SOAR

Linking Strategy and OD to Sustainable Performance

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This chapter discusses the intersection between organization development (OD) and strategy. Specifically, we describe SOAR and its application within a global professional services firm. This firm subsequently achieved significant positive change across all measures of operational excellence, client satisfaction, employee engagement and retention, and financial results. SOAR is an OD strengths-based, whole system approach to strategic planning and execution. The acronym SOAR stands for **S**trengths, **O**pportunities, **A**spirations, and **R**esults. It begins with a *strategic inquiry with an appreciative intent* into what is working well and what are the possible opportunities for growth. It engages a whole system perspective and involvement in the strategic planning process. This chapter tells the story of a service organization with quantified results. First, we discuss the convergence of research and management practice in strategy and OD. Then, we present the SOAR framework and approach. Finally, we let the story speak for itself.

CONVERGENCE OF STRATEGY AND OD

As the OD field evolves, practitioners serve organizations using emergent theories, methods, and tools of planned change. Recent advances in the OD and strategy fields include Appreciative Inquiry (AI), positive organizational scholarship (POS), whole system change, organizational learning, sustainability considerations,

and strengths-based perspectives. Similarly, strategic leadership is transitioning to encompass practices designed both to capture the knowledge of all employees and to engage employees in the creation, execution, and ownership of strategy. Intersecting OD and strategy significantly improves the effectiveness of strategic planning and change (Worley, Hitchin, & Ross, 1996).

The SOAR approach integrates AI, POS, whole system, and strengths-based change to create a *strategic* transformation process. In the SOAR framework, the foundations of AI are applied with a focus on strategic thinking, creating, and implementing. As highlighted in this book, AI is one of today's leading OD and change philosophies. It engages the whole system in shaping the organization's future. Appreciative Inquiry has been successfully used by thousands of organizations to identify possibilities and then to design and deliver a future path based on the whole system's contributions.

The term *strengths-based* is newer to the strategy field. Nonetheless, researchers have collected data related to strengths development in hundreds of studies over the last thirty years from the Gallup Organization. The results of this research have appeared in the popular business press with books like *Good to Great, Now Discover Your Strengths, Positive Leadership, Blue Ocean Strategy*, and *Strengths-Based Leadership*. Peter Drucker's description of leadership captures the idea (personal communication): *"The task of leadership is to create an alignment of strengths, making our weaknesses irrelevant."* Strengths-based thinking shifts the focus to building upon strengths rather than improving weaknesses. The idea is to build teams with complementary strengths and allow individuals to do what they do best. The intended result is excellence, high performance, and successful managers, employees, and teams across a wide range of industries—all strengths-based issues (Cameron, Dutton, & Quinn, 2003).

Whole system involvement captures holistic information upon which to improve strategic decision making. SOAR invites the whole system, or at least its representatives, into the strategy process. In order to gain perspective and act effectively, the knowledge and perspectives of the whole system must be understood. Stakeholder involvement, buy-in, and commitment add perspective and deepen engagement. Involvement begins with identifying the key stakeholders in the value chain and the impact of the organization's strategies and activities on these stakeholders. Stakeholder value "is becoming a way to achieve competitive advantage based on the economic, ecological, and social impacts a company has on its diverse constituents" (Lazlo, 2008, p. 21). Research overwhelmingly indicates that consideration of broader stakeholder needs creates shareholder value (Margolis & Walsh, 2003).

Leading practitioner publications and scholarly journals reflect this parallel shift in thinking. A recent *Harvard Business Review* article observes that knowledge-based organizations in the information age create value differently from prior models of control-oriented management systems. In a learning environment where

employees' participation and ideas are invited and welcomed, employees engage with customers and within the organization more meaningfully. "They will offer innovative ways to lower cost and improve quality—thus laying a more solid foundation for their organization's success" (Edmondson, 2008, p. 67).

An article in *The McKinsey Quarterly* states that over 70 percent of senior executives identify innovation as one of the three strategic imperatives for their companies. McKinsey research shows that engaging employees is a more effective path to generating and sustaining innovation. Relying on predictable strategy practices and conventional processes and structures is ineffective in inspiring innovation (Barsh, Capozzi, & Davidson, 2008). If there is a growing demand for strategy to be more innovative and to be implemented more rapidly, then an organization must create and communicate strategy and plans that invigorate stakeholders with a shared set of values (ways to operate together), vision (future direction), mission (present purpose and organization offering), and a set of strategic initiatives (foundations for goal and objective setting).

