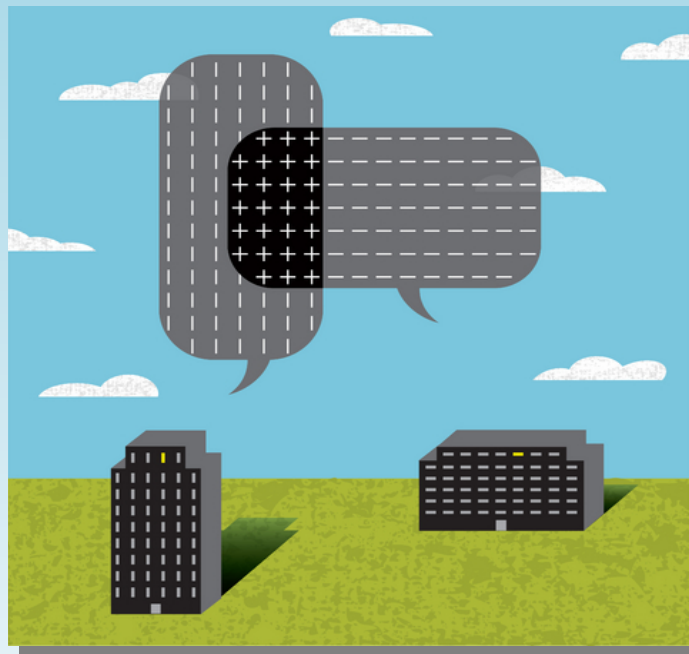


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**The Joining of
Balfour Beatty Construction and RT Dooley:**



**Making Acquisitions and Mergers Work,
Even in Tough Times**

Joan O. Wright, MCC

The Joining of Balfour Beatty Construction and RT Dooley:

Making Acquisitions and Mergers Work, Even in Tough Times

By Joan O. Wright, MCC

Contractors broke ground on the Charlotte, North Carolina Ritz-Carlton Hotel in early 2008. Two major contractors worked side by side on this large innovative green build. Balfour Beatty Construction was charged with the hotel proper, while RT Dooley handled the upfitting. The timing of this project seemed like destiny for RT Dooley, a family-owned Charlotte company that had reached the conclusion it could not remain sustainable in the current economy. Seeing how well they worked with Balfour Beatty, a division of the UK owned global construction giant Balfour Beatty plc, and how individual strengths complemented the total build, the RT Dooley family asked to be acquired. In February 2009 Balfour Beatty Construction announced the acquisition of Charlotte based RT Dooley, which would join BBC's Southeast Division, also headquartered in Charlotte. Chris Butlak, the project Manager for the Ritz-Carlton and senior vice president at RT Dooley said *"It just seemed like a good fit. We came together as one team and finished under one flag."*

The 146-room, 18-story environmentally friendly Ritz-Carlton, built and operated as the first LEED¹-designed new hotel in Charlotte,



*Ritz-Carlton Hotel
Charlotte, North Carolina*

opened on October 1, 2009 to great fanfare. The news stories and press releases would make this sound like a business fairy tale come true. In many ways it is, but what you probably will not hear much about is the

What is often ignored are the people who make up these separate pieces that are forced together into one mold.

intense work it took by both companies to marry two completely different cultures into one stronger, more capable corporation. As with all mergers and acquisitions, the pencil pushers and the marketing folks make these kinds of unions sound so good on paper, profitable and promising with bright futures. What is often ignored, however, are the people who make up these separate pieces that are forced together into one mold. Without solid groundwork to prepare the people for this "blended family" – *and that is very much what it is* – quite often great intentions lead to great failures.

For a year and a half before the acquisition issue popped up on the radar, I had been coaching the Southeast Division President of Balfour Beatty Construction. Bill Blank was responsible for all commercial construction activity in the Carolinas region, and oversaw not only Raleigh and Atlanta offices, but Charlotte as well. When it became apparent that RT Dooley would be joining his company, he knew they would be facing some very challenging issues. RT Dooley was considered an "old Charlotte" well-reputed family business, founded in 1977 by Robert Thomas Dooley, Jr. Although they were operating five southeast offices with annual sales in the hundreds of millions, they would still be considered the "Jack" in a Jack and the

¹ U.S. Green Building Council's Leadership in Energy and Environmental Design (LEED) Green Building Rating System. (The Ritz-Carlton is currently seeking LEED Gold certification status.)

Beanstalk relationship with the giant Balfour Beatty, a division of a London based company



Bill Blank, former President Southeast Division Balfour Beatty

which carried the distinction of being the 15th largest construction firm in the world. Old Charlotte and new Charlotte were now coming together. These were not mirror companies, and they were not filled with mirror people. Cultures, processes methodologies, and systems were vastly

different. The people were vastly different. And all of this was happening at the crest of one of this country's biggest economic downturns.

This wouldn't be easy.

Since Bill and I had an already established coaching relationship, our attention quickly turned to the issues surrounding this acquisition.

My experience with mergers and acquisitions allowed us to explore those issues and develop a plan for smooth transition. I had to change hats quickly and shift from Executive Coach to OD Practitioner and Change Consultant for this project.

This unpredictable and rapidly changing face of business is one more reason why Executive Coaches working within organizations must be seasoned, experienced, and able to make sudden shifts not only in tactics, but in skill sets and competencies in order to keep up with client needs over time.

