



CASE STUDY

Organizational Diagnostic

To date we have conducted **over 80 organizational diagnostic assessments** and amassed **over 5 million data points** on how complex organizations truly operate

The following case studies provide a snapshot of some of these insights.

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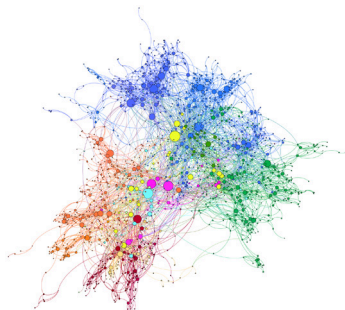
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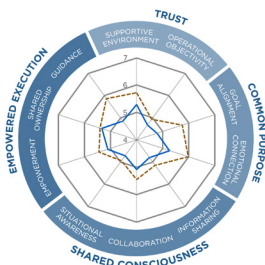
Diagnostic Framework

McChrystal Group's Diagnostic draws on three complementary analytical disciplines:



Organizational Network Analysis

Uncover how individuals works together within the organization



Organizational Performance Analysis

Understand how employees perceive the organization and its leaders



Qualitative Analysis

Gain organization-specific context to support the quantitative data

To better understand these case studies, it is important to first understand how to interpret the data gathered and presented from the Network Analysis.

An Introduction to Network Analysis

Network Analysis allows you to understand how your organization actually communicates outside of the standard hierarchical chart. McChrystal Group's Network Analysis begins with two simple questions on our diagnostic survey:

- Who do you go to most regularly as a good source of help or information?
- Who do you need more access to in order to accomplish your business objectives?

Starting from those questions, McChrystal Group visualizes and analyzes your organization's communication patterns, identifying information flows, decision making pathways, and bottlenecks.

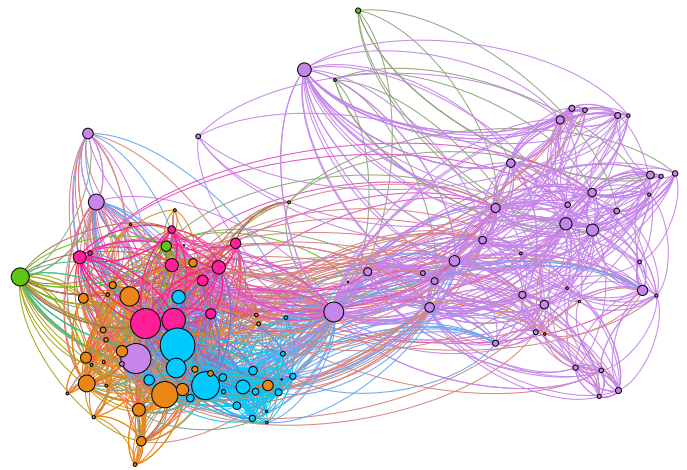


Figure 1: Representative Network Mapping

Visualizing Your Network

Bubbles represent individual personnel

Bubble sizes reflect the number of times a person was named in the survey

Shared connections create communities

Less connected teams or individuals will appear "farther away" on the map

Identifying Key Network Influencers

- A network influencer is a key individual who impacts the organization due to expertise, authority, tenure, or ability to bridge disconnected functions
- Understanding and leveraging network influencers are key steps to implementing initiatives
 1. Change management
 2. Technology adoption
 3. Pilot programs
 4. Design of new tools or systems
 5. Liasion networks