Core to SOAR is engaging employees in a series of conversations to further discover strengths, opportunities, and collective aspirations leading to commitment to a series of strategic initiatives and results. For organizations that can bring in external stakeholders, SOAR can engage stakeholders from the start. The key is for relevant stakeholders to be identified and effectively connected within the conversations. The SOAR framework optimizes value by balancing the needs of the current customers, new customers, employees, suppliers, partners, the community, and shareholders. By engaging stakeholders (*or ensuring their voices are represented*), an organization accelerates its strategic planning efforts by understanding what it does best (strengths) and then identifying the potential market, product, or service opportunities.

Contemporary organization theory indicates that our ways of working and organizing are trending increasingly toward collaboration. Current thinking about strategy development and operational control is evolving toward relational processes and structures. Several factors are leading to collaboration in business, including the emergence of an information-based economy where knowledge is the key value-creating asset (Thatchenkery, 2005); a growing body of theory signifying that we co-create our futures in relationships (Anderson, Cooperrider, Gergen, Gergen, McNamee, & Whitney, 2008; Shotter, 2008); and the disintegration of loyalty as a force holding organizations together (Barker, 2007).

Recent theorizing into strategy finds that integrative strategizing helps senior managers to be more effective in influencing and contributing to strategic organizational change (Jarzabkowski, 2008). The SOAR framework and its processes encompass the concept of integrative strategizing. SOAR concurrently engages employees in developing strategy and establishing the organizational structure and controls to implement the strategy.

From this brief review of emerging strategy research and practice, several questions begin to develop:

- How can we invite and welcome employees' participation and ideas?

- What new and innovative methods do we have to engage employees?

- How can we build on the trend toward collaboration to generate and leverage new relational processes and structures?

- In what ways can we simultaneously develop strategy while engaging employees and establishing the organizational structure and controls to implement the strategy?

Next we will provide a brief overview of what SOAR is and how to apply it. Then, the story of a business unit of a global professional services firm will provide an example of bringing theory to practice.

THE SOAR FRAMEWORK

What Is SOAR?

SOAR is a strengths-based framework with a participatory approach to strategic analysis, strategy development, and organizational change (see Figure 18.1). The SOAR framework enhances and guides strategic planning and implementation processes with its positive guiding approach to *inquire* into the organization's strengths, opportunities, aspirations, and measurable results; *imagine* the organization's desired future; *innovate* strategies, plans, systems, designs, and structures; and *implement* the strategy innovations developed in the three previous phases to build a sustainable culture.

The appreciative paradigm led to shifting to a new acronym to support strategic analysis, evolving SWOT into SOAR. The traditional SWOT approach begins with a scan of internal strengths and weaknesses and an external scan of opportunities and threats. SOAR places the focus on finding a strategic fit between positive aspects of internal environment (strengths) and external environments (opportunities).

From the recent advances in OD theory, we realized that any consideration of strengths implicitly considers weaknesses and, similarly, opportunities are developed in consideration of threats. There is also an intentional shift in language from problems to possibilities that is subtle yet powerful when engaging in strategic conversations. Rather than focusing attention on weaknesses and threats directly, organizations can reframe their perspective to optimize their path toward their highest possible achievements.

