, because we are using technologies, formulas, and financial disciplines that they have used for decades in finance and operations. As soon as they see this familiarity, they become comfortable with the formulas and the relationships. It is a new view for them, but when they see the bottom line ROIs, it is an easy conversation. When we are dealing with human resources, in organizations where HR has truly been involved in the strategic business of the company, they get it quickly. In many ways, they have been telling business leaders this for a decade or more. Organizations where HR is not truly actively involved in the strategic part of the business, this is a pretty foreign concept to them, because they think in traditionally HR terms of administration, governance, and transactions.

CEOCFO: What are some of the more common situations that your solutions cover and an example of things that people would be surprised could be handled?

Mr. Hilbert: It is very easy for us to give the executives the data and the tools that they need to increase sales in almost any organization between 2-12% in the first year, and this has been true at a Fortune 50 company; over 11% in the first year sales increase. Very quick, very inexpensively, and very minimal change management; just some minor changes and additions to certain talent acquisition and retention processes.

CEOCFO: What are a couple of tweaks that you are making that will have an immediate effect?

Mr. Hilbert: If you use an analogy of a ship and an iceberg, it is not what you see on the surface that poses risks. It is what you cannot see below the water that sinks the ship. Companies do not have any tools right now to be able to correlate measurably and predicatively, and scientifically the performance of their workforce, the demographics of their workforce, the talent acquisition processes, their compensation model, their retention models, their training, their succession planning, their leadership development and retention to actual business outcomes such as revenues, such as operational performance and efficiencies, such as sales, such as customer satisfaction. We give them that data. We gather for them all of their HR data, their payroll data, their benefits data, all of the financial or business related outcome data—this is all about outcomes. We go in and we show them the specific areas of business and finance where they have high risks, and areas they can improve quickly and rapidly. It is the simulation of all of this data that then gets compiled and analyzed and correlated under our platform where then we can come back to them very simply and say, "You have not taken recruiting of your hourly employees very seriously. It is taking an excessive amount of time to fill hourly employees. As a result, your labor costs are 5-6% higher than they should be from excess over time and temporary labor costs, that you could easily reduce by simply addressing and paying some attention to a few minimal processes in recruiting." It is astonishing how much money is being wasted—I mean literally thrown away because they do not have access to the correlations of these individual talent acquisition and management processes to specific business outcomes.

"We provide precision Human Capital like MRIs and CAT scans into what they cannot see and exactly what is going to impact the business and what they need to do. For any investor, whether it is a private equity investor, investment banker, major fund manager or whether it is a company looking to do an acquisition, pre-acquisition or post acquisition, or simply trying to reduce costs and risks or improve sales and operational performance, these are intelligent decision making tools that have never been in the hands of these types of executives before."- Dan Hilbert

CEOCFO: Are there specific industries you work with more than others or are areas of focus?

Mr. Hilbert: We have over forty-five Enterprise 1000 customers now in fourteen different industries. The industries we have the largest number of customers are: healthcare, energy, utilities, and insurance. We designed our service delivery model so companies can try our solutions for free or at very low cost points. Our upsell to full Enterprise solutions is over 85% from our introductory offers- low to no customer risk and high upside value to customers. As a result, we have over a hundred seventy-five data sets of Enterprise 5000 companies. In healthcare alone we have over sixty-five hospitals. We are able to correlate all of that data right now to specific high-value business outputs defined by executives in specific industries; profitability being one if you are a for-profit organization, margins being another; efficiencies of service, qualities of service being another. As a result we provide specific solutions to executives including root causes and drivers related to specific elements of the workforce which they have never been able to see before and consequently unable to effectively manage. In healthcare, energy, manufacturing and utilities, we now have subject matter bodies of work where we know specifically which are the ten biggest Human Capital liabilities and areas of improvement and risks that as an industry companies share with for competitors and Solutions to improve measurably.

CEOCFO: How do you reach potential customers?

Mr. Hilbert: Primarily through our customer referrals. In six years we have only lost one minor customer because it went bankrupt recommendations from industry analysts and recognition from the awards our customers have won using OrcaEyes and the awards we have received from the dedicated work of the OrcaEyes team. All of the top industry analysts have reviewed our technologies. A third of our business comes through analysts' recommendations to their clients. We have developed seven channel partners—significant channel partners in Mercer, Deloitte, and Talent2, the largest Human Capital consultancy in Asia-Pacific. In fact, we have competed for these partners against the likes of IBM, SAP, Oracle, SAS, Success Factors, Taleo and Visier. We have yet to lose. The result last year was 380% year over growth.

CEOCFO: How do you continue on the same growth path?