I met with Bill and their head of HR and presented a plan for a new kind of leadership, one that led confidently to change and didn't just react and scramble to it. This would be a blending of cultures, the joining of a family run



Joan O. Wright, MCC O'Sullivan Wright

business with a publicly held company with global parentship. Many of those holding senior positions in RT Dooley were promoted from within, meaning that many of their leaders were former engineers without formal leadership training. They had an "informal" way of leading that worked for them, but until now they didn't have to exercise a high degree of leadership agility – the one thing that would be required by both sets of leaders from this moment on. The plan to blend two cultures, raise leadership acumen, abilities and potential of the two executive teams looked good on paper, and met with approval by senior leaders at Balfour Beatty. One thing was clear: this transition (for both BBC and RT Dooley) would require outside intervention and facilitation by someone with experience and competencies for this kind of work. Someone both companies trusted.

And therein lies the first problem, or *what could have been* the first problem. As Bill Blank's executive coach, a coach with ample experience in mergers and transitions and a coach who just

developed a workable and agreeable plan, I was the natural

*I was unknown to RT Dooley.
How would I be viewed?*

choice as the one to head up this team of facilitators. But I was unknown to RT Dooley. How would I be viewed? Bill wanted this acquisition to be a partnership, not just a big company swallowing up a smaller company. Would RT Dooley view me as someone too heavily weighted on the side of Balfour Beatty, whispering in Bill's ear about this or that? Would they be threatened by me because I had too much history with BBC? I knew I had to win over RT Dooley. A meeting was set up so we could all meet and discuss potential plans. Not only would they have to vet me, but the entire team I was bringing in. We all breathed a big sigh of relief when that meeting was a success and all parties realized that our only vested interest was to build a leadership future and shared vision for both companies. A mutual level of trust had been

established all around, perhaps one of the most important elements in guaranteeing a successful union. Another critical element is one we already had – a president committed to the success and well-being of the people of both companies. Plans on paper mean nothing without this.

Change and Goodwill

Change can be very literal, like a punch list, but there is also a psychological and emotional change process that must be addressed and finessed with experience in human interaction. There were two levels of change happening in this merger. Externally, the construction industry is changing in a big way due to the economic downturn worldwide, and regionally the Carolinas were a microcosmic illustration of this change. In effect, this is precisely what led to RT Dooley's request for acquisition by BBC. In addition to this change in the way construction industries in general did business (a forced change for survival), there were now massive internal company changes also taking place.

These elements can lead to some foul temperaments, bad feelings and general lack of goodwill among those participating in mergers. Turf protection and internal pride, coupled with fear and anxiety, can sabotage even the best intentions for unification. Fortunately, especially during the joint efforts of the Ritz-Carlton project, the leadership in these two companies exhibited goodwill and lots of enthusiasm. If this were not the case, a whole other level of preparation and coaching around the psychological issues of change would have been necessary. We now had the critical foundational elements for this challenging change. Both Balfour Beatty and RT Dooley wanted to create not just one company with one brand, but one company with two brands. The distinctions of both companies would be preserved and exalted. This goes a very long way in creating goodwill,

and developing expectations for betterment rather than besting.

The Plan Goals

Our plan for this transitional period focused on general attitudes, goals and desired results. Essentially a 5-point plan was followed with these bottom line targets:

Plan Goals

1. Shared ownership, leadership vision
2. Change Management (industry and internal)
3. Minimized silo thinking, maximized group or corporate thinking
4. Leadership Development, specifically Leadership Agility
5. Shared respect, goodwill and culture

Bill capitalized on the prevailing environment of excited expectation and set up three steering committees to tackle the main issues and establish the operational groundwork. These three groups, comprised of senior leaders of both companies, would handle 1) Operations, 2) Strategy, and 3) People and Culture. Each group worked on creating a common leadership architecture, brand and culture, with adequate support to allow for behavioral change and accountability, not just awareness. This new way of being and leading would not only apply to individual senior leaders, but whole leadership teams and the entire organization. All of the five points above were used as the foundational platform to conduct the business of these three steering committees. The Leadership Development piece, a fundamental and vital part of the transitional plan (*the fourth point above*), was primarily in my hands as the lead executive coach and facilitator.



**Leadership Development:
Triple Threat Strategies**

One of the most important elements of insuring a smooth and successful transition during mergers and acquisitions changeovers is insuring that all the players are assembled and operating on the same playing field. In other words, leadership is consistent and optimized across both company platforms, eventually moving toward unification as one smoothly functioning and competent leadership team. This development program was launched across three strategic foundations: 1) **individual leadership development**, (*accomplished through 360 Assessments, Executive Coaching and development in a new leadership tool—“Leadership Agility™”*) 2) **team development** across the two executive committees (*initiated with a two-day leadership summit*), and 3) **whole company development** as two organizations became one (*led by the individual leaders on the two executive committees*).

Leadership Agility

Since we were dealing with two functionally different styles of leadership that needed to be merged into one team to deal successfully with the subsequent changes that acquisition would bring, each of the individual leaders would have to exhibit one of the most important aspects of leadership for today’s business leader: leadership agility. This

...agility is the ability to be quick, alert and nimble, moving with ease, confidence and swiftness.

became our focus for individual leadership development, which consisted of beginning measurements (assessments) and extensive individual executive coaching. We all knew that this new leadership team would need plenty of this fitness, and that when coupled with other more individual competencies and abilities, would yield a solid leadership team able to respond to any anticipated or

unexpected need. Many people consider this one ability to head the list of competencies (*the “master list”*) necessary to survive in our complex and ever changing world.