From the disciplines of POS and AI, SOAR applies a similar line of thinking. While applying and reflecting about the SOAR framework and approach, it struck us that, instead of stating a weakness such as "We have significant problems with
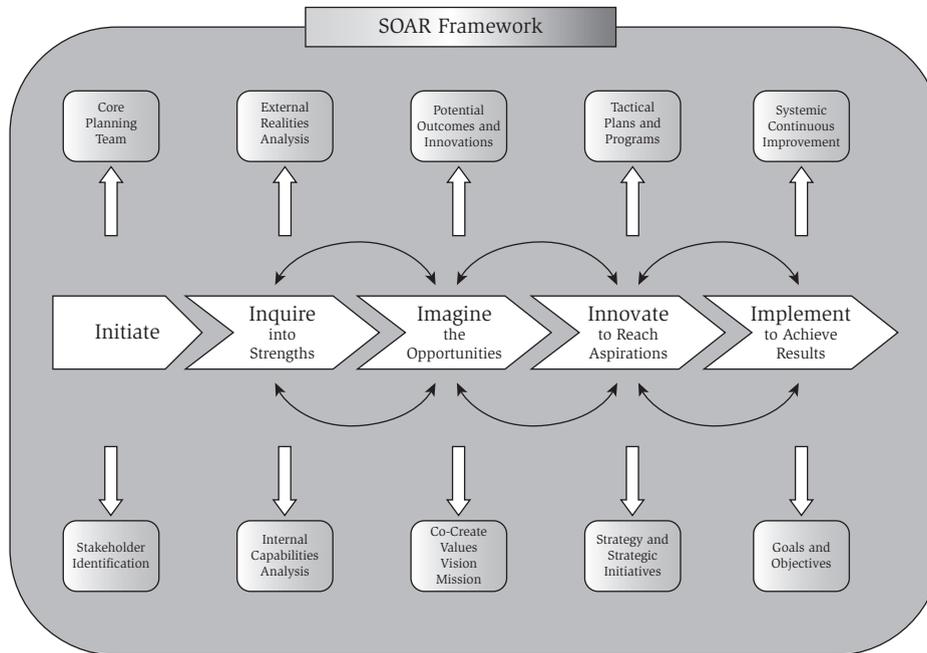
Figure 18.1. SOAR Framework and 5-I Approach

distribution," an organization could reframe this as an opportunity: "We have an opportunity to create a more effective distribution channel." SOAR doesn't ignore an organization's challenges; it reframes them into possibilities, thus creating a strengths-based *opportunity approach* to the strategic plan.

The following questions are offered as an illustration for the SOAR components of Strengths, Opportunities, Aspirations, and Results:

- What are our collective organizational strengths? What are our greatest assets?

- What are the possible market and product (service) opportunities? What potential do you see or recognize?

- What are our collective aspirations? What dreams do we have for our organization? What could you imagine for our best possible future?

- What measurable results can we achieve together? What results are the most meaningful?

- How will we know we are on track to accomplish our goals?

- What are the rewards and resources required to achieve the results?

These questions and their responses can start the journey to understand and apply SOAR as a flexible framework to make sense of our past and present situation and to co-create a most preferred future for our organizations. The

questions are designed to drive intentionally positive conversations in small groups, followed by reports to the larger group to create collective understanding. The workshops and summits we have conducted have had a wide range in number of participants and duration of participation required to answer these or similar questions. The situation dictates what is appropriate. The specific questions used by the professional services firm will be provided in the story that follows.

The principle is to ensure that stakeholders' voices are represented and that there is sufficient information and time to inquire, imagine, innovate, and make decisions for implementation. It has been our experience that you can design a SOAR session with twenty to hundreds of participants, with the sessions ranging from a half-day to three days. The difference in the ranges depends primarily on what the organization wants to achieve.

SOAR offers a wide range of options for its application (see Table 18.1) so that the framework (Figure 18.1) can be built upon and applied appropriately to the strategic need.

How to Apply SOAR

A 5-I approach guides the SOAR process: Initiate, Inquire, Imagine, Innovate, and Inspire (Implement) that can be used to guide the delivery of the questions highlighted above. The phases are briefly defined below:

1. Initiate. The organization's leadership team or a core strategic planning team meets to determine how to use SOAR. They identify the relevant stakeholders to invite and discuss ways to engage stakeholders in and throughout the process. This is where the core strategic planning team is typically created and/or identified.

2. Inquire. This is a strategic inquiry into values, mission, vision, internal strengths, external environment to create opportunities, and conversations of aspirations and results. The "as is" state of the organization and "might be" of future possibilities are explored in this phase.

3. Imagine. A dialogue takes place that considers the combination of strengths and opportunities to match the aspirations to create a shared vision. Participants use the power of positive images of the future as a basis for envisioning actions and results. These images and supporting dialogue create the inspiration and excitement to fuel strategic initiatives and aligned action.

