

Partnering with a 3rd Party on a Leadership Team

to Help Facilitate Change

IRONSIDE
& ASSOCIATES





“From facilitating executive team meetings to leading organization-wide change, we partner with clients to achieve results that drive growth, succession planning, or sustainability, depending on what matters most or what is right for their organization.”

– JULIE JACOBS

Change is calling. And how an organization answers the call can make all the difference. Organizations that thrive on every level navigate change with a steady hand – rather than react to it. And sometimes, partnering with an outside expert, such as an Organizational Development (OD) consultant, can help clarify strategic focus and cut through established norms to improve efficiency.

Organizational development is an effort by companies to examine their policies, resources, and financial goals from the top down to affect positive change throughout the organization using behavioral-science knowledge.

Julie Jacobs, founder and principal consultant at Ironside & Associates, a consulting firm offering strategic organizational development for C-suite executives and founders, believes the consultative approach of getting to know and working directly with a leadership team can not only help facilitate change, it can long-term pay dividends. Jacobs focuses her work with small and mid-sized privately held companies, where she joins her clients’ executive team meetings as an active member.

“An OD and change management expert has the ability to lean in when working within an executive leadership team,” Jacobs explains, “to see what individual executives might not be paying attention to because they’re focused on their team or their own department. The critical part for executives, when you’re on a leadership team, is to remember that that is your team. The individuals around the table have to be rowing the boat together. Your true team is those peers, not the people that directly report to you. My role as a consultant is to help individuals recognize and embrace that.”

As an active member of an executive team, an OD consultant like Jacobs brings an informed outsider’s view that is especially valuable in facilitating two fundamental types of business change:

- Amplifying focus on potentially overlooked opportunities
- Facilitating new thinking during times of reorganization or evolution

This white paper explores the benefits and potential outcomes of partnering with an outside OD consultant including objectivity, strategic clarity (and alignment), and team efficiency. It also includes an interview checklist to help you evaluate potential partners as well as some watch outs when retaining an OD partner.

5 BENEFITS OF ORGANIZATIONAL DEVELOPMENT

According to the Corporate Finance Institute, organizational development is used to equip an organization with the right tools so that it can adapt and respond well to changes in the market. CFI outlines the following benefits:

1. Continuous development: ongoing business model evolution creates a constant pattern of improvement and a favorable environment for embracing change.
2. Increased horizontal and vertical communication aligns employees with mutual goals, values, and objectives.
3. Employee growth: improving skills to equip employees with market-relevant skills and the right attitude.
4. Enhancement of products and services: empowering innovation is one of the main benefits of organizational development.
5. Increased profit margins: as a result of increased productivity and innovation, profits and efficiency increase as well. Costs come down because the organization can manage turnover and absenteeism.

OBJECTIVITY

It can be challenging for executive teams to make decisions that impact peers or colleagues with deep ties to the organization – even when they understand that they may no longer be delivering optimal results. An outside expert on organizational structure can ask questions that need to be asked such as “is this position still relevant” or “do these people have the right skill sets for what we need now,” to inform decisions that optimize the company’s business or growth goals.

For example, an Ironside & Associates client had an executive vice president of sales and marketing who was planning to retire after 30 years in the role. Jacobs and the executive team discussed the skill set and cultural fit they needed. Instead of a replacement hire, the market had changed, and this retirement was an opportunity to bring additional go-to-market strategies in house.

“When you start probing, you open the door for people to speak up and reveal insights. Maybe the ideal replacement would have stronger digital marketing skills or operational expertise. The company had an opportunity to look at the role and get ‘what we need’ as opposed to replacing ‘what we had’ – with no disrespect to what they had,” Jacobs says. “Business evolves at a rapid pace and job descriptions also need to evolve and change to complement what the business needs now. An objective outside partner working within the business is in a prime position to recognize that.”

An OD consultant’s objectivity, or lack of emotional attachment that comes from being outside the company’s daily flow, is a benefit across other challenges that face an executive team as well. According to Jacobs, it’s a key factor in her success at getting executive teams to come together in support of the entity, rather than simply representing their own departments in leadership meetings.

STRATEGIC CLARITY (AND ALIGNMENT)

Strategic clarity is a product of strategic thinking; it's the ability to define, communicate, adapt, and effectively implement a company's business strategy. Aligning members of the leadership team is critical to bringing a strategy to life and keeping the team focused on what the outcome should be.

"Within an organization, executive leadership teams sometimes fail to recognize that if they don't fully support each other's departmental initiatives, the team can't achieve its common goal," Jacobs says. "Clarifying the strategy and their role in it makes all the difference. If a team's energy and resources aren't flowing the same way, in most organizations, the revenues won't flow either."

For example: one of Jacobs' clients recognized they needed to upgrade their Enterprise Resource Planning (ERP) system, a decision that would benefit the business but would require a significant investment of time, energy, and resources upfront.

The COO led the 18-month effort, and every member of the leadership team had to work in lockstep to streamline operational functions. For HR, that required heavy-duty recruiting, for finance it meant working with banking partners to ensure the right tools and financing were available. Sales and marketing had to reenter data correctly. By the end of the 18 months, every leader had spent approximately 20% additional time making sure that the COO's initiative succeeded, and the ERP implementation was effective.