Essentially, agility is the ability to be quick, alert and nimble, moving with ease, confidence and swiftness. When applied to leadership, this is the ability to quickly respond to a rapidly changing global economy and business world with great agility and nimbleness. The best tool out there to measure and develop this agility is one whose moniker is just that: Leadership Agility™. Developed by Bill Joiner and Steven Josephs, principals of ChangeWise, in partnership with Cambria Consulting, it is based on the award-winning book² by the same name. The extensive research behind the concept and principles of Leadership Agility has shown that this is the key to sustained effectiveness in leading organizational change, improving team performance, and engaging in challenging business conversations – precisely what the leaders at Balfour Beatty and RT Dooley would need in spades.

The Leadership Agility™ research also shows that as managers become more effective leaders, they develop through identifiable levels that correspond to well-established stages of mental and emotional growth. The Leadership Agility 360 assessment tool (*available as a complete online service through Cambria Consulting*³) measures whether a manager’s leadership in each of the three above contexts is at the Expert, Achiever, or Catalyst level. Because this instrument can also assess the relatively rare third level (*Catalysts, considered the visionaries who can lead transformative*

2 Leadership Agility: Five Levels of Mastery for Anticipating and Initiating Change. William B. Joiner and Stephen A. Josephs; Jossey-Bass, 2006; ISBN-13: 978-0787979133.

3 Cambria Consulting, Inc. www.cambriaconsulting.com. For more information on the Leadership Agility 360, go to: http://www.cambriaconsulting.com/practice-areas/assessment/changewise_leadership_agility/

**Leadership Agility™: Integral Approach
Outside IN and Inside OUT**

Focuses on:

- Pivotal conversations, team and organizational initiatives
- Anticipating and initiating change, working with stakeholders, solving challenging problems, and learning from your experience
- Competencies AND capabilities



change) of leadership development, it shows even executives and high potential leaders where they have room for further growth.

Their research identified four kinds of “agility” that are essential in making the most of any leadership initiative. The specific behaviors assessed in the Leadership Agility™ 360 are organized and reported into the following areas:

- **Context-setting agility**
- **Stakeholder agility**
- **Creative agility**
- **Self-leadership agility**

The reports generated from these 360 assessments were used to craft individual coaching development plans for 18 top executives from both Balfour Beatty and RT Dooley. Leadership Agility™ became the “common ground” for all of these leaders, who were also assigned reading exercises from the Leadership Agility™ book, during their coaching and development sessions. The LA 360 assessments and individual coaching were phase one of this triple strategy for leadership development. Phase Two, an intense 2-day power-packed interactive Leadership Summit, would bring the entire group together for team development, further enhancing the growth of unified leadership agility.

Leadership Summit

After the individual assessment and coaching phase was well underway, it was time to bring

the group together for team development. The respective areas of work of the three steering committees were underlying themes and desired common outcomes, along with the desire and need to join leadership and cultures to share vision and goals, and key up for the coming year. Selected leaders from both companies sat down with me and my facilitation team to seriously plan for what we knew would be a “make or break” event. The original plan was going well, with executive coaching around the Leadership Agility™ model yielding some breakthrough advances in the growth of both leadership teams. But so far they had not all gathered together, eyeball-to-eyeball, to see and experience where this great adventure was going to lead them not only as individuals, but now as a single, not separate, entity. Although so far progress was good, and the level of expectation and excitement was still high, there is always an undercurrent of fear of the unknown. The human creature doesn’t like the unknown. We would be dealing with some elements of fear and internal pride, and natural resistance and reluctance to change (even good change) in general. These are a given in any situation like this.

In addition to these issues, the leaders here are not your polished 3-piece suits who are used to endless meetings and marathon hours facing others across a conference table or video forum. Instead, these are mostly engineers, practical folk who spend most of their time in the field, and are generally quite

uncomfortable sitting still for any extended length of time. Engineers love the outdoors and getting their hands dirty with the action of the project, not stuffy meetings. *How would these people handle these two days?*

For these reasons, and others, we knew our summit design would have to address these issues carefully (*through both design, logistics and content*), and set the tone right away for not just an acceptable experience, but an overwhelming outcome of *“Wow, that was great. I’m ready..we’re ready!”*

The Logistics

Because of the unique nature of these leaders, we knew the venue, physical environment⁴ and logistics of this summit would be critical to its success.



*The Ballantyne Hotel
Charlotte, North Carolina*

Ultimately, we selected the spacious and graceful Ballantyne Hotel in Charlotte. Engineers like the outdoors and lots of light, which is bountiful here in its open, natural setting with

abundant windows. This choice made some bold statements, including the fact that both

4 Credit needs to be given here to the insightful work of Peter Block on building community. Peter is an author and consultant on organizations and communities. I have had the privilege of being mentored by Peter and watching him in action. The importance of the environment and ambience in creating a community, even within an organization, is one of Mr. Block’s passions, and can be found in his book “Community: The Structure of Belonging,” Berrett-Koehler Publishers (September 1, 2009) ISBN-13: 978-1605092775. Chapter 14 in this book, “*Designing Physical Space That Supports Community*,” was a big help in our consideration for the venue of this important leadership summit event. I owe my knowledge of these concepts to Peter’s mentorship and his excellent books on this subject. You can learn more about Mr. Block’s work at his website: <http://www.peterblock.com/index.html>

this meeting, and each individual, were important, enough to warrant one of the best and most beautiful places to meet in Charlotte. We wanted them to feel comfortable, and valued, even if they had to endure two whole days of “meetings!”

To keep the meeting environment from becoming stale and tedious, we also used two adjoining rooms, so we would have the flexibility of moving around from room to room for various activities. In addition to keeping the blood flowing to their brains and hearts (*instead motionless in other parts!*), these two rooms enabled us to design and execute activities that kept the ambience from looking and feeling like one long sit-down meeting marathon. One room served as the general “meeting room” while the other was transformed into a variety of activities which often included audio visuals.

