

PROVEN ROI ON TEAM AND INDIVIDUAL COACHING
(TRANSFORMING CULTURE FROM 1950 TO 2017 IN THREE YEARS)
CASE STUDY

Core Theme of Intervention: Building an autonomous, engaged, and high-performing workforce

Reason for Intervention: Corporate acquisition

Outline of Project: Executive Coaching of the CEO, Senior Leadership Team Building, Transition Coaching for three Directors

Outcomes: CEO turns around a manufacturing subsidiary of a global engineering company from worst performer to the global leader in Health & Safety and Sales by developing a forward-thinking and engaged workforce.

In late 2013, a German CEO turnaround expert was appointed to an acquired manufacturing subsidiary of a global engineering company. Over three years he transformed it from worst Health and Safety site to the leading site in Health and Safety and Sales by developing a forward-thinking and engaged workforce.

A team of four coaches and consultants from Talent Futures:

- Coached the CEO as he transitioned from turnaround expert to steady-state leader.
- Provided four team building workshops to the senior team over a 15-month period.
- Provided transition coaching for new Directors.

One measure of the value of the outcomes came the week after the third workshop. The CEO and directors decided to use their newly acquired ways of working together to address an ongoing manufacturing problem. Previously, each time a particular part was manufactured, it failed to meet specifications and the run would have to be scrapped. Despite numerous adjustments they had made to try to solve the problem over the past several runs, the same defect was occurring. This cost them €250,000 every time the part was made. Prior to the leadership workshop, they thought they would have to outsource the manufacture of this part. Using the new challenge and discussion methods, however, the team solved the problem within a week and has consistently and successfully manufactured the part since.

EXECUTIVE COACHING OF THE CEO, 2014-15

The CEO had previously transformed other subsidiaries for the British company. This challenge was different, however, in that he was also expected to make one of the hardest leadership adjustments—from transformation specialist to steady-state engagement leader. In February 2014, a Talent Futures coach was hired to help him with that adjustment.

Previously, the German company was a family-owned stand-alone business with a 150-year legacy of command-and-control leadership. Investment in the business had been non-existent and employees had been encouraged to “make do” with what they had. Tools were hoarded, equipment requisitions unheard of, and safety problems hidden lest they raise the ire of the owners. Performance metrics were not kept. Cigarette butts littered the site. Unpurchased product, more than 500 tons of steel, rusted in an outdoor lot. Unsurprisingly, the company was embroiled in no less than seven court cases. The former managing director and senior manager founded a new company, intending to compete with the old company, and began to siphon off the top talent and steal patents. The company had been over-valued and the CEO began his tenure with a multi-million pound deficit.

The CEO hired a new CFO, a new General Counsel and an additional external lawyer to handle the court cases. He focused on employees by implementing some clear Health and Safety performance ground rules and instructed them to order the tools they needed. To signal change in ownership, he installed a new break room and facilities for employees. He also took to walking the shop floor every shift. Wary of the changes, employees not only did not request tools, they did not even use the new refrigerators provided in the break room. During a tour of the facility for the coach, conducted by the CEO, workers withdrew from view and avoided eye contact. The four-storey manufacturing building built in 1850 was so dark and gloomy, it was easy to imagine birds nesting in the rafters.

The CEO normally achieved fast-paced transformations by spotting talent several levels down the new organisation, and then promoting them and mentoring them. With his global experience, focused attention on the talented, imagination, long-term thinking, dynamic and direct personality, and an inability to be offended or put off by criticism, the CEO was usually welcomed if not idolised by those promoted. It was also true, however, that he was often resented by those who did not bask in his spotlight or who were more pre-occupied with day-to-day details. Previously that had not mattered to the CEO as once the transformation was achieved, a new CEO was brought in to run the steady state while he went to the next turnaround assignment. This time, however, he was asked to transform the subsidiary and develop the leadership team for the long-term.

The CEO had to win the trust of the workforce first before anything would change. Unfortunately, to the workforce, the CEO seemed only to be another command-and-control leader. They consequently did nothing different than before unless they were given a direct

order. The CEO, however, declined to give too many direct orders, other than those health and safety related, and was insistent that change needed to come from within. He quickly became frustrated when even his newly promoted and externally hired management team continued to defer to him on the smallest of matters. As is often seen in organisations, *the culture of the old organisation was usurping the new strategy and approach.*

The coach discussed the CEO's personality psychometric results with him and together they worked on understanding how his behaviours could be interpreted by the workforce and adjustments that he could make. They also had a number of sounding board sessions where the CEO worked through his challenges and ideas for change. Throughout this time, the CEO was often travelling as he was covering the absent Marketing and Sales Director role, which was proving hard to fill. With clients as far-flung as China, it was particularly difficult to lead the change initiative, but also beneficial for ensuring the management team had to step up to the mark.

Outcomes

Eventually changes began to take root. The management team rallied round the CEO. Some success with engaging employees with ideas for process improvements also was evidenced. A cleaner, safer, better equipped, and more organised shop floor emerged. After the first year, the CEO was able to turn his attentions fully to developing the leadership team.

