



BRAVING THE PERFECT STORM: CONFRONTING CULTURE AND CONTROL ISSUES

Remember George Clooney and Mark Wahlberg on their ill-fated fishing trawler in the film, *The Perfect Storm*? White knuckled, engines at the max, they were striving with every fiber of boat and being to climb and crest each seemingly insurmountable wave. Despite valiant effort and determined will, they were ultimately doomed.

If this describes your business development and operating management teams as they strive to overcome the ever more challenging demands of achieving revenue growth, you may be experiencing your own Perfect Storm.

A fundamental culture and control issue lies at the root of the challenges facing many mid-tier government services firms in their quest to grow to the next level.

Almost universally, mid-tier companies embed their BD functions within the operating units, with BD teams reporting to a section/group/division type manager. This process works to a point, i.e. smooth sailing. Then it becomes its own limitation. Culture and control issues impede an organization's ability to operate effectively as a unified team amid escalating challenges. Winning business in the government services industry is too hard, the competition too fierce and the external customer engagement requirements so significant, that without the existence of a corporate business development unit, companies cannot achieve growth objectives while losing energy and momentum to internal organizational dysfunction and conflict.

It's extremely difficult to serve as an Operations Manager, a BD Manager and a Business Manager, especially simultaneously. These all are different roles, requiring specialized skill sets, and differentiated thinking, requiring different priorities and presenting different challenges. Burdening your employees with all these roles simultaneously will work to a certain revenue level through on-going farming for organic growth and

some sporadic new strategic business. However, as a company matures, seldom does the Operation Manager realize his/her limitations in BD; and even less seldom do they acknowledge these limitations, ask for help or want to make the changes needed in order for the organization to reach the next level. In this scenario, they tend to entrench themselves further and resist any change. This eventually leads to employee frustration, a sense of failure in being able to accomplish their goals and eventually, spiraling downward performance.

In an alternate but equally ill-fated scenario, many mid-tier company CEOs fail to recognize the full effect of imposing ever increasing BD demands on their operational managers. This doomed strategy is at the heart of culture and control conflict. You are, in effect, creating the insurmountable wave.

Another situation occurs when government services and solutions organizations purposefully create a dynamic tension between the Business Development and delivery organizations to drive change and to push the organization out of traditional comfort zones. The business development team is more aggressive in seeking out larger, transformational opportunities, while the operations team is more conservative by keenly focusing on the execution challenges associated with the opportunities. The challenge for leadership is to create this dynamic tension and still maintain the trust necessary for the company to be effective and successful. This requires constant leadership attention to ensure that the tactical tension within the organization does not undermine a common understanding and belief in the purpose and goals of the organization.

I can think of no case where the change necessary to survive this transition and attain a higher-tier status has come from within. Change typically comes about with an acquisition, the sale of the business, a significant downturn or another extraordinary event. With these events serving as the catalyst, operational

organizations begin to scrutinize culture and control issues, and decide whether or not these conflicts are a hindrance and holding growth hostage.

If you are caught on these stormy seas, it's doubtful that you can uncover and confront this culture and control issue by bringing up the topic at a mixed internal group meeting. The individual risk is too high. Yet a BD culture and assessment audit is vitally necessary. Key organization individuals should be interviewed and assessments made on an individual-by-individual basis. This can be done by an independent third party firm who can successfully analyze and identify underlying power and control conflicts. The resulting report will put these issues on the table for confrontation, debate, decision and resolution.

Right now, we are confronted with a chaotic business environment, combining political change, economic instability, and war theater draw downs with their attendant uncertain recapitalization plans, which together can serve as the external catalyst for change. At some point, leaders in government service organizations must confront these culture and control issues head-on, and decide whether or not they have the committed people onboard and the BD organization and infrastructure necessary to achieve corporate growth goals. If you are not certain where your company stands in this respect, consider an independent audit, the same as you have your financials reviewed on an annual basis.

Proactively confront these issues affecting revenue growth or bravely take on a Perfect Storm of your own making.

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