

ALIGNING EXECUTIVE TEAMS FOR STRATEGIC CHANGE

When Jan Paul DeVries recently became CEO of DSM Desotech, a growing chemical company, he realized that the change was going to be tough on his management team. His predecessor, Ken Lawson, had founded the company, and senior managers were apprehensive about what it would be like to work under anyone else. In addition, DeVries felt that “our systems and ways of dealing with each other hadn’t grown at the same speed [as the company].”

Since Lawson already had worked with a consultant on change management issues, he suggested that the company get outside help in making the CEO transition and aligning the eight-member management team around the company’s goals. The results exceeded DeVries’ expectations. With the consultant’s help, the team identified their individual strengths and weaknesses, developed a higher level of trust in one another, and found a more efficient way of managing the workload.

DeVries is convinced that the work with the senior management team is positively affecting business outcomes. “I don’t see infighting or a lot of politics. We are all focused on the same things,” he said. According to DSM Desotech’s VP of human resources, Albin Sikora, “The consultants moved the team from Phase 1—“everyone does everything all the time,” to Phase 2—“you can delegate tasks to different people. That doesn’t happen automatically.”

When change occurs—a new CEO, a merger or IPO— how do you get the senior management team to work together effectively? The first step, according to consultant Karen Boylston, is to set the team’s direction. “The team needs to clarify its goals, make sure members understand their roles and determine how it wants to operate,” she said.

The next step is to enhance the team’s dynamics by making sure members understand the value of clear, honest communication. “It’s not unusual to have disagreements, but if the team commits to a process of quick ‘clean-ups’ it can minimize the impact,” Boylston said. She teaches a four-step conversation process for clearing up disagreements:

- Identify the burning issue
- Explain its impact on you
- Say what you need from the other team member
- Check to ensure that you both have a commitment to move ahead.

Boylston noted that it is important for individuals to practice “powerful acknowledgement”—acknowledging what you value, appreciate or have learned from fellow team members.

The third piece in building an effective team is to address its design. “The team needs to discuss what’s working well and what isn’t relating to structure, processes and systems, and put together action teams to create solutions,” Boylston said. DSM Desotech, for example, changed its process from having the entire executive group make every decision to creating “wealth stewardship” and “wealth creation,” teams, each with their own responsibilities.

Contrary to what one might expect, dysfunctional teams usually are not the result of personality conflicts. “Three out of four times, the issue is less interpersonal dynamics; instead things such as goals, roles, processes or systems are out of alignment,” Boylston said. “I like to see what the directional or design-related issue is that may be causing the problem.”

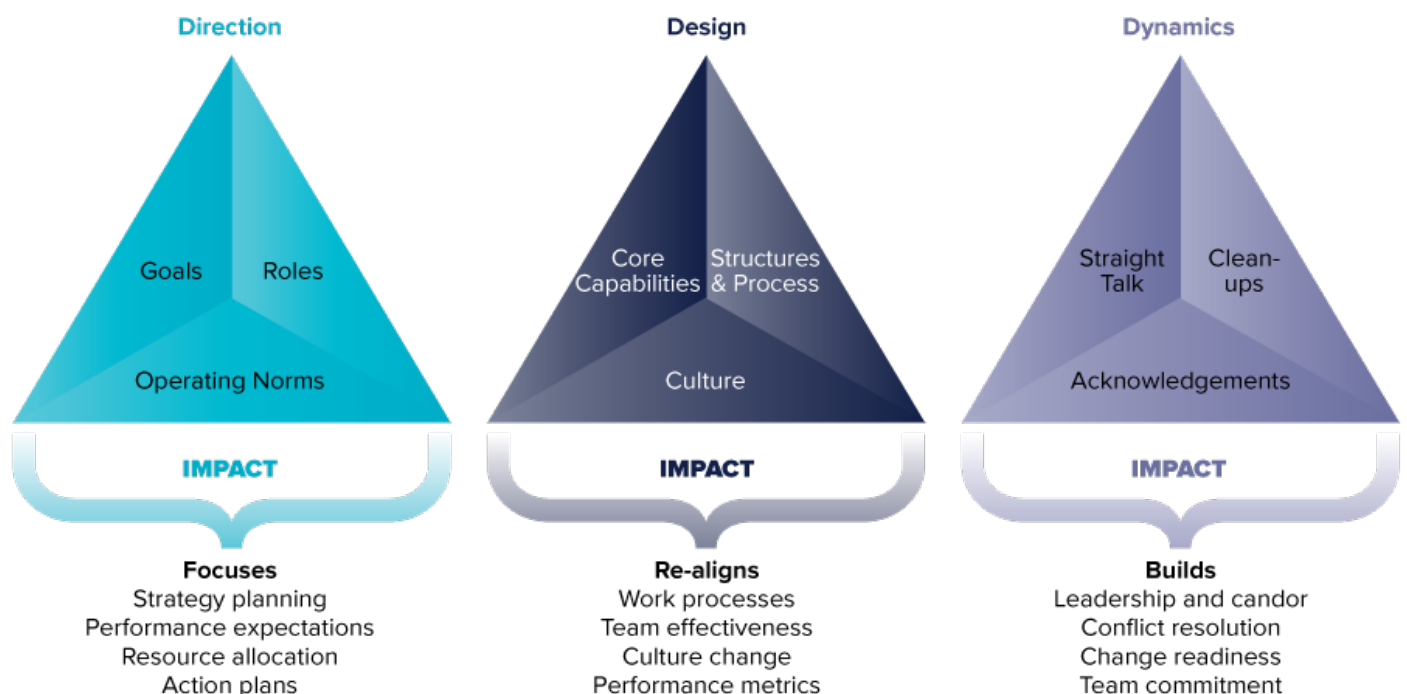
The alignment of the senior executive team is a critical factor in how the organization is going to perform. “When we work with clients we are able to have them align their teams and senior leaders to drive better performance throughout the organization,” Boylston said.

Team alignment work at Universal Underwriters Group has resulted in several major new accounts, for the company, which focuses on insurance for franchise auto dealerships. Senior vice president Curt Starnes, Universal’s chief legal officer, said that facilitated team building efforts are “very important for the continued success of our business.”

Boylston worked on team building for Universal’s senior management group about a year ago, and more recently with the legal and governmental affairs team that Starnes leads. According to Starnes, the work has enabled the groups to come together as teams, “as opposed to individual functioning elements of a corporate entity.”

While it is still early to see the business results in the legal affairs team, Starnes said, “I can emphatically state that the level of trust and cooperation has improved to a wonderful extent on the senior level team over the course of the last year.” He added, “Each of the participants has a more accurate, objective view of their peers and a better understanding of why we may see issues differently... The key is to be able to produce the optimal results with all that diversity.”

TEAM ALIGNMENT PROCESS



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