4. Innovate. Strategic initiatives are identified and prioritized that may result in new or changed processes, systems, structures, and culture as required to

support the new goal. These changes are designed by taking advantage of the identified strengths and opportunities to achieve the aspiration and results.

5. Implement. Energy, commitment, and tactical plans emerge to implement the new strategic plan. Implementation involves many people with different skills and competencies aligned and working on linked projects. Because the original inquiry and strategic dialogue connected each person to what to do, why to do it, and how to do it, he or she is more likely to be motivated to contribute to the resulting service to stakeholders. The rewards are not only tangible in terms of a successful result in the marketplace or in financial returns, but also in knowing the work served others in a positive way.

Table 18.1. Selected Examples of SOAR Applications

SOAR Framework and 5-I Approach	Brief Description of Work
Biological Conservation Charity	To create a strategic plan with priorities that serve as a living document
BAE Systems	To create a strategic plan for an acquired division
Cathedral Foundation	To bring stakeholders together to design a plan to serve all of its community members
DBC—National Healthcare Board	To use appreciative strategy processes in co-creating an engaging leadership team that develops a shared vision for its national planning board
FCI Automotive	To discover a strategy to improve supply chain management and inventory quality
Hayes-Lemmerz–Cadillac	To discover how the plant can be environmentally profitable while decreasing operational costs and improving plant efficiencies
Jefferson Wells	To engage the whole practice in strategy development and execution to create a positive impact on financial results
John Deere	To align strategy at corporate, business, and functional areas
Metropolitan Library System	To bring about a strategic integration of a Chicago metropolitan library system
Orbseal Plymouth Tech Center	To align a newly created technology center with corporate strategy

Since SOAR is a framework, it provides the flexibility of application in many different situations and levels, as illustrated earlier in Table 18.1. A goal of this section has been to provide you with a new way of thinking to craft and implement strategy. We have found that creating strategy from a strengths-based, whole system perspective builds confidence and momentum to move people forward in an uncertain environment. The following story brings this concept to life.

POSITIVE TRANSFORMATION

Overview

This story is set within a global professional services firm specializing in finance and accounting, internal audit, tax, and technology risk management. The firm has approximately fifty offices across North America, Europe, and Asia. It is a subsidiary of a Fortune 100 company.

In the Great Lakes Region (GLR), positive organization approaches, including SOAR and AI, were used over three years to build and develop a team of professionals committed to serving clients and each other. By 2008, the GLR had grown to be the global firm's largest cash-flow generator. GLR also ranked first of all practices in both client satisfaction and employee engagement.

The GLR Story

At the beginning of 2005, GLR was viewed as a solid operation. It ranked eighth in total revenues and twelfth in operating profit out of twenty-five profit-and-loss centers globally. Given the relative size of the market and lagging Midwest economy, performance was seen as admirable. Employee engagement as measured by annual survey was high, as was employee retention. With an annualized employee turnover rate of 32 percent, GLR ranked sixth in the firm for retaining employees. The previous office managing director (MD) had recently been promoted to vice president of operations.

A new human resources director and a new MD joined GLR in early 2005. They were joining a local leadership team of fourteen. Although annual employee turnover at 32 percent placed the practice in the top quartile of the firm, they saw improvement in retention as a key lever for overall improvement.

The new MD and HR director worked intentionally with the rest of the leadership team to have meaningful dialogue with all primary stakeholders as soon as possible. The MD's goal was to meet every one of the approximately 150 professionals within the first two months of joining the practice; they met many at the client organizations where they were working. Meeting clients, corporate managers, and other stakeholders was also on the agenda.

Discovering the Positive Core

During those initial meetings, the two new members of the leadership team asked each person to tell his or her story and they shared theirs. They asked questions to uncover the positive core of the organization: *When our firm is operating at its best, what does that look like?* They asked people to tell of their peak experiences: *How long have you been working here? What is your best experience in that time?* They asked questions to get a better sense of the values in use of the firm: *What do you value most about the firm? What do you value most about yourself as a member of the firm?* Some of the questions were asked to uncover what could be improved and to consciously begin moving toward a preferred future: *Imagine it is three years from now, and everything has gone exceptionally well. What does our practice look like? What clients are we now serving? How many people now work for the practice? If you could change one thing about the practice, what would it be?* The MD and HR director also asked questions to get a better sense of their role and how they could best serve the team: *If we are exceptionally successful, what would it look like to you? How can we best serve you?* Clients and other community organizations, including local universities and charities, were asked to tell of their best experiences working with GLR and to imagine how they could be better served.