None of the activities resembled training sessions. All were highly interactive, some entertaining, and many humorous with ample variety. Our design was intentional in this way in order to constantly diffuse (and defuse) any tension that might build. When people learn new things they can get tired and bore easily, losing focus. We made sure that would not happen here. Leaders from both companies were mixed to encourage engagement across company lines. Multiple opportunities were provided for these leaders to really get to know one another, not just their skills and competencies, but their personalities and core strengths.

The Opening

Bill Blank was slated to do the all-critical welcome to this leadership summit. He could have done what others would have

*...he had to connect fast,
and connect authentically with
these people right out of the box.*

expected, and merely presented a dry “state of the merger” address. But Bill and I both believed that he had to connect fast, and connect authentically with these people right out of the box. Mergers and acquisitions are much like blended families, where the father and mother decide to get married, and now all of the kids are forced to live together. This wasn’t their idea, and what was solely theirs, is now “ours.” There’s quite a lot to adjust to.

Bill had a lot at stake here. These leaders, and subsequently all the employees in both companies, needed to get to know not just Bill’s competencies and capabilities as a leader, but also the core of who he is. We decided this could best be accomplished by having Bill share some personal stories that would highlight what he wants this merger to be about. He came up with four short stories, all of which were wonderful, heart and passion connectors to illustrate his desires not only for the companies involved, but the individual people in those companies who would come together to form one company. His stories, while entertaining and heartfelt, also made the following important points:

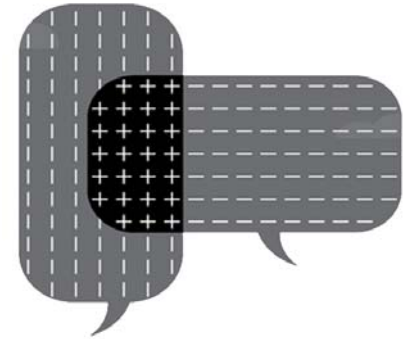
- 1) **The cost of limited perceptions**
- 2) **The values of taking risks, together**
- 3) **The good and the bad of competition**
- 4) **Perseverance**

Because I knew the entire 2-day summit and the resultant outcomes depended on the overwhelming success of this welcoming story-telling session, I encouraged Bill to get coached on his delivery by an “authentic communications” coach. Bill learned how to get as personal and real as he could. And when he stood up front to welcome these 18 leaders, he genuinely and enduringly connected with them. I must say that this coach was very proud, and impressed. I could see each person in that room as well. We will all remember Bill’s stories, and they will serve to remind those leaders of who this man

is, and what his expectations are for this merger (*now and in the future*), as well as his authentic caring for each of them. The tone was set, and set well, for not only these two days, but the future success of this merger.

The Meat of the Matter

After Bill’s opening remarks, it was time to get down to business. Several critical elements had been carefully planned into this summit, to gain the most possible from the meeting of these leaders and to insure continued successes. There is a science of change, and an art of change, and the summit was designed to incorporate both.



Setting the Stage

A group discussion around Bill’s stories was facilitated. People shared which stories spoke to them, and why, as well as which addressed the challenges. People were asked how much risk they were willing to take to make this summit experience worthwhile and sustaining. Were they leaders, participants or just observers? Ultimately, the bottom line of this stage setting discussion was to answer the all-important questions of “*who are we?*” and “*where are we going?*”

Outcomes and Agenda

As this group began the process of building their leadership future together, the desired outcomes and agenda for the leadership summit were reviewed. Essentially, these are the same as those stated earlier as the desired outcomes for the entire merger plan:

1. Determine who we are, who we are together, and where we are going.

2. Further develop a shared leadership vision as one company with two brands.
3. Engage in a change management process, both externally and internally.
4. Develop our leadership agility, together.
5. Begin creating specific goals and next step actions on organizational, team and individual levels.

Leaders were introduced to the participant materials and the overall design, agenda and intentions of the summit. They were asked to park their “to do” lists, and actively participate with their whole brains, and whole hearts.

Clarifying Assumptions

We began this exercise with a discussion of the “hedgehog concept,” originated by Isaiah Berlin in a 1953 essay and made popular by Jim Collins in his Harvard Business Review article “Level 5 Leadership.”⁵ Collins states:

The fox knows a little about many things, but the hedgehog knows only one big thing very well. The fox is complex; the hedgehog simple. And the hedgehog wins. Our research shows that breakthroughs require a simple, hedgehog-like understanding of three intersecting circles: what a company can be the best in the world at, how its economics work best, and what best ignites the passions of its people. Breakthroughs happen when you get the hedgehog concept and become systematic and consistent with it, eliminating virtually anything that does not fit in the three circles.



A lively discussion discovered their “best in the world” strengths, passions, and reasons for being together. Existing assumptions were explored. What do we know of each other? What is true, and what is not? This group shared perceptions of each other; some were honest and true, some humorous, some stereotypical. Together they searched for the strengths and passions of each other. An example of the kinds of things we were looking for and which surfaced abundantly, would refer back to the analogy of the blended family where the step sister could remark that she knew her new sister had a beautiful singing voice. She knew this because she was forced to attend one of her concerts, but it was still a true assumption. The responding comment from the singing sister would be “Wow, my sister thinks I sing well! That’s pretty cool!” This group openly shared these kinds of insights, some true, and some not. It was a great opportunity to build an honest picture, to quicken trust and build a newly blended family. Previously held assumptions were clarified, updated and if necessary, recalibrated.

