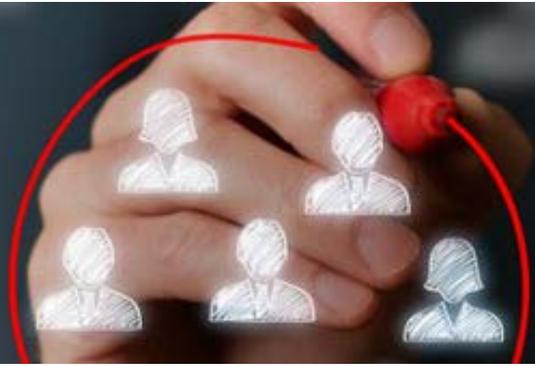


GREENWAY CASE STUDY:

## ORGANIZATIONAL DESIGN



### **Firm Profile**

A large, non-U.S., E+A firm with over 600 employees. The firm has grown through selective acquisitions of several mid-sized practices and has inherited multiple offices with discrete cultures and processes. Today, the firm offers a diverse suite of services, but its legacy is rooted in engineering and a majority of its senior leaders have engineering backgrounds.

### **Environmental Scan**

The firm's organizational structure has grown increasingly complex as a result of rapid growth in the scope and size of the firm. The firm's inclusive culture places high value on consensus and encourages the development of informal networks.

New Board positions have been added over the last fifteen years to include the senior principals of acquired companies, with the result that the Board has expanded from its original five members to a current total of eleven members.

With the growth in the total size of the Board, the number of Board committees has expanded as well. The Board now includes over fifteen committees and special project task forces, with some Board members responsible for overseeing as many as three sub groups of the Board.

### **The Business Challenge**

Greenway was asked by the Board Chairman to help examine, clarify and streamline the roles of the Board within the overall context of the firm's organizational structure. The Board Chair summed up the challenge and goal as follows "We are engineers at heart, we tend to sweat the details and we need to streamline how we make decisions as a Board [and firm], but we do not want to sacrifice the collaborative atmosphere which attracted so many of us to the firm".

## **Greenway's Perspective and Approach**

Each Board member was interviewed about their assessment of the Board's overall effectiveness as well as their perspectives on their individual roles and contributions to the Board.

An analysis was conducted which mapped and categorized all of the Board's actions and decisions made over the past three years, including a summary of the time allocated by the Board to topical agenda items during the same period.

Greenway led a series of discussions and work sessions with the entire Board surrounding the roles and responsibilities shared by high-performance boards.

## **What Greenway Helped the Firm Discover**

Research revealed that over the past three years the Board had devoted over 70% of its scheduled time together on issues categorized as primarily operational in nature. In addition, over 85% of the Board's formal votes and recorded decisions involved inter-office dispute resolutions, partner compensation practices and approval of individual investments ranging in size from \$25,000 and \$50,000.

Many Board members felt the time requirements of their respective committee responsibilities had become burdensome and left them little time for much else. Feedback highlighted that in the absence of defined roles, Board members tended to pursue areas of personal interest, and in some cases, pet projects, to the detriment of other priorities.

All Board members expressed the desire to codify a charter and set of guiding principles for the Board.

## **Outcomes Twelve Months Later**

The Board committed to re-invent itself and developed a 'strategic plan' for the Board. This plan includes a written charter, set of principles and guidelines, and a process and toolkit for on-boarding new Board members.

The Board adopted a schedule whereby the number of Board members will be reduced to seven as terms expire and other members retire. In tandem, the number of Board committees was consolidated and reduced to five standing committees – strategic growth initiatives; financial management, talent engagement, executive leadership and risk management.

The Board's meeting schedules and agendas were simplified to allocate blocks of time to explore strategic alternatives and prioritize open-ended blue-sky discussions about the long-term future of the firm.

## **Lessons Learned**

A Board should be purposeful and explicit about its charter and the role and function of each Board member. A Board is not a committee or a club.

The Board needs to invest, as a group, in developing its own culture and charter. These elements may overlap substantially with similar guiding principles of the firm at large, but may also differ subtly regarding scope, emphasis and tone.

The Board needs to proactively communicate with its diverse constituencies and inform and educate these stakeholders about the Board's purpose, charter and values.

Individual Board members are often required to navigate and balance multiple roles within professional service firms. It is essential that Board members learn to clearly signal to others in which capacity they are acting as they interact with subordinates and colleagues in the daily life of the firm.