Some of the initial meetings were held in the offices of GLR and at client work sites, while others occurred in restaurants over breakfast, lunch, dinner, and evening social gatherings. The data uncovered from those meetings told of people feeling closely connected to the practice. Employees believed that the management team cared about them. Clients expressed thankfulness that GLR did not gouge them for fees, as other firms had when Sarbanes-Oxley (SOX) requirements initially caused a shortage of accountants and auditors. Clients also expressed that the combination of the firm's "outstanding people" and fair prices provides an excellent value. They also conveyed the idea of relationship and partnership.

The leadership team wanted to uncover a positive core upon which to build. The questions were designed to identify and amplify what was already working well in the system. They were consciously co-constructing a positive future as part of their team.

As the year 2005 closed, the practice was growing quickly and the team felt that they were headed in the right direction. Annualized employee turnover declined from 32 percent to 26 percent. Operational and cost measures also began to improve considerably. Revenues for the year increased 49 percent, and profits were up 53 percent, which resulted in the practice moving from eighth to fifth place in revenue and from twelfth to seventh place in profitability.

From Top-Down to Whole System Strategic Planning—Learning to SOAR

In the next year, 2006, the leadership team decided to use SOAR to build on the practice's financial and operational successes. SOAR seemed appropriate for a professional services organization because of its whole system nature and its relationship to research into both strategy and positive organizational scholarship (POS).

The corporate office provided a standardized strategic planning template for each office to complete. The regional offices had autonomy in using any processes to develop their plans. GLR began the strategic planning process for 2007 in early third quarter 2006. The SOAR journey into strategic planning unfolded through five phases: Initiate, Inquire, Imagine, Innovate, and Implement.

1. Initiate. The leadership team of sixteen people set aside time in several of their weekly meetings to begin the process. The team faced new challenges in developing their plan. In previous years, the MD developed the plan with input from select members of the leadership team. As more people were brought into the process, a degree of control was lost. The team outlined some measures to ensure the plan stayed aligned with the corporate strategy and timeline. During those meetings, they identified a core strategic planning team and nominated other managers, professionals, and administrative support team members to participate on the core team. The core team had ten people, including an external consultant. The consultant facilitated the process so that everyone could participate. The team proposed a plan for the process and addressed questions such as how to keep the process on time and manage the logistics of inviting the whole system to participate.

In a professional services firm, the cost of every meeting is apparent. Every meeting increases cost and decreases revenue by taking employees away from serving clients. GLR's value proposition is based on delivering experienced, skilled professionals at a relatively low price. This balance was carefully considered before scheduling any meeting.

The deliverables from the Initiate phase included the identification and development of a core strategic planning team, creation of a planning process outline, and identification of stakeholders.

2. Inquire. Considering the potential disruption in client service, the planning team initially decided to limit the summit meeting to the practice's extended leadership team of about fifty people. In the summit meeting, the group explored the SOAR phases of inquiry, imagine, and innovate, and an initial direction for implementation.

The directors, business development managers, engagement managers, and administrative team attended the first summit meeting. The ideas generated from

bringing that team together were clearly value creating, but the energy and engagement were exciting. They felt that something special was occurring. The planning team decided to extend the process to all two hundred employees in the region. The summit for all employees was similar to the summit held for the extended leadership team, except now members of the leadership team served as table facilitators.

The Appreciative Inquiry that began in August 2005 provided a good foundation of data from a broad base of stakeholders. Building on the learning from that period, the planning team developed the protocol to guide the strategic inquiry. In the summit meetings, participants paired with someone with whom they did not normally work. Each participant asked the other the questions and took notes, and then the roles were reversed. Figure 18.2 shows the question protocol from the interview guide.

After an hour, the groups came together in tables of eight. Each person shared the stories he or she heard. One of the table participants, acting as a recorder, captured the emerging themes and ideas.

