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Dear Reader,

What corporation has not started with the initiative of a few entrepreneurs? Many times families join in the effort, and with growth and success comes a new challenge: "How to transition from a family business to an effective global enterprise?"

This month LIM Partner Ronald Waugh shares the insides of a case, showing how a Team Coaching intervention, through a series of leadership development and team development programs, can be the avenue to tackle the business, organizational and individual challenges of the transition.

Enjoy the reading,

Isabel Rimanoczy  
Editor

**Quote of the Month**

*"When the effective leader is finished with his work,  
the people say it happened naturally."*

Lao Tzu  
(6th Century BCE, Author and Philosopher)



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# Transformation from Family Business to Effective Global Enterprise

By Ronald Waugh

This article describes a series of programs which we in LIM recently ran for a mid-sized multinational company. I explain the situation which the company was facing, provide some details about the solutions which we co-designed with the client and briefly summarize the successful conclusion.

## The Company

DD was started in the 1960s by four brothers. The "company" (there were then only the four brothers as employees) raised and sold flowers through local distribution channels (e.g., florists, markets, distributors). And, as the only four employees, the brothers did everything themselves...production (planting, fertilizing, watering, harvesting), sales (knocking on doors), logistics (ordering, delivering the flowers by car), finance (writing by hand in a leather-bound general ledger), etc. They became experts at all the facets of the business.

Over time, however, the company grew exponentially and evolved. The less lucrative cut flower business was abandoned in favor of breeding new varieties. And — 30+ years later in the 1990s/2000s — DD emerged as the premier innovator for and supplier of its products around the world with operations and 1500+ employees on three continents.

## Growing into Difficulties

DD's explosive growth threatened to make the company a victim of its own success. The skill sets and organizational knowledge of the senior and middle managers needed to be improved to deal with the increased complexity of the organization. These same managers needed to assume more responsibility for running their respective areas of the company.

And at the same time the company President — one of the original brothers — continued to be an expert in all facets of the business (having done every job) and was known for ignoring lines of authority. Although well respected, the President was often viewed by managers as undermining their authority with the resulting confusion and chaos. The President's behavior also had come to be emulated by several other members of the Executive Team, which had unsettling consequences for the rest of the organization.

Recognizing the threat to the organization of doing nothing, the Managing Director contacted me and explained the situation. He asked if I could help develop a series of programs aimed at senior and upper middle management.

## The Programs

### A. Leadership Development Programs

The first programs I was asked to design were two Leadership Development Programs for 26 upper middle management/high-potential participants, representing about 80% of the total target group.

Using the principles and elements of Action Reflection Learning, we developed — together with the client — the desired measurable outcomes for the program on five dimensions:



### Outcomes:

By the end of this program, participants would have ...

*on the **Business** dimension:*

1. Worked in cross-functional teams and resolved critical business challenges selected by DD's senior management.
2. Deepened their own understanding of the business and its challenges.

*on the **Organization** dimension:*

1. Created a common and compelling vision of the DD as a more professional, results-oriented organization and agreed upon key next steps to make this vision a reality.

*on the **Team** dimension:*

1. Discovered what is necessary to build, lead and maintain high performing teams.
2. Adopted simple, practical and transferable concepts and tools that improve basic teamwork processes like contracting, decision-making, planning, meeting management, delegation, communication, etc.
3. Experienced and learned about effective team coaching.

*on the **Professional** dimension:*

1. Improved their performance — through experience, tools and workshops - in areas of coaching, reflection, managing change, influencing, having difficult conversations, active listening, and giving & receiving feedback.
2. Experienced and learned about the importance of reflection.
3. Obtained feedback and made progress on a professional learning goal.
4. Experienced and learned about effective one-on-one coaching.

*on the **Personal** dimension:*

1. Increased their self-awareness as well as their interpersonal awareness and appreciation of others.
2. Built stronger relationships with other program participants and expanded their personal network within DD.

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It was clearly contracted with the client that — even though we would use project work on business challenges throughout the program — participant learnings would be as important (if not more so) than the actual project results.

Based on these outcomes, we then designed a program consisting of the following elements:

- 2 Learning Coaches.
- 3 modules (spread over a 5-month period).
- 3 ½ days per modules.
- Individual coaching sessions between modules, as well as during the module.
- Introductory calls from the LCs with each participant prior to the start of the program to begin to know each other and to answer any questions.
- Anonymous survey to the participants prior to the program to try to surface any "hidden" issues.

For each module we developed a logical sequencing, focused on one or two of the 5 dimensions:

**1. Module #1: Team — "Achieving the Most from Our Differences"**

We intentionally chose to focus on the Team first, rather than on the Individual — the participants were new to this way of working and — in many ways — new to each other in such a context.

**2. Module #2: Professional/Personal — "Understanding My Own Behavior & Role"**

**3. Module #3: Business/Organization — "Change & Innovation at DD"**

Other elements which were woven into the design to help the program be more effective and achieve the desired outcomes included:

- Offsite Meeting and Sleeping (group stayed together in the same conference hotel)... away from the demands of the office in a restful setting in the midst of a beautiful nature area
- Group outdoor activities (e.g., "helium stick", "walk & talk", biking to the beach)
- Group lunches and dinners
- Open bar before and after dinner for participants to get to know colleagues better (interestingly most had never socialized together before)

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## B. High Performing Team Workshop — Executive Team

Between the first and second Leadership Development Program, it became clear that more concerted efforts needed to be taken to get the Executive Team (ET) "on the same page" as their direct reports. The senior and upper middle managers were working on strategically important projects; feeling empowered; and learning new skills, tools and behaviors. The ET recognized that — although its members tended to operate in a somewhat autocratic style — it needed to change to be able to position the company to continue on its successful path.