SENIOR LEADERSHIP TEAM BUILDING (SEPT 2014-JANUARY 2016)

In his second year, the CEO reduced the size of his leadership team to seven, set some new and ambitious KPIs, succeeded in gaining a capital investment for building upgrades and an additional building onsite, and engaged Talent Futures to work with the leadership team and coach some of the Directors who were making large transitions in scope of their roles due to the restructure.

The team that year focused on introducing lean manufacturing, further improving Health and Safety, speaking with one voice to all stakeholders, adopting a more strategy-oriented and solutions-focused mindset, instituting key stretch targets, and engaging the workforce with measuring results.

Phase One – Establishing Trust Together, September 2014

A German-speaking Talent Futures consultant ran a one-day teambuilding workshop with the senior leadership team members and their direct reports. This workshop clarified team members' individual work preferences and fostered stronger working relationships. The CEO noted greater teamwork onsite after the workshop.

Phase Two – Implementing the Restructure, January 2015

The Talent Futures consultant facilitated a two-day team building workshop for the senior leadership team of seven people as they stepped into their redesigned roles. In the workshop, the team developed a detailed rollout plan for the new structure, the writing of the one shared message to stakeholders, and the review of key skills for making the rollout a success.

Phase Three – Consolidating the New Organisation Structure and Teamwork, 2015

Throughout the rest of the year, Talent Futures continued to support the leadership team in three specific ways:

1. Additional German-speaking Talent Futures coaches worked with three of the Directors on the leadership team most affected by the restructure: Engineering, Projects, and Operations. Additionally, each coach worked with the three directors together to help them form a unified approach to their work.
2. The senior leadership team were observed in a team meeting by their consultant and received feedback to improve their productivity in meetings.
3. At the end of the year, the Talent Futures team survey was administered to the senior leadership team and the CEO. The resulting information informed the design of a third workshop in January 2016. The workshop was conducted over two days and shared the results of the survey, introduced new ways of resolving difficulties, and focused the team on the next level of teamwork.

Outcomes

The team achieved the following from January 2015 - January 2016:

1. A greater willingness and ability to engage with and challenge each other.
2. A shared responsibility for strategic thinking, creating solutions, and communicating a unified message to stakeholders.
3. Manufacturing process savings in excess of €250,000, as previously outlined.

Continued Achievements and Breaking New Ground, 2016

In 2016 the organisation had a remarkable achievement. Of all the manufacturing sites across the global parent company, they were cited as having the highest standards for Health and Safety, even exceeding that of a newly built plant in the United States. This achievement came *prior* to their own badly needed building renovation. Sales were up as well. The coaching for three Directors concluded, and the leadership team continued to achieve together. With the inevitable slight changes in team membership that are indicative of all fast-paced organisations today, the team ethos remained positive, intact, and future focused. The CEO was increasingly called upon to attend to business in other regions, and the team functioned effectively in his absence whilst retaining the flow of communication with him.

POST-ENGAGEMENT OUTCOMES, 2017

In 2017, the Talent Futures leadership team survey was administered again and significant improvements over the previous year were seen. The team worked with the same Talent Futures consultant in a workshop as they affirmed and refined their ways of working together. By March, the order intake for the company was up by 50%. Later in the year, the CEO and management team succeeded in winning the single biggest order the global company had ever known. Thankfully, the new manufacturing flow on the shop floor and additional building had been completed just prior.

The CEO's coach and the team consultant visited the site together in June and were given a tour. The entire location had been transformed. The grounds were impeccably maintained and had a welcoming and modern feel. The shop floor was unrecognisable. The main building, originally built in 1850, now seemed as modern as they come, with the exception of the original glass skylights now clearly visible. Lean A3 sheets and KPIs were the focus of active discussion amongst the workforce as they pulled together to achieve stretch targets. The manufacturing process flow had been completely redesigned, and was easily followed through the conjoined buildings. Brightly coloured bins and signage identified small parts and tools needed and were located at key points throughout. Large equipment had been freshly painted to easily identify core components and increase visibility and safety. Employees wearing up-to-date safety equipment, smiled at us as we toured through, several were sweeping the floor and cleaning equipment as they finished up a shift.

One of our tour guides was an employee of 16 years, the other of 3 years. Both conveyed a strong sense of pride in what the organisation had achieved thus far, along with clear conviction and determination of all there was yet to accomplish, and told us excitedly about the plans they had. The company was now recognised as best-in-class and was known to be a highly desirable place to work in the region. Due to the success stories, employees from other companies in the region had joined. Some of the old employees who had previously left to join the former senior manager, had now returned.

After the tour we met the CEO in his office. He looked several years younger, and was full of stories that further demonstrated the progress they had made. Together we discussed the latest piece of work we had recently begun together. He had commissioned some team coaching for the Engineering management team. They had begun only recently, and were off to a good start.