ROI at Work: Organizational Transformation

Bev Cawthon’s former Executive MBA instructors love receiving her e-mails. A recent one read, “Business is exceptional in Nashville, and 2010 is expected to be the best year ever—with expected growth at least 45 percent over last year!”

Enthusiastic reports from Cawthon have been a regular occurrence since she graduated the program in 2005, as she and her colleagues have transformed a small forensic toxicology laboratory with 30 employees into a rapidly growing, highly esteemed company focused on healthcare and forensics that employs 286 people.

Cawthon is vice president of business operations for Aegis Sciences Corporation. Located in Nashville, Tennessee, Aegis (pronounced ee’-jis) specializes in laboratory services for sports organizations, medical examiners, crime labs, physicians, pain management clinics, and employers worldwide.

Cawthon first became associated with the University of Tennessee’s Center for Executive Education in 2004 when she attended lean and process improvement courses and earned her Black Belt certification.

“Bev and her participation in the University of Tennessee’s programs have transformed this corporation,” says Aegis president and CEO David Black. “In 2005, we were a very small company that considered itself successful if the lights were still on at the end of the day. We didn’t have two extra nickels to rub together, so sending Bev to the Executive MBA program at UT was a tremendous act of faith. To be honest, I just hoped we would see a $10 return for every dollar we invested in Bev’s MBA program. As it turns out, our return has been more than $2,000 for every dollar spent.”

According to Cawthon, the Executive MBA program’s emphasis on hands-on application of learning, primarily through the year-long Organizational Action Project (OAP), was the catalyst for change. “Aegis in 2005 was a group of scientists (myself included) who were trying to run a business on gut instinct. The program gave us the tools we needed to transform Aegis into a well-run business with endless opportunities for growth. The OAP project, which involved our entire executive team, was particularly instrumental. We went through a thoughtful strategic planning process to determine how best to accomplish the growth of the company.”
Cawthon’s OAP produced the company’s first real business plan and spawned a new management approach, a new business structure, a well-defined marketing strategy, and innumerable additional strategies for improvement.

Cawthon cites two areas of focus that were most instrumental in the company’s transformation. “First, on the marketing side, we identified and added a new service segment—Pain Management—that is one of our largest divisions today,” Cawthon says. “On the operations side, we introduced new information technology that enabled us to reduce our analytical cycle times, resulting in improved laboratory productivity and greatly improved service to customers.”

“Thanks to Bev and her work with the University of Tennessee, we have a completely new attitude and much higher expectations of our company,” Black says. “We are deeply committed to being the best toxicology laboratory in the healthcare and forensic markets, and if we continue to work our plan and build on what we have learned, I see no limit to what we can accomplish.”