(It should be noted that everything discussed in this summit was captured either on flipcharts or in some other format to enable future reference.)

Peer Coaching

In addition to coaching sessions by professional executive coaches, these leaders each selected a peer coach, from the “other” company. Opportunities were provided at various times throughout the summit for these coaching partners to talk about their stories, their leadership, their challenges, and their futures together. These peer partners continued to meet at least three times together before the end of that first year.

Each leader was told to bring something tangible and visual that would represent who

5 “Level 5 Leadership: The Triumph of Humility and Fierce Resolve,” Jim Collins, Harvard Business Review, Jim Collins, January 2001.

they were, what they did—their “essence,” so to speak. We called these “artifacts,” like those discovered by archaeologists when



unearthing ancient cultures. We learn a lot from these artifacts that tell us about the people who created them originally. That

was the concept here. After dinner was served the first night, and during the dessert course, every leader had to stand and introduce his or her peer coach, and their artifact. This was a very enlightening, amusing, entertaining, and relationship-building way to get to know one another better. The array of artifacts was amazing, and today those leaders still remember their peer’s artifact and stories.

Building the Future Together

One of the most productive, entertaining and memorable activities took place in the specially prepared “creative” room. Using the stunning collection of carefully selected color photographs developed specifically for leadership dialogue, called “Visual Explorer”⁶ (offered by Center for Creative Leadership), we set up a “gallery” on the walls. The leaders were divided into groups and asked to thoughtfully select photographs that depicted their answers to three simple questions:

1. What is our future? In three years, what will we look like? (the best of the past built to last)
2. How will we have changed our industry?
3. What are our vulnerabilities, our “Achilles Heels?”

⁶ “Visual Explorer: Picturing Approaches to Complex Challenges,” CCL Press, 2001; Charles J. Palus and David M. Horth. For more information, go to: <http://www.ccl.org/leadership/products/index.aspx>



The groups were instructed to think as if they were the company owners, and build their own galleries of pictures they had selected to answer these questions. Post-It notes were used to highlight the group’s thinking about their gallery selections. After the gallery-building was complete, each group appointed a spokesperson to explain their selections as the entire group did what we termed a “gallery crawl” from gallery to gallery. Each spokesperson would explain their gallery, discuss their distinctions, themes and “low hanging fruit” (those issues most urgent, or most quickly resolved). The group at large would ask questions or make comments as they stood and contemplated these unique

...these galleries were snapshots into the future of Balfour Beatty and RT Dooley.

galleries, snapshots into the future of Balfour Beatty and RT Dooley companies. All of this was captured on flip charts, looking for common themes, early action items and discussion points for the following day's panel discussion. This gallery exercise was quite remarkable, developing (in a very creative and enjoyable manner) a powerful vision of the blended companies three years out, in this case, into 2012.

The gallery exercise was followed by viewing a video clip of the movie "**My Big Fat Greek Wedding.**"⁷ This romantic comedy depicts a thoroughly Greek family whose daughter, much to their dismay, falls in love with a completely non-Greek. The future in-laws meet for the first time and it begins disastrously as a multitude of cultural differences clash head-on. In the end, however, all is well. This clip is probably one of the best ways to describe what was happening here between these two vastly different companies that were coming together as one. The movie is hilarious, and sparked meaningful discussion about real cultural biases and differences.

We moved into the issue of psychological and emotional change models and stages of transition. These issues are critical, but often ignored during mergers and acquisitions. Humor is a great connector of people and communicator of ideas and vision, and in this case, allowed this blended group of leaders to attack the very real issues of cultural differences, but in a non-threatening and humorous environment.

7 "My Big Fat Greek Wedding," Directed by Joel Zwick, Produced by Gary Goetzman, Tom Hanks, Rita Wilson; Distributed by IFC Films; Playtone Release date April 19, 2002

Leadership Agility™:

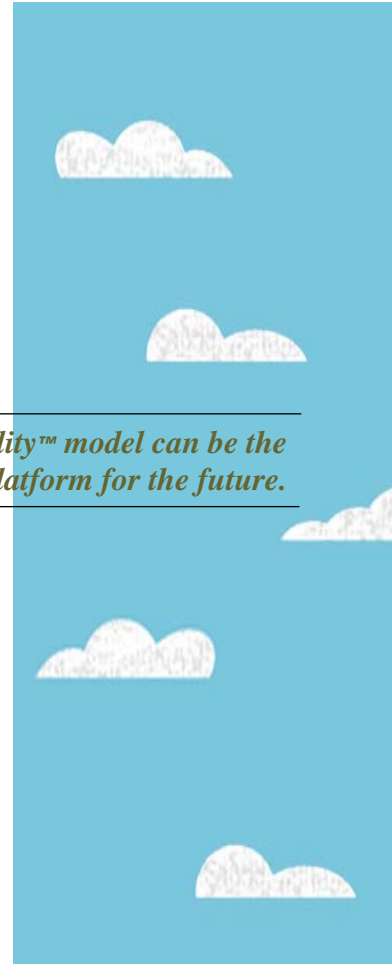
What is It and What do We Do with It?

After the ice was broken and these leaders were warming up to one another through creative and enjoyable (*and immensely productive*) exercises, the special focus of this group's leadership development was explored in depth. The basic concepts of Leadership Agility™ were discussed as the compass was overviewed with its three action arenas, four types of agility and supporting competencies. This model, and its associated assessment results was the focus of most of the second day of the leadership summit. This is

...the Leadership Agility™ model can be the launching and sustaining platform for the future.

where the rubber meets the road. There is much work to do, beyond the luxurious front doors of the Ballantyne Hotel, and ongoing into the days, months and years ahead. Honing their leadership skills and practicing Leadership Agility, is what will carry them to their goals and beyond. It is what they will need to survive this change, and those just out of sight beyond the horizon.