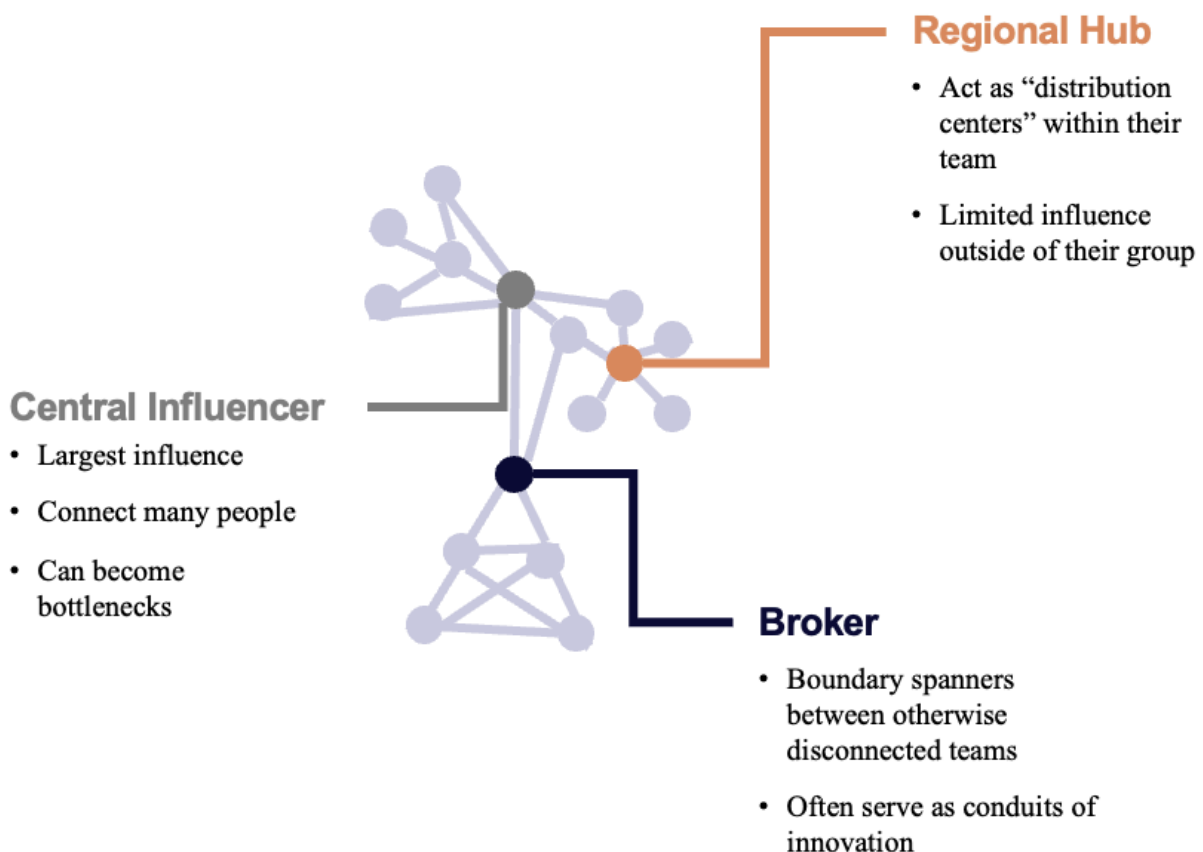


Figure 2: Common Network Influencer Types

Understanding How Those Influencers Interact

By leveraging network analytics tools, best practices, and experience, McChrystal Group can identify insights about how your network is operating. Below are some basic and common examples in a simplified map for ease of understanding:

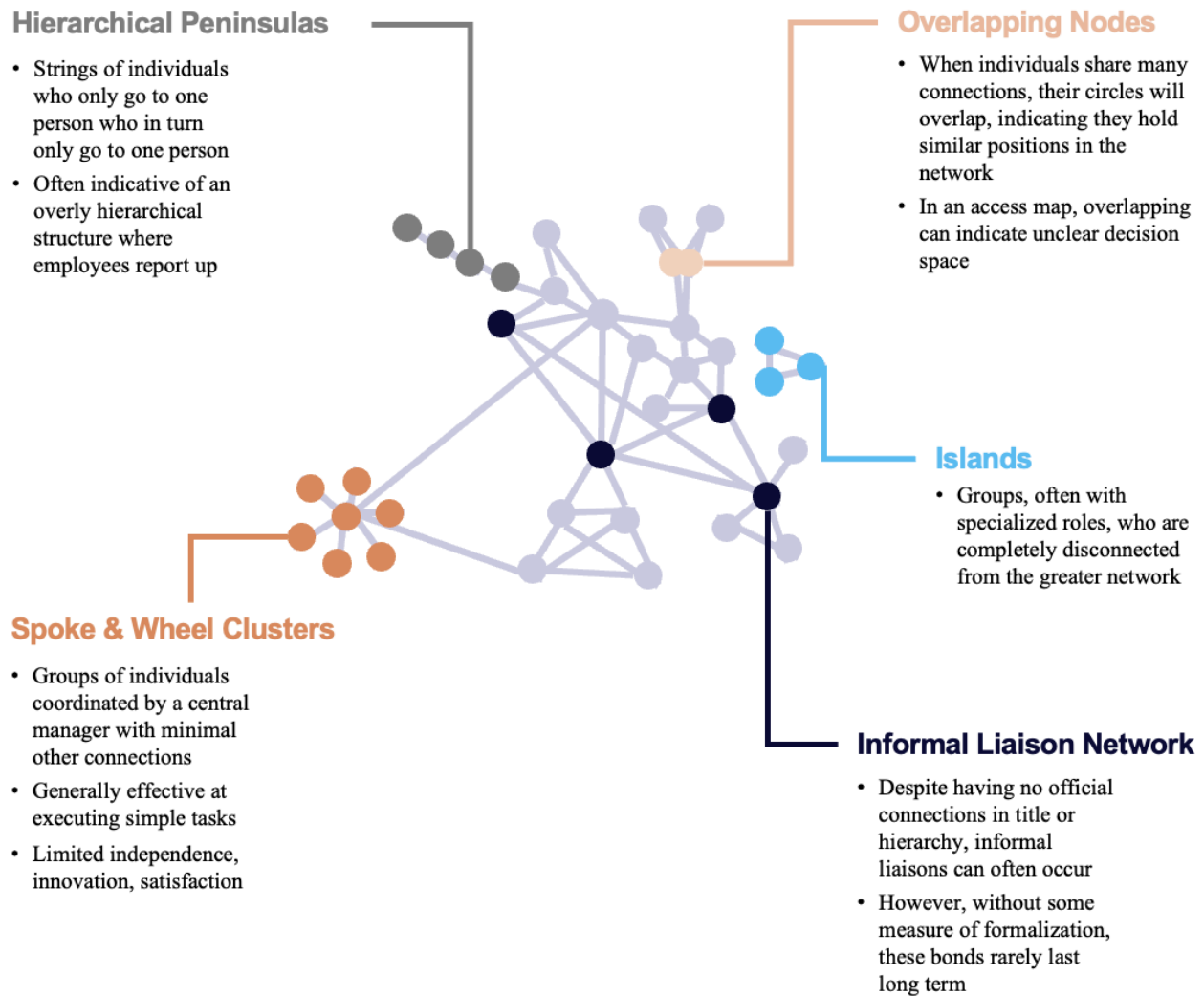


Figure 3: Common Network Patterns

CASE STUDY: MCCHRYSTAL GROUP SERVICES

Healthcare Technology Company



McChrystal Group partnered with a private equity firm that had acquired multiple health care technology companies and merged them to form a new entity. Before and during the merger the firm worked to identify the value that the integration would deliver. Specifically, the firm hoped to achieve economies of scale by consolidating shared service functions, such as R&D and customer support. Additionally, the firm planned to drive new revenue by launching a new product that drew on one portfolio company's expertise in product development and delivery, and another portfolio company's sales capability. However, three years after the acquisition, the new company had made little progress on the integration and was struggling to deliver the promised synergies.

Findings

Legacy companies operated in isolation and failed to communicate mission critical information

Network analysis immediately revealed that the three major legacy companies that made up this new organization had incredibly limited integration, even after three years of focused effort. This lack of integration posed major challenges to the organization: not only were they struggling to deliver on promised growth and savings, they were actually losing existing customers because of their unintegrated approach. Further network analysis found that the organization’s customer-oriented teams (sales, customer support, account management, etc.) were especially disconnected. Interviews revealed that their customers were growing increasingly frustrated as they were relayed between disconnected teams with different systems, processes, and access to information.