Interesting dialogue occurred at each table. Participants discussed a mix of stories of exceptional client service, of times when they really felt engaged

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1. ˜*What Attracted You?* Think back to when you first decided to join the firm. What attracted you? What were your initial excitements and impressions?

2. *High Point*. During your time in the firm, I'm sure you've had some ups and downs, some peaks and valleys, some highs and lows. I'd like you to reflect for a moment on a high-point experience, a time when you felt most alive, most engaged, and most proud of yourself and our firm. Tell the story. What happened? What was going on?

3. *What Enabled Your Success?* What was it about you, others in the firm, and/or our clients that made your peak experience possible?
   - What were your best qualities, skills, approaches, values, and so on that made it a great experience?
   - Who else played a significant role and how did he or she contribute?
   - What were the most important factors in the organization that helped (for example, strategic focus, leadership qualities, best practices, traditions, structures, processes, skills, relationships)?

4. *Positive Core*. When the firm is at its best, what are the core factors (our strengths) that give life to our organization—without which the firm would cease to exist?

5. *Future Vision*. Close your eyes; imagine it is 2012. Where is the GLR five years from now? What new market segments, services, or process innovations have been successfully created and launched. What opportunities have we seized? And how did you and your team help to get us there?

6. *Three Wishes*. If you could change or develop anything you wanted about our firm, what three things would you do to heighten its capacity to grow our competitive advantage?

Figure 18.2. GLR SOAR Interview Guide

and part of the firm, and of new business development and growth success. When the energy finally shifted from the tables back to the whole, each team recounted some of the stories and themes that emerged. The following strategic themes were identified for the next phase:

1. Growth by expanding service offerings into existing clients and developing new clients;

2. Client service excellence;

3. Employee engagement, retention, and team development;

4. Individual professional development and personal growth; and

5. Managing the economics of the practice.

3. Imagine. In the third (imagine) and fourth (innovate) phases of the summit meeting, strengths, opportunities, aspirations, and measuring results were discussed. The framework in Figure 18.3 was used to guide the conversations.

The key strengths identified previously were discussed. The depth of relationships among the people on the team and clients was clearly foundational. People on the team felt as though they were part of something and valued the close relationships and professional camaraderie. The clients appreciated the value created for them and supported the organization's further growth. When asked, clients provided introductions and references internally within their organizations and externally with other companies.

As noted above, implicit in the discussion of strengths and opportunities were considerations of weaknesses, mission, and long-term goals. A primary long-term goal was profitable growth, so what in the strengths presented

STRATEGIC INQUIRY	**Strengths** • What are we doing well? • What are our greatest assets?	**Opportunities** • What are our best possible market opportunities? • How are we to best partner with others?
APPRECIATIVE INTENT	**Aspirations** • To what do we aspire? • What is our preferred future?	**Results** (measurements) • What are our measurable results? • What do we want to be known for?

Figure 18.3. SOAR Matrix

opportunity? From strengths, the team found areas in which change likely would bring opportunity. One consideration was to reevaluate the sales strategy and incentive system that encouraged client relationship professionals to focus on bringing in new client companies rather than fully developing existing clients. The deep relationships and a solid reputation in several large current clients were acknowledged, such as GM, GMAC, DTE, Comerica, and Chrysler. One opportunity came from changing the focus for several client relationship professionals to focus strategically when there was already success and significant opportunity.

From the broader summit, it also became evident that GLR had a broad network of relationships from client service professionals that had not been fully tapped. The new client development strategy became very focused on potential clients for which GLR has top management access and high probability of creating value.

The themes developed related to value-creating aspects of the business. They also connected the identified strengths with market relevancy. From that, the opportunities related to strengths are shown in Figure 18.4.