The aggregate results of the Leadership Agility™ 360 assessments were revealed and used to support organizational and team goal setting as the leaders looked at current challenges and expectations for themselves. The vision for 2012 developed during the gallery exercise was revisited in light of these 360 results. Peer coaching sessions enabled



them to look harder at their own leadership agility strengths, and how those would play out in a combined leadership journey. Insights gained during peer coaching were shared and combined into a larger discussion of how the Leadership Agility™ model can be the launching and sustaining platform for the future. Each company's results were evaluated separately, then together as jointly the leaders determined how they can use these results to yield the most powerful future.

The Talking Stick

We walked back into our gallery room, where each of us took turns (as the spirit moved!) "going public" with our commitments about what we would do, what we needed to work on, and where we could use help. I brought my own "artifact," an African talking stick I picked up in Rwanda.



These are called talking sticks, as they are used by various tribes who come together to talk and listen, and only one person talks at a time. **The person with the stick get all ears and no mouth.** As each person shared, they took the talking stick. No debate, no commentary. Others had to listen. When you held the stick, this signaled that what you said was your truth, your declaration. This kind of openness increases vulnerability, which requires courage, and these leaders didn't run or hide from it. Everyone shared, even though they were not required to do so. The previous day's bonding and blending exercises had served to evaporate fears, resistance and timidity. This family was blending nicely.

A number of other similar exercises rounded out this two day experience (*it wasn't just a summit anymore, it was truly an experience*), including building toolkits,

designing templates, exploring roles and other future-insuring interactive workouts.

Throughout the two-day summit, a professional photographer roamed among us, snapping picture after picture for a photo essay. Our closing activity was a video photo collage, set to Eric Clapton's song "Change the World." The highlights and laughs, the serious and sober, and mostly the you and me of these two days flashed before our eyes, cementing this summit into lasting impressions that would go a long way toward sustaining the future.

But the real work was still ahead....

Facilitating Organizational Development and Buy-In

At the end of the second day of the summit, these 18 executive leaders were well aware that the responsibility of rolling out the goals and plans of the merger to both organizations and their employees would be squarely on their heads. In order to better facilitate this employee involvement and ownership, we developed a "tool kit" of sorts for each individual leader to use with his or her direct reports. The leaders would be meeting with their staffs after this summit and over the course of the coming months and seasons. Whatever was given them had to be user friendly, comfortable for both engineers and corporate types, and effective with everyone. The following tools were given, discussed and debriefed for use with employees:

1. Summit Summary

A summary of the summit activities and results, discussions, goals and breakthroughs was provided to all the leaders to share with their employees. It would be important to immediately engage employees, and to make

them feel included in what leadership was enacting.

2. Bill Blank's Welcoming Stories (DVD)

A DVD was provided with the President's welcoming address, including his four memorable stories and discussion points (*Cost of limited perceptions, Value of taking risks together, Good and bad of competition, and Perseverance*). Every employee needed to hear the President, and know firsthand of his leadership, his personality, his commitment, and his caring.

3. Quote: By Calvin Coolidge

"Nothing in this world can take the place of persistence. Talent will not; nothing is more common than unsuccessful people with talent. Genius will not; unrewarded genius is almost a proverb. Education will not; the world is full of educated derelicts. Persistence and determination alone are omnipotent. The slogan 'press on' has solved and always will solve the problems of the human race."

This quote was discussed in how it could be translated to their teams, and how the employees could embrace commitments and accountability.

4. Peer Coaching Assignments

The two executive committees were assigned peer coaches from the "other" company. They were instructed to meet regularly to discuss the steering committee themes, the integration of the two companies, and maintaining a supporting partnership. These peers would be in the field together, around conference tables together, and now these leaders would model these practices and themes with their teams and all employees. This was a critical piece of support throughout the change process.

5. Article: "A Manager's Short Primer on Resistance to Change in Organizations"⁸

This is a wonderful article that provides leaders some basic and simple tools for understanding the expected resistance to change in organizations and how to deal with it. The article was debriefed quickly in the summit. These leaders were instructed to use the article to create followership, knowing they would encounter a lot of resistance. The first step in managing change is to understand why people resist it. This article breaks down this resistance into four reasons, and what to do about them. Essentially, Mr. Woldring states that the four reasons why people resist change are:

- 1) They do not understand the change
- 2) They do not have the time to engage the change
- 3) They do not have the competencies to do what they have to do after the change
- 4) They do not share the values driving the change.

This article also provides a simple tool to determine if and how people will make the requested changes. It becomes a good talking piece, and people get over embarrassment and challenges quickly toward open conversation as the article normalizes change and helps people (both leaders and their employees) understand and adapt.