Their difficulty obtaining information had become so profound that one customer support lead noted with embarrassment that their process for fixing client problems included “asking the customer how it’s supposed to work.” Even senior leaders struggled with this challenge; one senior director, who had a larger network than most to pull on, commented that when she reached out to other teams with questions, she only received responses 50% of the time.

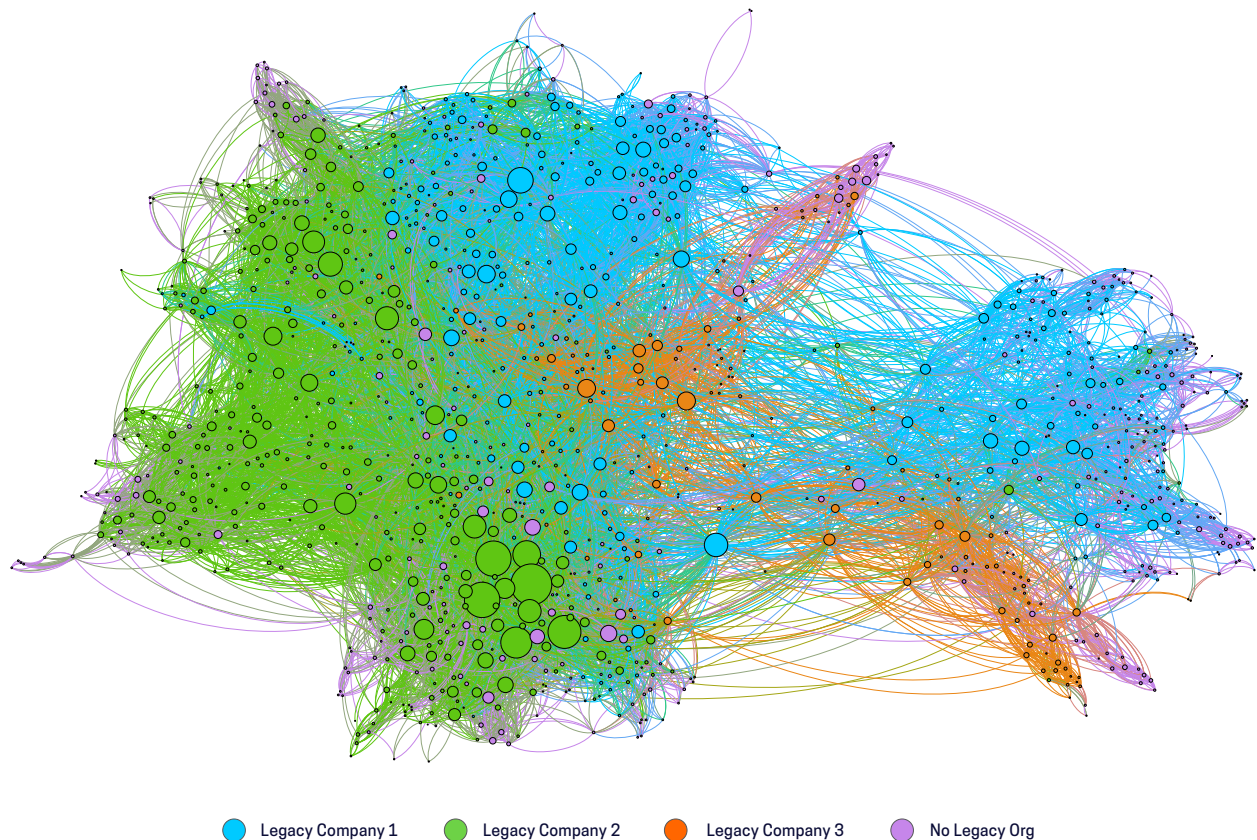


Figure 4: Network Map Showing Lack of Integration

Unchecked attrition had created single points of failure that posed major risks to long term sustainability

During initial interviews and workshops leaders referenced increased employee turnover but did not believe it to be a major problem. However, McChrystal Group analysis found that attrition had severely undercut the organization’s institutional knowledge, leaving a small number of mid-level employees as the shaky linkages between already disconnected teams, or as the subject matter experts on core products.

