

# CONSULTING

M A G A Z I N E

# Seven *Small* Jewels

*Their client lists include a roster of corporate giants any global consulting firm would be proud of, yet they have neither the workforce muscle nor the geographic footprint so many clients today demand. Here's why seven pint-size consultancies are in a class by themselves.*

# Archstone Consulting LLC

Founded: 2003 • Stamford, CT

When distinguishing Archstone Consulting LLC from its competitors,

CEO Todd Lavieri, 42, begins by describing what his young firm does not do.

Archstone does not do large ERP or CRM implementations. Archstone does not do pricey PCs or first-class airline tickets. Most important, Archstone does not seek to be a miniature version of Deloitte, EDS, BearingPoint, Accenture, or any of the other consulting firms that seeded the firm's all-star collection of principals. "We are not going to create a company where the \$1.5 million partner manages the \$1 million partner who manages the \$750,000-a-year partner who does the work," says Lavieri, who helmed Deloitte Consulting's manufacturing practice before private equity firm Lake Capital lured him to start Archstone Consulting in June 2003.

Lavieri sees "\$1.5 million partners who haven't seen a client in five years" as a thorny challenge confronting the industry, and as a major opportunity for his firm. Archstone's back-to-basics approach — principal Carrie Shea describes it as "strategic consulting with an operational flair" — and its emphasis on independence and objectivity have so far attracted clients and consultants. Based in Stamford, CT, with offices in Chicago and San Francisco, the firm offers business and marketing strategy, organizational effectiveness, supply chain management, sourcing, procurement, telecommunications, and IT strategy expertise to clients in the manufacturing, consumer packaged goods, life sciences, and business and consumer services sectors.

"I think that we hit a vein," notes Lavieri. "I'm not sure if we could have arranged the meetings we've had so far if we were still with our previous firms. That speaks well for

the boutiques — if you bring the expertise, clients are interested. They don't automatically like the big heavy anymore."

Archstone promotes its lean project teams, high return on fees, creative cost structure (roughly 25 percent of current projects include some form of fees at risk), seasoned senior team, and independence from an accounting, IT, or outsourcing parent firm.

To date, the new firm has received about 1,000 applications. Lavieri believes that Archstone's focus on fundamental consulting principles, private equity backing, and a lean approach — "We like big houses and small offices," he says — resonates with consultants who are as weary of large and lengthy engagements as their clients are.

Candidates who stand the best chance of joining the firm's 125 (and counting) consultants must be smart, experienced in the industries in which they plan to operate, and collaborative. "We've taken a pass on some really, really good consultants from other firms because we thought that it might not work culturally," says Shea, who stresses that much of Archstone's strategy work cuts across multiple functions and areas of expertise.

The vast majority of Archstone's next 50 hires will be below the practice-leader level. Lavieri hopes that a staff dedicated to roll-up-your-sleeves strategy and operations consulting will propel Archstone in accordance with his five-year plan: a \$200 million firm with 500 to 600 consultants, a couple of European offices, and an Asian presence by 2009. If his team does what it says it will — and refrains from what it says it will not do — that growth should be a breeze. — *Eric Krell*