How does "extra mile" teamwork like that happen? As an OD consultant, Jacobs facilitates to align the team around the strategic objective and gain their commitment and buy-in to the process. In sum: it's about people and process.

"Leadership teams are typically stretched for resources and have more on their plate than they can likely accomplish – adding more is not a welcomed idea. Aligning the team is critical, and in this instance, accepting that the ERP implementation supported the goals of the business was essential. The next step was building a list of deliverables to ensure accountability. This approach underscores the idea that as a member of the executive team, you're representing the organization at large – and you can do that while maintaining your expertise within your department."

GROWTH & REPOSITIONING CASE STUDY

As they evolved to become one of the nation's leading surgery center management and development companies, Regent Surgical Health reached a new size and required changes to their sales and business development team to keep pace. Regent began partnering with hospitals and health systems versus partnering solely with surgeon leaders. "Adding another high growth sales channel meant that not only did our approach to bringing on new business have to change, so did our team," says Regent CEO Chris Bishop. "We shifted from focusing on developing and nurturing physician relationships to working directly with health system leadership. Our team needed a new skill set. Julie recognized that right away. She brings a level of expertise that is unmatched. She's a trusted partner, unflappable under stress, and one of our secret weapons. She has helped facilitate change that would have taken us much longer to achieve on our own. She has helped align our team to deliver on our promise of sustainable profitability while enabling physician partners to maintain clinical autonomy and financial control."



TEAM EFFICIENCY

Business leaders are striving for improved efficiency to realize better business outcomes. Partnering with an outside consultant to facilitate change will uncover areas for improvement related to key functions of the business. But one way executives may not be expecting to find efficiency is how they work together as a leadership team, and that can begin with executive team meetings.

Leadership teams need meetings that make progress, and good facilitation can make this possible. A skilled facilitator will outline an effective process, develop group norms, cultivate full participation, and guide the discussion to move strategies forward and get results.

Says Jacobs: "It's important to keep things on track and a well-planned agenda is essential. It's also critical to establish

some expectations upfront. So often leadership meetings become people staring at their own cell phones and listening only to what they think matters to them. Having somebody there who is actively working to create (perhaps unpopular, but) productive group norms, like leaving cell phones at the door, does help. It creates efficiency, and it also helps the team form a stronger bond. I'm very comfortable giving the floor to someone who is less vocal. I force participation around the table. That's important because then you bring awareness of whatever topic that you're hearing about through the lens of everyone around the table, not just the loudest voice."

An outside consultant's detachment, coupled with their expertise, helps manifest these improvements for the betterment of the organization.



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- REGENT SURGICAL HEALTH CEO CHRIS BISHOP



WHAT OUTCOMES TO EXPECT?

The benefits to an executive team of partnering with an OD consultant are tangible, and so are the business outcomes. In his national best-seller, *The Advantage*, author Patrick Lencioni offers a cohesive and comprehensive exploration of the unique advantage that organizational health provides.

The book posits that an organization is “healthy” when it is whole, consistent and complete, when its management, operations and culture are unified. Lencioni says healthy organizations outperform their counterparts, are free of politics and confusion, and provide an environment where star performers never want to leave.

Jacobs concurs: “I think companies stay more focused, are more timely in their deliverables and more successful in their change initiatives when they make organizational development expertise part of their leadership team. They enjoy improved decision making. We catch things that would have fallen through the cracks. We also gain respect for one another’s differences – we begin to actively see and develop a better understanding of each person’s responsibilities within the organization.”

In addition to better business outcomes, succession planning is often streamlined. “Being embedded in leadership team meetings makes it very clear who the leaders in the room are, and who they aren’t. Both scenarios are okay but being present drives efficiency and ensures we’re in a better position to make the right choices regarding people and roles.”



CHECKLIST FOR CHOOSING AN OD CONSULTANT

If your leadership team is considering partnering with an expert in organizational development on your executive leadership team, following are several traits to look for in making the best match:

- Breadth of business experience
- Willing to immerse to understand your marketplace
- Ability to assess organizational health
- Facilitation skills to hold the team accountable
- Comfortable delivering messages people don't want to hear

"I would look for a seasoned organizational development executive that understands the market or is curious about your marketplace," says Jacobs. "They don't have to understand your industry specifically, but they have to have a real understanding of how to keep talent, how to recruit talent, and how to measure whether your team is being fully utilized. They'll need a strong emotional intelligence quotient, too, to be as comfortable talking to people on the line as in the board room. I always take the stance that the organization itself has hired Ironside, the entity is my customer, no one leader is my customer. I think that's what's made me successful in the consulting role."

In terms of "watch outs," Jacobs offers these:

- While HR/OD is their personal expertise, the consultant must fully embrace the whole business – every function, everyone on the team – with equal comfort and without functional bias.
- They should speak for the entity and be careful not to become another voice/vote for the CEO.
- And, they should not have the focus be on sales only -- true organizational health and growth are more than your top line revenue number.

"When you decide that your team's health is worth the investment," says Jacobs, "partnering with an organizational development consultant can be a game changer for leaders of small and privately held companies striving to improve efficiency, build a leadership pipeline, and improve performance across the organization."

For more information on best practices to ensure strong organizational health, contact Ironside & Associates.

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visit us at ironsideandassociates.com

Phone: 708.767.3181

info@ironsideandassociates.com