This left most employees struggling to get the information they needed to do their job and posed serious risks to the organization’s ambitious goals. McChrystal Group analyzed the communication network between three teams (inside sales, outside sales, and a service team) whose collaboration was considered integral to the development and delivery of a major new revenue-driving service. The analysis found that the teams relied on a single person for 70% of the information flow between the sales and service teams.

When asked to whom employees go to as good sources of help or information, **5%** of employees accounted for over **50%** of mentions as sources.

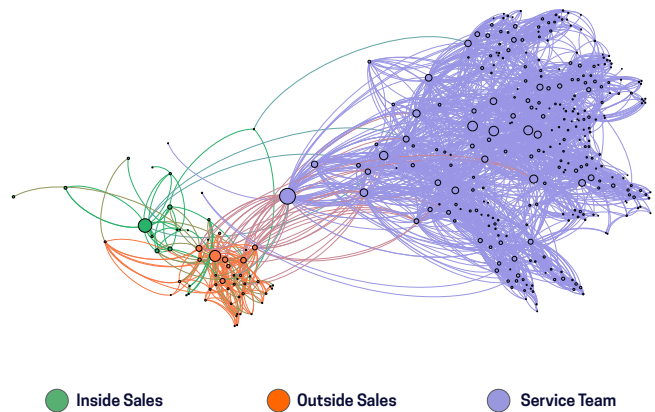


Figure 5: Team Level Network Map Showing Single Point of Failure

Outcome

Without targeted interventions, employee frustration and attrition would increase

By looking at how different levels rated the company against the Teams of Teams framework, it becomes clear that while certain indicators, such as Situational Awareness, are universally given low scores, other indicators vary by level. Specifically, the lower an employee was in the organization, the lower those employees rated the organization on Shared Ownership and Operational Objectivity.

This illustrates lower level employees, who were at many times those single points of failure from the previous findings, believed that they had little say in the future of the organization and that the organization did not treat them fairly. Specifically, employees felt as if they did not have the resources necessary to do their jobs and that their feedback on this shortcoming and other issues would not be heard. If not addressed, these issues would exacerbate frustrations and contribute to additional attrition.

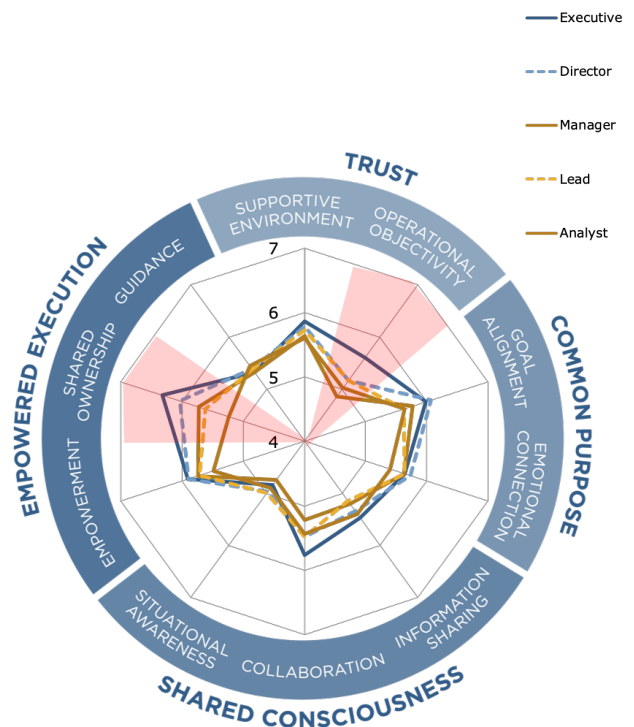


Figure 6: Team of Teams Framework by Level Showing Lower Level Frustration

CASE STUDY: MCCHRYSTAL GROUP SERVICES

Real Estate Investment Bank



McChrystal Group partnered with a global real estate investment bank that realized it was facing a changing market. The firm was enjoying rapid expansion beyond its traditional market and product lines in North America, and into markets and new products in Europe, the Middle East and Asia. As a result of this growth they were facing two core challenges:

1. The environment that they were now operating in was far more complex than they were used to. The internal infrastructure of the bank was designed around a regional North American model, and was not fit for their new global, multi-product footprint.
2. This 50-year old firm was extremely proud of its culture, which emphasized collaboration and teamwork. As the firm grew, this culture was becoming diluted, and senior leadership feared that the original culture would be lost.