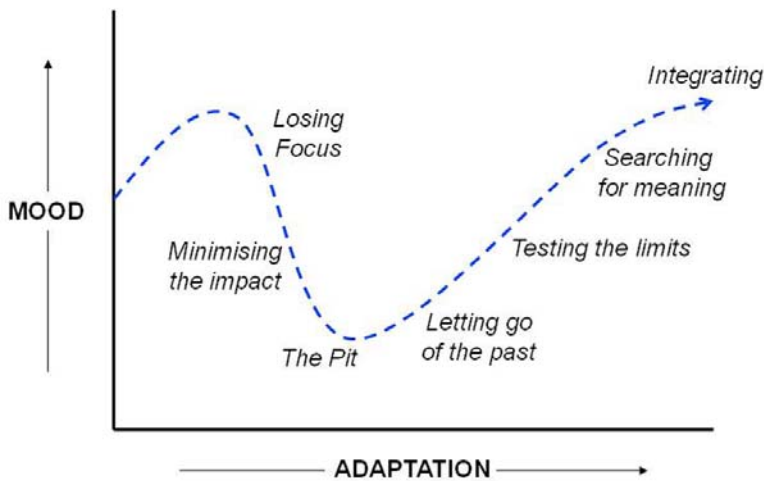
6. Change Management Model

There are many excellent change management models available, but we chose one that's simple and flexible for many applications, and has a solid reputation. These senior leaders would be meeting with their teams, and would have to deploy a great deal of information out into the organization. They would be building the people, the culture, the strategies, and the operations, while simultaneously anticipating and adjusting to certain transitional stages and levels of adaptability. We debriefed the "Stages of Transition"⁹ (*adapted from Spencer and*

8 ©1999. Roelf Woldring. Workplace Competence International Limited, Hillsburgh, Ontario 519-855-4582. Available at: http://www.wcilt.com/about_us/RoelfArticles.htm

9 Adams, J.D. & Spencer, S.A. (1988). People in Transition. Training and Development Journal. Oct. p.61-63.

Stages of Transition



Adams) and walked these executives through the various levels of change and how to manage them with their teams.

7. Ice Breaker: “My Big Fat Greek Wedding”
As the final, and perhaps even the first, tool in the leaders arsenal of instruments to use with their employees organization-wide, we discussed and encouraged the use of this appropriate and amusing movie clip. The leaders remembered the manner in which this entertaining and humorous look at clashing cultures (*with a good outcome*) broke the ice, dissolved barriers and opened the door to honest conversation about their own cultures and potential clashes. Humor is often the best way to break through tension and fear, and this video snippet is a great choice to accomplish this. All the leaders were urged to obtain this DVD, isolate these scenes, and use them for first introductions regarding the merging of two vastly different cultures.

Over the coming months of spring, summer and fall, these leaders would return to their respective organizations and, using the tools given them, begin the organizational development of all employees, and facilitate the goals of this merger. Schedules were set

for steering committees, peer coaching, company-wide trainings, field teamwork and blending of these cultures. The critical operational phase of this merger was about to begin. The executive committee leaders agreed to meet again for a one-day report card review in December.

Follow-up activities, meetings and check-ups occurred through the year. The Ritz-Carlton Charlotte was completed and proudly opened in October, several months after the leadership summit. The last month of 2009 rolled into view, and plans were made for a return conference of the original 18 executive leaders. The whole purpose of this follow-up meeting would be to answer the sixty-four thousand dollar question:

“How did we do?”

Scoring the Year

Once again, careful planning attended the December 2009 meeting of the executive committee leaders to determine if the year’s goals for the blending of Balfour Beatty Construction and RT Dooley were achieved.

The Place

These leaders now had nearly a year of blending under their belts, so the site of this conference reflected an established intimacy. We selected the historic Duke Mansion in Charlotte. Built in 1915 this home was tripled in size by its most famous owner James Buchanan Duke. The Duke Mansion has been home and host to leaders of the 20th and 21st centuries. Duke’s most lasting legacies, including Duke University, Duke Energy and the Duke Endowment, took shape here. Listed on the National Register of Historic Places, Duke Mansion is now operated as a nonprofit with all proceeds used to preserve this community treasure. Its leadership history,

and dedication to remaining a “community treasure” is inspiring and conducive to what we wanted to accomplish. This wonderfully intimate place certainly doesn’t look or feel like a corporate meeting spot, and that’s precisely what we wanted.



*The Duke Mansion
Charlotte, North Carolina*

Even in the meeting room, the meetings didn’t feel like meetings. We decided early on not to use tables for breakout activities. Tables can sometimes become barriers to honest and open sharing, a place to hide instead. All small group exercises were



conducted with chairs in small circles, no tables. Thankfully, the Mansion provided some of the most comfortable, ergonomic rolling office chairs for us instead of those uncomfortable plastic buckets or folding chairs

that leave body parts numb. This was a wonderful bonus, and kept fidgeting at a minimum!

The Agenda

The purpose of this meeting was radically different from the initial leadership summit. The focus here was on answering these pivotal questions:

- **What did we set out to do?**
- **What actually happened?**
- **Why did it happen?**
- **What are we going to do now?**

The day’s activities were designed around providing answers to these questions, and setting an agenda for the future.

The Survey

Before the actual meeting date, we crafted and conducted an online survey to gather individual confidential and honest feedback for these more specific questions:

1. Where are you on the change curve and why?
2. What’s holding us up from further integrating the two companies and cultures? For example: communications, employee engagement, engaging customers in change.
3. Where are we gaining valuable alignment? For example: strategy, culture, efficiency. Please provide specific examples.
4. How would you rate your ability to lead change within the organization now? And why?
5. What do you need to do more of or differently in leading with agility? (anticipating and initiating change)

For the most part, we were pleased by the resulting scores and comments. The integration of the two companies was

We also gave time to a critical element that most leaders don't address during these transitional stages—what are we NOT going to do?

progressing relatively smoothly, and on target to meet or exceed planned goals for this merger. As with every merger or acquisition, there were points that required some calibration and changes in both operations and leadership, and would be issues that required further attention.

