



Building an outcome driven high ownership company

Strategy & HR team

Introduction

How often as a Chairman or CEO of a SME business you had to face the following situations.

- A key client delivery has been missed due to poor work allocation and monitoring within the department and the manager in charge is blaming his juniors and associates.
- Sale team is floundering on results and the sales leader is not owning and directing the team to succeed.
- Design department has not understood customer requirement and post-production, the client is refusing to sign off the acceptance test, causing huge financial loss.
- An errant employee has been posting incendiary mails to female colleagues and superiors. HR team despite quite aware of the nuisance is waiting for someone else to speak and counsel the employee.

What does it take to build an outcome driven high ownership company?. What elements of a workplace make an employee to willingly own and contribute more to her job? These are questions that have always intrigued organisation theorists and management scholars for years. This is the recipe CEOs and entrepreneurs frantically seek out to build a great organization. In recent years, companies like Ternary software, Zappos, David Allen Co, Precision Nutrition and

others have adopted holacracy (the system of self-governance) as the magic potion. While not completely eschewing the same principles, many SME have tried and tested culturally appropriate methods to create outcome driven companies. Our clients Progressive Infotech, Quest informatics Engineering services division, and Exdion have pursued common sense approaches, more like a druid soup to build outcome driven and ownership driven company. Triangulating the experiences of our client organizations, and other organization including Isha Foundation, CRY, Zoho, Art of Living, Ujjivan Financial services and Silver Sparc Apparel, we summarize common approaches to building an outcome driven high ownership company.

1 Leadership circle

With limited resource availability at their disposal, SME owners realize they need to marshal every resource to reach the collective dream. Even if you have hired a hot shot CEO, dynamics business environments require you to percolate leadership at various levels to sustain growth. It is imperative to build multiple owners who can eschew same corporate dream and chase the horizon. Progressive Infotech created a leadership ring consisting of sales, delivery, and marketing owners. They along with the management ideate, own and drive improvement motions. However, unlike the Holacracy organizations, these rings are limited to the first level of management, the rest of the organizational is still hierarchical.

Similarly, Quest Informatics has created a four member ring for engineering services which collectively evaluates proposal, pricing, delivery, employee wellbeing and future innovations. The group runs as a virtual organization within the company. Leadership circle help SME to address challenges of highly centralized leadership, absence of shared dream, and low engagement second rung leaders.

2 High on cross-function planning

High outcome and high ownership units or organization invest heavily into cross-functional planning. They not involve the leadership ring, but also other levels and spend lots of time evaluating several options, and challenges. In a made to order (MTO) context, these organization have increased the time they spend on planning by almost 2.3 times. They involve sales, delivery, quality and design key members with the leadership ring. Thrashing out details in the planning sessions have helped them to improve validation of customer requirements, and highly aligned design and delivery. Cost of rework, poor quality throughput, last minute rush jobs have all been eliminated.

3 Focussed execution

High outcome and high ownership culture requires high adherence to plans but also high flexibility to counter exigencies. While they do have a grand plan, these organizations invest in daily rhythm meets to discuss work break down activities. Any deviations and

change request are discussed openly, impacts on others and critiqued from a purpose and comprehensive perspective. The daily meets serve as a collective status checking and options platforms, ensuring high transparency and high visibility.

4 Complete ownership in execution

Companies striving to hand down ownership must know how to transfer decision rights. An individual team member whether a designer or developer or the project manager can take a stand about his work and against a senior decision if that is not aligned with the team plan and can impact the output. The key to remember here ownership is complete when the task is independent and less complex, and owner has sufficient knowledge of the domain and has the ability to know when things are not working. For tasks with interdependencies, joint or group ownerships are defined based on fragmenting the tasks into sub-tasks and appropriate owner assigned to each sub-task.

5 Contextual leadership

Role based or hierarchy based can deter emergence of outcome based and ownership driven organizations. Hence, the companies must build a culture and process where different people wear the leadership hat. This could be based on the major milestones or critical works or knowledge. A pre-sale expert is the

leader till the client shortlisting the company, later sale team member takes over negotiation and order and delivery team looks at timely and quality delivery. Even in a software development life cycle, solution design, delivery, QA and hosting team can take contextual leadership positions. This helps in emergence of leaders at various levels. When teams are formative and the experience mix is too varied, companies build contextual leadership engine with a leader champion. Such innovation may be necessitated by the team complexion, or cultural requirements.

6 Effective review and reporting process

If the organization objective is to create a high ownership and outcome based culture, its review system should move away from status and fault finding to status and solution offering. Each review meeting is initiated with a revisit of the purpose and with a focus on actions that drive performance. Leadership ring ensures the review is comprehensive enough covering depth and breadth of information required to make informed decisions, but without alluding to personalities. Review meetings evaluate the delivery and quality challenges, impact of activities in progress and outcome quality. Review is to understand the drawbacks in the system and quickly build solutions to meet the objectives. Leadership ring focus is to ensure the review is all about progress and people, but not managing power.

Finally, building a high ownership and outcome driven company requires right balancing of autonomy and alignment of resources and priorities. Harmonization of products and services, business priorities, process that are aligned with the culture and experiences of the team are crucial. Key here is to optimize when being autonomous. What we have learnt is there a multiple ways to do this and no straight jacketing works. Creating outcome driven and ownership driven organization is all about providing enough autonomy for each individuals to do their best while all their actions and efforts are guided and aligned through purpose.

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