Findings

Leadership had a different understanding of the firm and its operating environment

The organizational diagnostic showed that the firm’s leadership had a different, and often more positive, view of the firm and its operating environment than employees closer to the front line. The radar chart in Figure 7 shows how employees at each level in the hierarchy rated the performance of the company against the Teams of Teams framework.

The concentric pattern indicates a more positive response for each level up the hierarchy. This indicates a divide between leaders and those closest to the front line. When there are differences of opinion between leaders and followers about the fundamental components of value creation, we see a rise in problems of execution.

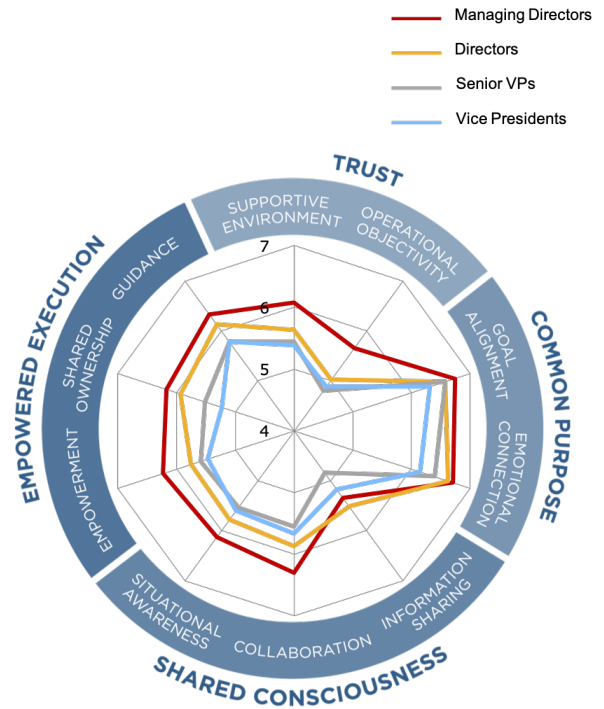


Figure 7: Team of Teams Framework Showing Leadership Bias

Leaders had become bottlenecks for information flow

During the network analysis employees were asked to list people that they went to for information as well as those to whom they needed more access. The graph below shows the distribution of Managing Directors against these two variables. People that fall above the diagonal intersect line hinder the flow of information through the organization (more people need them than currently go to them as a source of information).

Upon further investigation many of these requests for access were driven by the need for a decision. To become an agile organization the firm needed to push decision making further down the hierarchy, empowering more junior members who were much closer to the front-line.

11 of the **13** people in the executive team fall above the line indicating that they are bottlenecks of information.

Survey Mentions for Managing Directors

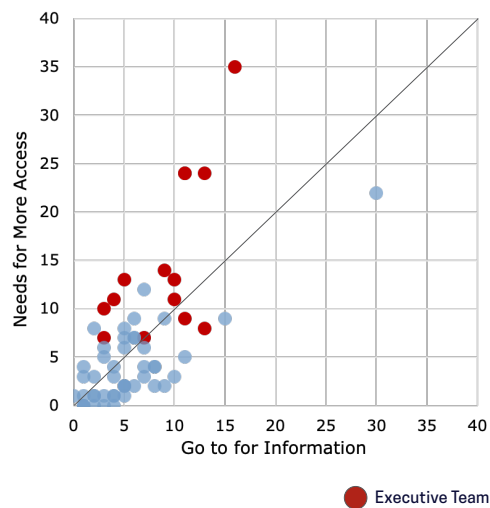


Figure 8: Information vs Access Mentions Showing Bottlenecks

Outcome

By aligning and leveraging mid-level leadership, the firm could dramatically improved their client coverage and customer experience

Through network analysis, McChrystal Group identified a cohort of mid-level employees who were well-positioned to drive information-sharing across geographies. Further, through interviews and focus groups, McChrystal Group identified the type of information that had historically existed only in the minds of the Managing Directors. By coupling these findings, the firm was able to create a market intelligence forum that actively leveraged the mid-level cohort to disseminate and reinforce actionable and relevant information on a regular cadence.