Although this paper lays out the phases in linear form for explanatory purposes, the summit discussions were ongoing and iterative. Aspirations, and even

	Strengths	**Opportunities**
STRATEGIC INQUIRY	• Deep client perception of value creation and reference support • Broad untapped professional relationships • Experienced, committed, competent leadership team • Professional workforce desiring growth, learning, and personal relationships	• Penetrate and significantly grow accounts that have large account potential • Improve profitability margins • Adapt organizational structure to support continued growth • Workforce and team development
	Aspirations	**Results** (measurements)
APPRECIATIVE INTENT	• To be the recognized trusted advisor to our clients • Serve 60% of companies with over $1 billion in revenue • Place four clients in the firm's top ten clients • Be in the top decile of the firm in measures of client satisfaction, employee engagement, employee retention, profitability, and revenue • Serve our clients and our team so well that we are selected as Office of the Year	• Achieve client satisfaction of less than 1.5 on a scale of 4.0 • Add two large clients (capability of over $5 million in revenue) and increase total revenues by 20% • Improve net profit margin by 8 percentage points • Achieve employee engagement score above 90% and employee turnover below 12%

Figure 18.4. Strengths, Opportunities, Aspirations, and Results

desired results, were created as the opportunities list was developed. In some cases, inquiry started with desired results in mind and worked backward or started with aspirations or even opportunities. Or opportunities related to one set of strengths were discussed and then the conversation moved straight to aspirations and results. For example, increasing revenues was a desired result from the beginning. From that desired result, the inquiry was designed *in reverse order* from SOAR. Another important point to reinforce is that in all discussions of strengths, weaknesses and threats were considered when discussing opportunities.

4. Innovate. The aspirations and results flowed from the strengths and opportunities. For example, uncovering the strength of deep client perception of value led to identifying an opportunity to significantly grow revenues in large client organizations that were being served well but in a limited way. From that opportunity, an aspiration was developed to grow two additional clients to a revenue target that would put them in the top-ten list of the firm's global clients. They already had two on the list of the firm's top ten. How the team would set and measure that goal is expressed in the result "Add two large clients (capability of $5 million in revenue)." Figure 18.4 presents the SOAR working outline of the strategic plan.

Necessary changes emerged for organization structure, processes, systems, and compensation plans. The "how and what" of realizing the strategic plan was done next. The opportunities were narrowed to the four shown in Figure 18.4. Those four opportunities became the overarching goals that drove the future strategic action. There were now both strategic direction and ideas on how to get there.

5. Implement. Moving to execution of the plan, GLR staff showed high energy and broad commitment to the plan. Many team members came together to work on projects linked to the goals. Execution groups were generally self-organized. People migrated to where their interests and abilities were. The team was confident that they were on the right track and saw how their contributions were really valued and implemented.

To realize each of the goals, a supporting team was needed. For example, in some way, everyone became active in moving to achieve the first overarching goal: penetrate and significantly grow accounts that have large account potential. Client perceptions of services provided successfully to large clients were analyzed. The subsequent action, to penetrate other large companies using the strength of client perceptions of value creation, was defined. Next, a targeting plan was developed for all companies that fit the profile. All members of the team were asked to identify any relationships they had in the targeted companies. Relationships were mapped, causing some sales territories to shift and assignment of directors to each client or prospect. The team then aggressively

pursued developing and advancing relationships to advance or establish work in the targeted companies.

The entire team created a second goal of improving profitability margins, even though initially that seemed to be completely in the hands of the business development managers (BDMs), directors, and MD. Improving pricing was as much a change management initiative as a market-focused adaptation. Improving profit margins was communicated internally as a need to improve pricing and to build confidence *based on the value clients had perceived and realized*. The professionals entered into what was previously closed pricing dialogue. They became more aware of what clients were being charged. They began to push negotiating teams to ask for higher rates based on the value they produced. Now the BDMs and directors who worked directly in pricing services in negotiations not only were feeling downward pressure from clients to reduce prices, but were feeling upward pressure to increase prices from the client service teams.

The team also moved to be involved in the workforce development goal. Attracting, hiring, and retaining high-quality staff members were critical elements to the workforce development strategy. A high priority was placed on candidates with advanced degrees in business, accounting, law, and taxation, and certifications in auditing, accounting, and technology security. By involving everyone in the discussion, the practice experienced significant growth in qualified employee referrals. In the following year, GLR had the highest participation rate in the firm for employee referrals. Building and retaining a highly professional team supported the first and second overarching goals of increasing penetration in large clients and increasing profit margins.

After the summits and subsequent planning meetings, the GLR team was well on the way to executing the plan, even before it was completed and presented to the corporate senior leadership team.