Mr. Hilbert: Having 25 years of experience leading mission critical software companies from industry baby steps to maturity, I know the endgame, the ultimate enterprise solution. For a close frame of reference, let us look at Supply Chain Management. It took nearly a decade for all the individual components to mature: Six Sigma manufacturing, sophisticated logistics planning software, inventory control and materials acquisition. Then a powerful management platform was developed on top of the individual components which could now be unified, managed as a single entity, proactively aligned to customer demand, competition and changing global economic conditions. Our leadership team decided to bite the bullet and build the full management platform with modular individual components. It was expensive, painful and took 3 generations of total re-writes. And now we deliver specific value propositions for business leaders – very fast. Once they understand the basic concepts and we have access to their data, do the analysis, we discover opportunities that they have not seen. The sales process is easy and quick thereafter. When addressing senior business leaders, the sales questions are almost rhetorical: "Are you interested in increasing revenue quickly at virtually no cost and little change management? Improving operational efficiencies? Sales revenue by 5%? Of course the answer is yes. And with our free and low-cost proof of ROI solutions, the pace of sales is escalating rapidly. I will give you a couple of examples of how this plays out. We did an assignment for a major retailer. They wanted to find out if employee management satisfaction scores—satisfaction that employees had with their store managers had direct correlations to same store sales, to return customer satisfaction scores, thefts and profit margins. They had brought in a third party company to do analysis surveys of employee satisfaction. Our solutions discovered what was kind of expected, that store managers who had employee satisfaction ratings of 85% above generated high levels in all four of the business metrics that they wanted to analyze. Something else popped out that was very surprising. There was another group of store managers that did not have near that level of employee satisfaction; that were more in the range of 65-70%, generated equally as high business outcomes in the four metrics, if not higher. What was the difference? The difference is that those groups of managers retained all of their top performing employees. They did not lose top employees under any circumstances, and they actively eliminated low performers out of the organization quickly. They may not be as popular with the low performers as the other set of managers, where everyone loved them, but they kept their top performers and achieved the same business resolve. From there led to analysis of labor cost; it also lead to analysis of the types of people being recruited by the different managers, the backgrounds, the experiences of the different managers and where they came from. It made them take a look at and change their compensation model because they all realized the value of their top performers. We quantified a specific value to all four business outcome metrics of top performers versus low performers. Once we get in the front door, then the business leaders themselves as soon as they understand the basics, drive more and more analytics and solutions to make intelligent decisions on drivers which were previously hidden and consequently unmanageable.

CEOCFO: Do many of the companies you work with take advantage of the full range or do they pick and choose from your services?

Mr. Hilbert: Pick and choose. But what we have done in healthcare and in utilities is gaining traction very quickly, and that is where we go into an industry and we get a minimal subset of the human capital employee data. Then, based on what they deem as executives to be important on terms of business outputs, we then benchmark them across a series of metrics. And this is not simple metrics like turnover. This is specifically the types of people, and the skills of the people, the experience levels, the tenure levels, and the performance rankings of the turnover then correlate to these business metrics. Is aging demographics a problem? Well, what does that mean? What it means is the size of your VP pools, your director pools, into all of your feeder pools, to your manager pools, to your supervisor pools; and what kind of turnover rate is each pool having, and what will each pool look like within three to five years; and how much of that is going to be impacted by the retirement of the aging workforce. It is getting a very specific and defined definition of what that really means, and what that really means to them. Same thing applied to sales: What about aging demographics to sales reps? What we know in the energy sector is some of the most successful energy organizations—average sales reps are over fifty-five years old. One of our companies, 72% of revenue is generated by sales reps that are sixty-two years of age and older of whom almost 85% are fully retirement eligible today. We define specifically what aging demographics could mean to them in terms of problems to the organization, instead of some broad category; and then create and compare them in benchmarks inside of each industry sector.

CEOCFO: Are there items or areas you would like to be able to provide data on that are not yet available?

Mr. Hilbert: Definitely. As discussed earlier, we are helping them improve individual business outcomes and specific processes right now in areas in which they have never been able to do. For example, like logistics in Supply Chain Management it becomes Just-in-Time talent delivery. Instead of materials cost it becomes labor costs. Instead of defective products it becomes managers who consistently drive-out top performers from the organization. It is significant, the ROIs and the risk reductions are often massive and can only be conveyed through the numbers to be believable. Companies will spend huge amounts to get a 15% return on a potential investment in a capital outlays where for virtually no cost they can get 20%-200% improvement in their human capital outlays right now; just simple process and, procedures. When you put all of these pieces together, what you have is Walmart. What you have is Just in Time Manufacturing. What you have is Hewlett Packard. What you have are the absolute elite dominant leaders that have taken supply chain management and embedded into their basic business model to become dominant in their industry. The same thing is going to happen with those companies that are able to best optimize and manage their entire workforce. That is going to take a period of time of evolution of the business leaders wondering, “Wow! We can improve finances. We can improve sales. We can improve operational performance. We can improve customer satisfaction. We can reduce accidents.” As those departments start to share information, they will see that the sum of the parts are far greater than the individual results for overall business outcomes. In addition to the 5 major industries in which we have enough data to go into new clients with subject matter knowledge of specific high value and high risk problems endemic in their industry, we want to expand these knowledge based solutions across a half dozen additional major industries. That requires more company data. OrcaEyes is about measureable data. Our success is built upon our ability to process complex and often problematic and data, in large enough samplings while applying high standards of financial rigor to meet the acceptance standards of CFOs, CEOs and COOs. Hunches are not the commodity we exchange with senior executives. When Big Data is compiled and analyzed effectively, the data tells the stories, often surprising, and ultimately now actionable.

CEOCFO: Why should investors and people in the business community pay attention to OrcaEyes?

Mr. Hilbert: I will tell you exactly why investment and business community pay attention. Because for the first time we can go in with our analytical capabilities and tools, and we can tell a company whether this is going to be a good investment, of high shareholder return or high value. We can show them exactly where they are going to have risks in their leadership teams and their critical positions. We are going to show them where they are going to have challenges in their ability to get external talent in the business units they want to grow. We show them how this translates into sales revenue, costs, margins, customer retention, accidents and operational performance. And with predictive modeling and scenario planning, we give them the ability to mitigate potential risks before they become business problems. We also provide them tools to do precision performance downsizing, instead of the tools that are being used right now by the big players like Bayne and Hay Group that are the best there is out there right now. But these are literally stone-age tools. We provide precision Human Capital like MRIs and CAT scans into what they cannot see and exactly what is going to impact the business and what they need to do. For any investor, whether it is a private equity investor, investment banker, major fund manager or whether it is a company looking to do an acquisition, pre-acquisition or post acquisition, or simply trying to reduce costs and risks or improve sales and operational performance, these are intelligent decision making tools that have never been in the hands of these types of executives before.

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