As a result, more than 80% of employees agreed that the forum improved their ability to do their jobs and create value for their clients. Additionally, the percentage of employees who agreed that they were incentivized to proactively share relevant market intelligence rose from 50% to 80%. Network analysis after these interventions revealed that the network had become dramatically more robust and resilient, less reliant on hierarchical reporting structures, with significantly more communication across geographical barriers.

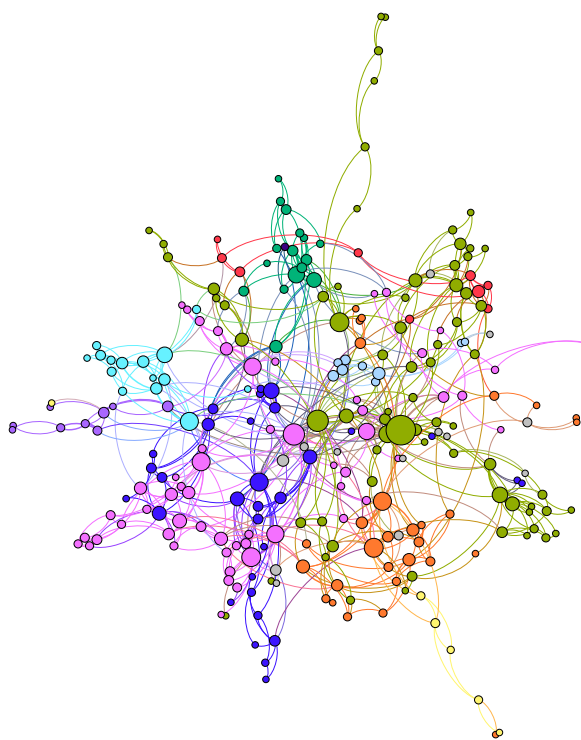


Figure 9: Network Map Before Interventions

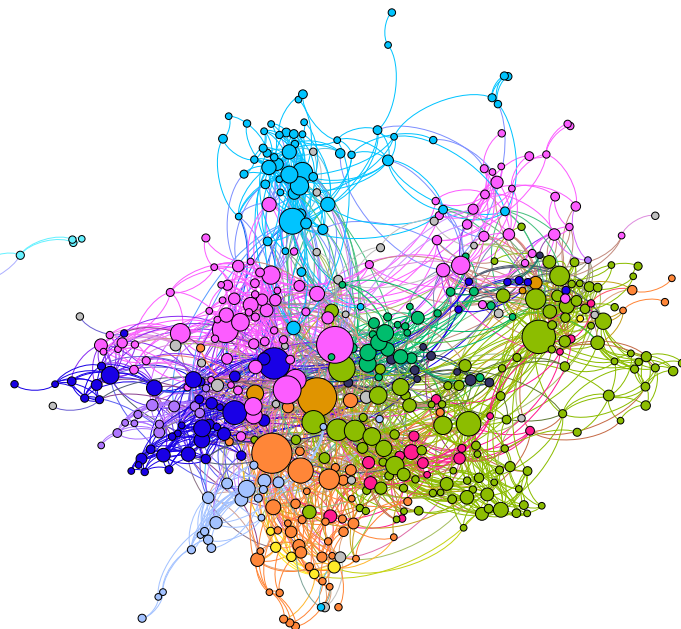


Figure 10: Network Map After Interventions

McChrystal Group

McChrystal Group assesses, equips, and connects your teams to outpace your environment, your competitors, and your next challenge. We do this by applying our Team of Teams® framework to three critical areas of performance: developing your leaders, implementing strategy, and measuring your organization's performance.

Contact contact@mcchrystalgroup.com for more information.