Results

Through the series of leadership team meetings, planning team meetings, client interviews, employee summit meetings, and follow-up cross-functional meetings, the strategic plan was completed. Although the first draft of the plan did not result in any groundbreaking new ideas, there was a new positive flow of energy and engagement. Everyone in the organization had some degree of ownership, belief, and pride in the future direction of the firm locally. The dissemination and implementation of the strategy had begun simultaneously with the Initiate Phase of SOAR.

From year-end 2004 through 2007, GLR doubled in size to become the firm's largest and most profitable operation. The practice moved from twelfth place in profits and eighth place in total revenues in 2004 to first place in both financial measures by year-end 2007. Along with the increase in profits, GLR moved into first place in client satisfaction scores, employee engagement, and employee retention.

Table 18.2. Change in Relative Position

Relative Rank of GLR Within Global Firm			
	2004	2005	2006	2007
Employee Engagement	6th	1st	1st	1st
Employee Retention	6th	3rd	1st	1st
Client Satisfaction	8th	8th	6th	1st
Revenue	8th	5th	4th	1st
Income	12th	6th	2nd	1st

As mentioned at the beginning of the story, annualized employee turnover at the end of 2004 was 32 percent, and that placed GLR in the top quartile of the firm. By 2007, employee turnover dropped to a low of 7 percent and the practice ranked first of all offices in achieving the lowest turnover and highest employee engagement as measured among all large offices globally by Corporate. Table 18.2 shows the progression of GLR relative to the other offices in the firm.

In 2005, the team was awarded the Manpower Global Power Award for Operational Excellence, an award given to the practice that best serves its clients and team. For 2006 and 2007, the practice received the firm's highest award, Office of the Year. The GLR was also named in 2008 by the *Detroit Free Press* as one of the top three places to work in the Great Lakes Region for companies with 150 to 500 employees.

Staff within the GLR practice displayed a sense of relationship and sincere care for each other, the clients, and the community. These results show the positive impact of creating sustainable value by leveraging social and economic considerations within strategy development to achieve financial success.

Culture is also a strategic lever for financial improvement. While any conclusions drawn from this data are anecdotal, the GLR team hypothesized that improving employee retention and employee engagement improved client satisfaction, and improving employee and client satisfaction led to increased revenue growth and profitability. They also believed that the AI philosophy and SOAR framework had a positive impact on improving employee engagement and retention.

Over the three-year period, the leadership team applied these appreciative, strengths-based OD-related concepts and methods to enable and inspire the organization to grow, change, and achieve greater effectiveness by channeling the passion, skills, and engagement of the team. Of course, AI and SOAR did not account for all of the changes in results over time. Having a talented, committed team and great clients to serve were probably the larger variables in the equation.

SUMMARY

Leveraging Culture to Build Sustainable Value

Conventional strategic planning methods emanate from modern, scientific management. They assume the environment is knowable and the future predictable. Based on a metaphor of management as control, strategy originates from the center-top of the hierarchy. Experts analyze market forces and then predict the behavior of customers, suppliers, and competitors. From the analysis and prediction, transformational change initiatives are planned and a top-down budget showing increasing revenues is derived. The strategic plan is complete. In this conventional strategy setting/change model, the thinking is separated from the acting. The thinking is done by somebody and the work is done by someone else.

SOAR brings a post-modern perspective to strategic thinking, planning, and implementing. SOAR assumes that organizations are socially constructed by people in relationship to one another. It also begins with an assumption that those who work in the organization care about the organization and understand the nature of their work and their customers better than do outside experts. The employees have a "stake" in the organization and will put their energy and commitment behind its success.

SOAR provides leaders with an expanded capability for helping organizational members make sense together of the environment and the organization. Within SOAR is an awareness of purpose to engage the whole system—employees, customers, suppliers, and other relevant stakeholders—together in dialogue. Participants make meaning of their stories of relationship and share their sense of commitment and aspirations for the organization. They are invited to surface innovations in products and services, structure, process, and methods through relationship. They not only craft positive visions of success and preferred potential futures for the organization, they simultaneously begin moving toward those visions. As the strategic planning process unfolds, implementation *with inspiration* begins.

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