The 5-dimensional outcomes were similar, but significantly condensed for 2 x 2-day sessions:

By the end of this program, the ET Members would have ...

*on the **Business** dimension:*

1. Conducted their normal ET business with the presence of 2 Learning Coaches and received input/feedback.

*on the **Organization** dimension:*

1. Gotten insight into the impact of their team's and their own behaviors on the functioning of the entire DD organization.

*on the **Team** dimension:*

1. Discovered what is necessary to build, lead and maintain high performing teams
2. Adopted simple, practical and transferable concepts and tools that improve basic teamwork processes like contracting, decision-making, planning, meeting management, delegation, communication, etc.
3. Experienced and learned about effective team coaching.

*on the **Professional** dimension:*

1. Experienced and learned about the importance of reflection.
2. Obtained feedback from colleagues and direct reports and developed a plan of action for improvement.
3. Experienced and learned about effective one-on-one coaching.

*on the **Personal** dimension:*

1. Increased their self-awareness as well as their interpersonal awareness and appreciation of others.
2. Built stronger relationships with their colleagues on the ET.

Over the two sessions, the ET conducted its regular ET meeting with two LCs present. Tools were introduced (e.g., Reflection & Dialog, High Performing Team Instrument, Power Planning, Meeting Management, Fist Five, MBTI).

As with the Leadership Development Programs, other elements were woven into the design to help the program be more effective and achieve the desired outcomes included:

- Offsite Meeting and Sleeping (group stayed together in the same conference hotel)... away from the demands of the office in a restful setting in the midst of a beautiful nature area
- Team lunches and dinners
- Open bar before and after dinner for ET members participants to get to know colleagues better

### C. High Performing Team Program - Functional Teams

Once over 80% of the senior/upper middle management had "graduated" through one of the previous mentioned programs, the ET decided to launch another two programs for functional leaders focused on critical projects. The individuals who were invited to attend the program did not work in an intact team and represented several levels and departments in the company. However, they were all involved with the critical project through their jobs and shared a vested interest in seeing that the project result be a solid proposal.

The outcomes were similar to those for the Leadership Development Program, yet adapted to a program half the length. Nevertheless by the end of this program, the Team Members had ...

*on the **Business** dimension:*

1. Clearly identified opportunities to improve DD's profitability / efficiency / quality and presented a detailed plan of action of how this could be achieved.

*on the **Organization** dimension:*

1. Created a common and compelling vision of the DD as a more professional, results-oriented organization and agreed upon key next steps to make this vision a reality.

*on the **Team** dimension:*

1. Improved / strengthened the organization through in-depth analysis and concrete recommendations and action plans (e.g., planning, standards, information flow, roles and responsibilities).
2. Improved and streamlined interdepartmental cooperation.
3. Discovered what was necessary to build, lead and maintain high performing teams.
4. Created a "WE" feeling in the organization.
5. Adopted simple, practical and transferable concepts and tools that improve basic teamwork processes like contracting, decision-making, planning, meeting management, delegation, communication, etc.

6. Experienced and learned about effective team coaching.
7. Understood their own role in the team and its impact on team performance.

on the **Professional** dimension:

1. Improved professional performance in terms of coaching, reflection, influencing, active listening, giving and receiving feedback, and knowledge transfer, communication.
2. Gained a deeper understanding of the overall operation.

on the **Personal** dimension:

1. Built stronger relationships with their colleagues in the company.

## Results and Conclusions

The results of the DD programs were extremely positive for the company.

On the **Business** dimension, 95% of the recommendations from the various projects had been implemented within 2 years and yielded a huge benefit to the company, both in terms of improved profitability, efficiency and quality assurance.

**Organizationally**, the President heard the feedback from his people and committed to take a less hand-on role and to be more respectful of organizational lines of authority. A work in progress. Two of the ET members have left (one outside the company; one took an internal staff position, is doing well both professionally and personally ... less stress) At the middle management level, communication has improved, work flow has been streamlined and roles and responsibilities have been better defined.

From a **Team** standpoint, an internal survey showed that team meetings are more effective; team members listen better; some of the learned tools are regularly used and the team members are generally satisfied.

**Professional/Personal:** Many of the team participants took tremendous advantage of the opportunity that they were given to learn and grow. About 15% have since left the company (voluntarily). One participant wrote that through the Leadership Development process he discovered who he really was and has branched out to start his own company. Others have used the insights gained to continue their education and to improve specific skills. And the company is very supportive of this. Finally, I am told that feedback continues to play an important role in how the company operates.

All in all, a successful series of programs... I had a lot of fun doing them, the client was extremely satisfied and together we were successful.




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<sup>[1]</sup>I. Rimanoczy & E. Turner, *Action Reflection Learning (TM): Solving Real Business Problems by Connecting Learning with Earning* (Nicholas Brealey Publishing, 2008).

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### About Ronald Waugh



Ronald Waugh joined LIM in 1999 and has worked extensively in LIM programs with senior executives in multinational corporations and not-for-profit organizations in Europe, the United States and Latin America. Prior to joining LIM, Ron was a senior executive with Archer Daniel Midland's industrial cocoa and chocolate business, based in the Netherlands, and responsible for Business Development, Mergers & Acquisitions, and Strategic Planning. He has significant experience with organizational change and organizational culture. He holds a degree of Masters in Business Administration from Harvard University.



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Editor: Isabel Rimanoczy  
Editing Support: Tony Pearson  
E-mail: [newsletter@LIMglobal.net](mailto:newsletter@LIMglobal.net)  
<http://www.LIMglobal.net>

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