

Table IV:3 – Example of Engagement and Agreement Conversation

The Transitioning Business (TB) had scheduled interviews with various consultants as a result of an ultimatum from the We Have Had It Investors. The ultimatum was that TB gets outside help or Investors no longer would invest in TB.

One of the consultants that TB phoned was an organizational development consultant, OD Bob. In that phone call, CEO Ed explained that TB needed a consultant for a variety of services, including strategic planning, business planning and overall financial analysis. Ed added that whatever it took to get more money right away was the most important need. OD Bob agreed to attend an interview and mentioned that he would send information about himself to TB beforehand. OD Bob’s information was about his experience and credentials, his mission and values as a consultant, his priority on a collaborative approach, and his focus on systems and learning in organizations. He also asked that materials about TB be sent to him before the interview.

Ed, OD Bob and members of the Board’s Search Committee attended the interview. Ed began the interview by welcoming OD Bob to TB. Ed explained that TB had some current challenges that needed a consultant. He said that mostly TB needed cash right now, so that would be the most important priority. He added that a local investor, the We Have Had It Investors, had made major investments in TB in the past. He explained that Investors had also wanted TB to produce a Strategic Plan and a Business Plan for each of TB’s major products and services. He mentioned that employees in TB were already very busy serving customers, so they did not have a lot of time for a consulting project. He asked OD Bob if he could raise the cash, then write the Strategic Plan and the business plans. The members of the Search Committee were noticeably quiet so far.

OD Bob responded by commending TB on its past performance. He clarified that, by performance, he meant TB’s effectively meeting the needs and wants of its customers, resulting in strong sales for TB. Then he summarized back what he had heard Ed say during the past few minutes. He said that he recognized that TN had a variety of challenges, and that he believed he could help TN. He said he had some quick information and questions to share with the participants, but first he wanted to quickly review how he worked as a consultant. Then OD Bob quickly reviewed his mission, values, and collaborative and systems approach.

Next, OD Bob posed some questions. How had TB concluded that it had problems? How had the problems affected the rest of the organization, such as the Board, employees, products and services, finances and evaluations? What had TB done in the past to resolve the problems and what were the results? What had TB learned? How had TB managed change in the organization?

Ed did all the talking. He explained that TB had a lot of customers who were buying a lot of TB’s products and services, but that that level of sales required a lot of money from TB. Ed had been very successful in getting money from various investors in the past, but now they seemed to be getting pickier. He explained that Investors had turned down Ed’s latest request, wanting to see strategic planning and also business planning for each of TB’s major products and services.

Ed added that it seemed like TB now had one problem after another, including lack of cash, Board members and employees leaving, and people bickering in the workplace all the time. Ed asserted that he had a very good Board, though, adding, “The members are always there when I need them.”

Table IV:3 – Engagement and Agreement Conversation (Cont.)

OD Bob again summarized what he had heard Ed say. Then OD Bob asked if he could share another perspective on TB’s problems. He suggested that problems, such as cash shortages and conflicts, were recurring because efforts to resolve the problems so far were not really getting at the root cause of those problems – instead, people were dealing with the symptoms.

OD Bob went on to explain, “There is a cycle of activities that happens in organizations. The cycle starts with overall planning, then developing resources, and then doing the day-to-day operations. The learning from those operations feeds back into the overall planning. All parts of the cycle are interrelated. If any part of that cycle, or system, is not well attended to, other parts of the system have problems, too. For example, recurring problems with developing resources, such as getting sufficient funding, often are symptoms of poor overall planning. It is no one’s fault really – people are so close to the day-to-day activities that they lose perspective on the overall situation. To fully address those recurring problems, we need to ensure that the overall cycle of activities is aligned and completely focused on achieving specific goals in the focused on performance.”

OD Bob headed off participants’ concerns by adding, “Many times, people are concerned about that systems approach because they worry that it takes too much time. However, as they develop as leaders, they realize that a systems approach isn’t working harder, rather it’s working smarter – and in the long run, they’re actually saving more time because they are dealing with fewer crises.” OD Bob finished by saying, “TB has been so successful that it has outgrown its way of doing things – now TB needs to firm up its internal foundation so it can support even more of the rapid growth that you had before. You all get a lot of credit.”

Ed seemed quiet for a while, as did the Board members on the Search Committee. Then Ed turned to the Board members and asked, “What do you think?” After a few seconds, the Board Chair responded, “Ed, I think OD Bob is on to something. It seems like we’re always having crises where we’re short of cash. Each time, you work yourself to exhaustion getting TB more money, but then we’re soon out of money again. It seems that if we work to get more money again right now, we’ll just have the same problems in the near future. We’ve got to do something different, Ed. However, I’m not sure I understand everything here, though, Bob.”

Ed added, “I’m not completely clear either, Bob. I’m still not completely sure that we shouldn’t just focus on getting more money right now. Why not?”

OD Bob replied, “Respected investors probably won’t give you much money, especially on an ongoing basis, unless they see your Strategic Plan. They want the Plan because they want to know that the business knows where it wants to go. They want to know how their investment fits into the business’s overall plans. But to create a really good Strategic Plan, the Board should be involved – planning is a major part of the Board’s responsibility. That sometimes requires briefly reminding the Board about its roles and responsibilities. So there are other things to attend to before asking for more money.”

Ed said, “OK, supposed we hired you. I’m still not sure what you would do.”

Table IV:3 – Engagement and Agreement Conversation (Cont.)

OD Bob said, “I highly recommend that we collaborate to do a quick, highly focused assessment of all of the most important activities in your organization. The results of that assessment can be used for us to develop some specific and realistic, but flexible, action plans. Then we’ll collaborate to implement those action plans until we’ve addressed all of the issues from the assessment. I’ll coach and guide you through all phases of our project. The project will produce the Strategic Plan and business planning for each of your products or services.”

Ed said, “I’m not sure that I want my people doing an assessment. They’re very busy.”

OD Bob replied, “We want to always be realistic and flexible with your extremely busy employees. So that assessment might need only an hour or so from each of your leaders and Board members for now. We’ll collaborate to design the assessment together. There are numerous benefits to that assessment. It will point to the root causes of problems in TB. It will energize Board members and employees and get them focused on the project. It will provide information that we can give to the We Have Had It Investors to show them that we are spending their investment wisely. We’ll keep the assessment practical and useful.”

OD Bob added, “During the project, I’d like to regularly meet with you and a few other people who are the decision-makers in the project. I call them the Project Team. I would collaborate with that Team to guide the development and implementation of the various action plans from the project. The Team would ensure that the project remains extremely practical and useful to TB. I would provide regular written reports to the Project Team, too. Again, I’d provide ongoing coaching with a focus on managing change and capturing learning.”

The Board Chair asked OD Bob, “Do you really think we’re ready for a project like this?”

OD Bob thought for a few seconds, then replied, “Any organizational change project needs certain things for success. It needs clear action plans. Top management has to consistently show support for plans. We need to intentionally manage the change process. The more stakeholders are involved, the more successful the project will be. We need to remain open and honest with each other. We need to keep an open mind about what we all decide and what we’re learning. We need to focus on performance – high-quality products and services to your customers. We need to carefully manage the change in TB. Do you think TB is ready?”

For the next few minutes, the participants talked about whether TB was really ready for a major project. Ed asked OD Bob how much time the project would take from the Board and employees. OD Bob suggested that he provide a detailed proposal, and all agreed. The next week, OD Bob sent a detailed proposal, along with materials about organizational change. Two weeks later, TB selected OD Bob. A week later, they signed a contract.
