



PRODUCE INNOVATIVE SOLUTIONS

# Leveraging Networks to Define & Implement Contentious Change

## CASE CONTEXT

A senior partner takes on a fundamental redesign of the partnership structure in a large, global consulting firm. Rather than stacking her team with like-minded peers or with expected power players, she brought in people who would challenge her and provide a broader perspective.

A senior partner in a global consulting firm, Fern was well known and widely trusted. During her 25 years there,

Fern moved around the organization, working with clients and colleagues across the U.S., Europe, Latin America and Asia. She took on key management roles, including running a global practice area and serving on the senior leadership team. Her most contentious assignment came when the board of directors asked her to redesign the firm’s partnership model. “We looked at the entire partner picture: what we expect of partners, how we recognize and reward them, how we compensate them, how we globalize benefits and compensation strategies ... It made me the least popular partner in the firm!”



FEMALE

Level: SENIOR LEADER

Industry: PROFESSIONAL SERVICES

The effort was highly charged and any decision potentially inflammatory. The CEO and the board, partners at various career stages and potential partners all had a stake in the outcomes. Decisions would affect the professional stature and personal finances of individuals—as well as the long-term structure, growth, performance and culture of the firm.

## HIGH-PERFORMING LEADERS LEVERAGE NETWORKS TO DO 5 THINGS

Based on 20 years of research in more than 300 organizations, we know that the quality of your professional relationship play a significant role in your success. We have extended this research to describe the way high-performing leaders leverage their networks to: Innovate, Execute, Scale, Thrive and Adapt.

The redesign stemmed from the belief that the firm’s performance was not where it should be. The question was why. A litany of negatives emerged. Partners were unhappy because they thought the compensation structure was not as generous as competitors. Senior partners brought tremendous value and experience, but were not putting in the brutal hours expected of junior partners. Partner competition and structural barriers around booking and billing work created disincentives for collaboration. Just as worrisome was the process of developing potential partners and transitioning them into the role if elected partner. “We had tremendous amounts of talent being underutilized and incentives that fueled bad behavior.”

Fern created a task force to work with her: two passionate board members, two young partners, two senior partners and an “elder statesman,” who had been a mentor to Fern. The members represented the firm’s diversity of age, career stage, culture and geography and were influential in their networks. It was also important to Fern to reflect diversity of thought and include people who would complement her. “I am inclined to look for people who disagree with me or will counter me in some way. I needed people I could work with, but who would also be good challenge partners. For example, money isn’t a big motivator for me. I thought it was bad for someone with that mindset to be designing a compensation model! So, I chose one of task force members partly because I knew he was more focused on the money and the bonuses and what’s the next level.”





The first impulse of the task force was to talk about the point solutions: compensation levels, vacation days, billing splits, training ideas. Instead, Fern pulled them back. “We invested a huge amount of time in creating guiding principles. Eventually, we got agreement on 15 principles that addressed the role of a partner, the benefits and compensation philosophy and leadership development. These principles guided all solutions.”

The task force worked in cycles, coming together to advance the thinking, then working apart. “This is where we used the power of our different networks. We would talk to people we knew, hearing their reactions. Then, we would get back together and say, *these people really hate this or the guys over here don’t understand or we didn’t see that ...* Then we refined and problem solved and designed.”

Fern knew the effort would be time consuming, but the group needed far more time together than anticipated. “We let too much time lapse between work sessions ... Plus, we found things only got done when we physically got together. It wasn’t just that face-to-face was better. It was that we needed 5 or 6 hours. The depth of time mattered. We needed time to mull it over, time to have a spark of innovation.”

Once the guiding principles were in place—and agreed upon by 98 percent of partners—specific plans and policies were developed. “We’ve had some tremendous outcomes. We ended up with a complete revamp of our partner training program, including a new partner orientation and an amazing leadership program. It’s been fundamental in changing the mindset of our partners and how they work with each other. We articulated partner expectations and development over the partner life cycle. We are measuring and rewarding behaviors, along with performance against objectives. We’ve globalized benefits, compensation and pensions, which created fairness.”

The effort was contentious and difficult at many points, but a shared understanding of the principles streamlined the process of finalizing and implementing the new direction. Plus, the firm now has a structure in place for future additions or changes to be made. If new ideas align with the principles, they can be considered and implemented relatively quickly and easily.

## Network Insights

- **For potentially contentious change projects, don’t over-rely on the usual voices.** Mobilize trusted network influencers and people with expertise, values and cultural perspectives that complement gaps you have as a leader.
- **Don’t jump to point solutions early.** First, establish principles—this gives all affected parties a way to unite—then develop the solutions and plans.
- **Don’t underestimate the importance of time.** Double the meeting time you think is needed for conversations among the team. Increase the frequency of interactions so that momentum does not die.
- **Don’t wait until ideas are packaged to get input and suggestions.** Between meetings, team members should test ideas with their network and then make refinements.
- **Don’t move forward on solutions unless they are aligned with guiding principles.** Stick to the principles, but don’t be afraid to change the solutions.

## Invest Front-end Time on Principles for Rapid Action Later

Strategic change is almost always accompanied by a sense of urgency. The temptation is great to get smart people in a room and take action. Fern was adamant that the team take as much time as needed to define and agree upon principles before creating solutions. The process took almost twice as long as she expected, but the extra time on the front end made for more rapid adoption and implementation. Lessons learned from Fern’s experience include:

1. **Engage diversity of thought.** Include people with different expertise, values and cultural backgrounds that will represent the population who will be affected. Bring network influencers into the discussion early.
2. **Build in plenty of time for rich interaction.** Strategic efforts requiring diverse input demand sustained conversation and depth of engagement among the task force or team members.
3. **Commit to core principles first.** Invest in defining core principles or objectives that others can unite around.
4. **Use principles to guide tactical decisions where full agreement is hard to achieve.** With shared guidelines, affected parties have a framework to understand why decisions are made.

### ABOUT THE RESEARCH & ROB CROSS

Building on 20 years of research with more than 300 organizations, the Network Leader Research Project seeks to understand the approach and strategies that enable certain leaders to consistently achieve peak performance. The research includes 160 in-depth interviews conducted by Rob Cross, a Professor of Management at University of Virginia’s McIntire School of Commerce. The Connected Commons is currently focusing its research on leadership effectiveness, talent optimization and organizational alignment and change—three areas where network insights can clearly drive performance. For more information visit [www.connectedcommons.com](http://www.connectedcommons.com) or email Rob at [rlcrossjr@gmail.com](mailto:rlcrossjr@gmail.com).