

## CASE STUDY: PRIVATE EQUITY FIRM

# Senior Team Coaching Fuels Cohesion and Collaboration

## The Challenge

### Dislocation between strategy and execution

A private equity firm took a control position in a \$200 million founder-led company, seeing upside for growth through new service verticals, innovation in the core business, and geographic expansion. As the founder transitioned out of the business a new CEO—a reputable business leader with a strong strategic mind, stepped in. He envisioned multiple ways to grow the entity vertically, investing in technology to unlock novel and more substantial projects. The new capabilities were developed organically via the hiring of specialized personnel and investment in new machinery.

The plan backfired, however. While the CEO had significant strategic skills, he failed to grasp the operational complexities of the vertical expansion

and the organization's readiness to change. Although the company won new project work, it struggled to execute, delaying the private equity firm's plans to sell it at the five-year mark.

## The Solution

### Uncovering barriers to performance

The client engaged RHR to objectively assess the effectiveness of the CEO's leadership and to identify other factors that stood in the way of execution. RHR began by undertaking a comprehensive, interview-based 360-degree analysis of the CEO. Ten senior-level executives were surveyed regarding how work was assigned and whether or not managers and employees understood their task responsibilities and priorities. The Senior Team Effectiveness™ review encompassed not only the CEO's personal effectiveness but also analysis and assessment of the operating culture and senior-team alignment.

Several barriers to performance were uncovered:

- Significant skill gaps were identified in the composition of teams.
- Collaboration was lacking due to a silo-based operating structure.
- The required equipment often was not on hand to address large project needs in a timely fashion.
- Field operations felt unsupported by central operations, creating uncertainty about task priorities and tense working relationships.
- Several managers, including young vice presidents in the field, required coaching to more effectively lead project tasks and personnel.
- The CEO underestimated these various disconnects and needed guidance on how to bring the organization together structurally and culturally.

## The Results

### Organizational cohesion and clarity resulting in assured and timely execution

- Cognizant of the problems impeding execution, the company has brought operations into better alignment with the CEO's strategy. The team has worked hard on prioritization and to coordinate actions to drive strategy. Silos have been addressed by changing the senior team's charter with an eye toward open communication lines as well as increased transparency and sharing of information.
- Mentoring and coaching has resulted in more assured management in the field, which now has more direct supervision and clarity from central operations.

- Changes in personnel in key functions have allowed for better collaboration and positive engagement between the field and corporate offices.
- The CEO remains at the helm of the organization, pursuing the strategic plan with greater confidence in its execution. He has an internal coach who helps him compensate for his leadership gaps and stay focused on the people issues that are central to execution.

The company's performance is trending in the right direction, and the private equity firm's expectations for a sale of the business are strong.

## ABOUT RHR INTERNATIONAL

RHR International LLP is an independent, global firm of management psychologists and consultants who understand the distinctive challenges and pressures that CEOs, board directors, and senior executives face. Its singular focus on senior leadership effectiveness, business outcomes, and research-based practice sets it apart from other executive and organizational development consultancies. For more than 70 years, RHR has been helping leaders and their teams transform themselves and, in turn, the performance of their organizations. RHR offers Board & CEO Services, Senior Team Effectiveness, Leading Transformational Change, Executive Development, and Executive Assessment. For more information, visit [rhrinternational.com](http://rhrinternational.com).

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