

Change in Leadership: SSOE

The Company

SSOE is a professional engineering, architectural, and construction management firm with projects in more than 40 countries. Starting in 1948, SSOE has grown into a top 10 firm with about 1,000 employees across 20+ locations in 6 countries. It has earned a reputation for high quality delivery that provides a 100% value savings for clients.

The Situation

The CEO of SSOE announced his retirement after a career of 37 years with the firm. The Board of Directors named Bob Howell as the next CEO. Over the decades, SSOE had grown organically and through acquisition. Each office operated independently with a focus on localized performance. This served the organization well until:

- Revenue stalled @ \$130M
- Profits declined by 5%
- Staff turnover increased to 25%
- Utilization Rates hit a low of 64%
- Client Satisfaction dipped below 85%

SSOE experienced many of the common pain points that suggested a shift in direction was needed. These included:

- Mergers & Acquisitions
- Brain Drain--turnover of highly tenured staff
- High Growth--followed by a stall in revenue
- Change in Leadership

Bob Howell said, “When I became CEO, I believed we had a great growth strategy, but there were portions of our culture that were preventing us in executing that strategy. If we could focus on getting our culture aligned with our strategy, the numbers would follow, they don’t lead...” said Howell. “Our four strategic focus areas were, ‘Clients, Culture, Collaboration, and Employees’. We started with our annual engagement survey and quickly realized if we wanted to build the culture we needed to execute our strategy we needed something more substantial. I had done my research and looked at all the big culture firms and found other solutions weren’t budget or time friendly, and some were just too complicated. I liked the rigor and simplicity of Work Effects and their flexibility to use the areas of their solution we needed most, and SSOE could implement the parts that made sense for us to do internally.”

The Solution

At the core, Work Effects’ approach uses breakthrough research separating culture into two levels:

Healthy Culture – identifies how values are lived, has consistent themes across organizations, measures “how well” the organization is on a scale of bad to good, is often linked to employee engagement.

Aligned Culture – is unique to each organization, linked to strategy execution, measures “how” work gets done on a continuum of good to good, determines success or failure of strategy implementation.

EXECUTIVE SUMMARY:



WORK EFFECTS



Purposeful Culture: Assess your culture's health and alignment and build a roadmap to execute strategy.



In addition to defining culture at two levels, Work Effects uses a proven 4 phased process to more rapidly change cultures.

Phase I: Define the needed culture

Work Effects assembled the SSOE leadership team to conduct a Strategy Culture Alignment planning session. The planning session consisted of:

- Introducing Work Effects' culture model; distinguishing healthy cultures (bad to good) from aligned cultures (good to good). Instilled assumption of every organization wants to be healthy.
- Gathering perspectives from each leader on their perceived current culture across 10 dimensions of aligned culture.
- Identifying the culture needed to execute strategy on each dimension
- Prioritizing the most critical elements of culture needed to execute SSOE's strategy

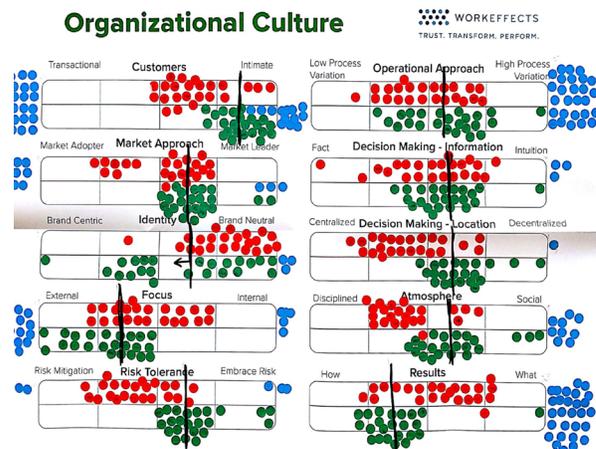
Of the 10 dimensions, the SSOE leadership team identified four key culture elements which needed be aligned to execute their strategy.

#1 Results: More How vs. What. They needed to change the tools and practices and create a

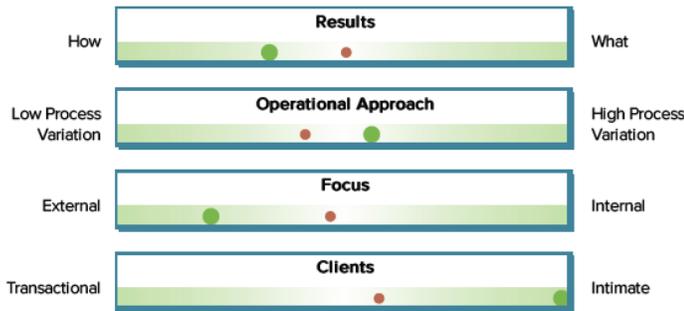
culture which allows work to consistently flow across locations and disciplines vs focusing on location performance.

#2 Operational Approach: Balance between High and Low Process variation. Using standardized processes regardless of discipline while planning for deviations was necessary for client needs.

#3 Customers: More Intimate vs. Transactional. Building deeper, longer-term relationships with their customers as the core of their growth strategy would leverage expanding business with existing clients, especially in construction management, and grow their referral business.



#4 Focus: More External vs. Internal. Creating a culture that injects external benchmarking and technological improvements to maximize revenues vs. focusing on improving existing systems and minimizing costs.



Phase II: Discover the current culture

Using an online assessment, Work Effects gathered feedback from all employees to identify both the health and alignment of the current culture. The results indicated a mostly healthy culture (top 50%). The alignment results indicated significant gaps between what was needed (identified by senior leaders) and the current culture (measured from employees). Work Effects further analyzed results by locations, functions, tenure, hierarchy to gain insight on alignment.



Phase III & IV: Develop and Deploy culture change

Using the workgroup analysis, SSOE created a specific roadmap of the initiatives needed to efficiently and effectively tackle their culture change. The results indicated two populations of focus: project management directors and architect managers.

Work Effects provided the design and coaching to an internal task force and SSOE implemented the solutions:

- Training to connect and cascade the What (strategy), the How (aligned culture), and How Well (healthy culture).
- Provided workgroup level feedback, informal 1:1's, and devised team action items.
- Organized into cross location and discipline cohorts to implement system wide changes.

The task force became culture champions and provided regular (weekly and monthly) support to each workgroup leader. This allowed the culture change to effectively break down obstacles, implement best practices, create accountability, and provide progress metrics to the leadership team.

The Results

In less than 18 months after Howell became CEO, SSOE has seen:

- Turnover dropped to 7%
- Client satisfaction increased to 98%
- Profits up by 14% & Revenue up by 35%
- Utilization Rate increased by 83%

“When we started our culture journey, we wanted to change the way we worked together with each other and our clients,” says Howell. “Work Effects helped to adjust parts of our culture, and ultimately the business results and numbers followed. I’d describe the culture solution of Work Effects as enlightening, collaborative, and game changing.”

SSOE Moving Forward

To sustain SSOE’s culture initiative, Work Effects has continued to provide culture guidance and aid in maturing their talent management practices through our TM3 (Talent Management Maturity) while leveraging their internal resources and know-how for implementation.