The feedback was shared and discussed with a focus on what would be planned and executed in the future. The four key questions were honestly explored and openly answered. We also gave time to a critical element that most executive leaders don't address during these transitional stages—what are we NOT going to do? In other words, what things might we get sidetracked into doing that really don't belong on our agenda in these initial merging moments of the acquisition. It is important to know these non-essentials, and be armed to blow the alarm when seemingly “good” things detract from pre-established goals and plans. This group brainstormed and discussed both the to-do lists and the not-to-do lists. The latter list also includes certain behaviors and leadership styles or tactics that are no longer relevant to this blended organization.

Right from the start of this intense one-day report card session, these leaders were encouraged to be individually and collectively radically objective. We were not disappointed. The now combined executive team came away with a sense of success, and promise for the future—both of which have, and will be, achieved through continued hard work and commitment to both the organizational vision, and the people making it happen.

The year 2010 dawned bright with potential for RT Dooley, A Balfour Beatty Company,

despite the continuing downturn of the economy, and particularly the construction industry. Existing projects are ongoing, new projects are in the works, and the family continues to grow together. **As a nice postscript, one year following the announcement of the merger of Balfour Beatty and RT Dooley (and the leadership summit), FORTUNE Magazine recognized Balfour Beatty Construction for its commitment to employees by placing the company on its prestigious “100 Best Companies to Work For” list. This distinction is a first for the company, and reflects how a company's culture can help it not only survive, but thrive and grow, even in a tough economy.**

The Keys to Successful Mergers and Acquisitions

So just what, exactly, made this first year of merging two different companies and cultures into one such a success? Entire books could be written on that subject, and have been. But from the perspective of this executive coach, the most important ingredient is not just in the daily operations, but in the preparatory groundwork for such a blending. And that groundwork must focus on the people, not just the production and projects. Relationships fuel results. If you are one of those people who like to get right to the real meat of the matter, it's this: **while your attention may be focused on the logistics of any merger, always keep your eye on (and commitment to) the people who make those mergers either smooth and successful, or rough and potentially even disastrous.**

For a simple map to merger success and smooth transitions, the following is a list of “must haves.” Omit or neglect even one of the vital components on this list, and your results will not be optimal. These ingredients will always insure that the people will blend as

well as possible, enabling operations and cultures to blend as well. People *are* the companies, and people will make or break the merger. Obviously tactics and operational planning are critical, but without the relational (*people*) components strategies are generally only as good as the paper they are written on.

Top 10 Relational Keys to Mergers and Acquisitions

1. **Committed Senior Leadership**
2. **Experienced Coaching/Consulting Team**
3. **Understanding of the Change Process and Change Management**
4. **Foundation of Mutual Trust**
5. **Fostered Goodwill, Enthusiasm, Expectation of Good**
6. **Equal Focus on both Operations and Relationships**
7. **Well-Conceived, Customized Plans for Success**
8. **Shared Leadership Vision**
9. **Mutual Continued Leadership Development**
10. **The Right Tools**

1. **Committed Senior Leadership**

Without Bill Blank's commitment to this merger, and his heart for the people, this merger would have struggled through some very rocky times, and may have had a very different outcome. It is absolutely vital that those at the top of both organizations pour their hearts and minds into making any merger work. This commitment must extend beyond the black ink of P & L statements to the bright green of individual growth and well-being.



2. **Experienced Coaching/Consulting Team**

While this may sound a bit self-serving, senior leadership of merging companies must know that this is *no time for inexperienced consultants, coaches or others who will be partnering with them* during the course of mergers, acquisitions and change management. All consultants and facilitators should be properly vetted and only those with ample experience, dexterity and a broad base of OD knowledge and tools should be considered. And, in addition, unless an organization has adequate and experienced personnel internally to handle such mergers (*not the norm*), an organization will be well-served to make the investment in an external team that does. An unbiased third party consisting of trained and experienced merger facilitators can insure the balance is kept among the varying needs, wants and desires of both companies. This third party team prevents "bullying" and bias.

3. **Understanding of the Change Process and Change Management**

It is very typical that the senior leaders in companies considering a merger have a huge head start in the transition process, at least emotionally. They have had some time to think about the changes, to process them internally, and to then settle down and get to work. This is not the case with the remainder of the employees in both organizations. There is a definite process to change and transitioning into change that must be understood, and allowed to occur, if these leaders want to taste success in merger plans. The senior executives must plan for the process and enable other leaders to facilitate it through their staffs.

4. **Foundation of Mutual Trust**

Change of any kind, and in particular change within an organization, is a natural breeding ground for fear, uncertainty and mistrust.

...the keys to success

Trust must be earned, and trust must be encouraged. It is not my goal here to delineate all the ways that trust is built—we all know how that works. Open, honest and ample communication begins this process. Senior leaders must carefully consider how to create this foundation of mutual trust across company lines, and then actively promote and support it throughout the transition.

5. Fostered Goodwill, Enthusiasm, Expectation of Good

One of the keys to the successful merger highlighted in this article was the general presence of an environment that first created, then fostered a sense of goodwill, enthusiasm, and expectation for good. Change will always be initially viewed with skepticism, cynicism and pessimism. These “isms” are just part of who we are as humans, and unless senior management actively works against this tendency, people will continue to view mergers in this way. Bill Blank was constantly injecting the positive potential into this impending merger, showing people the good that could (and would) come from it, both on a corporate level, and on an individual level. Once people turn their faces toward good, instead of mentally fueling imaginary disasters, they will more readily pore themselves into a change rather than actively, or even subliminally, opposing it. Like all these other keys, however, this is one that requires constant care and feeding.

6. Equal Focus on Both Operations and Relationships

I have already stressed this critical factor. It is, in fact, perhaps the most important and most neglected key to merger success. Be sure to keep it at the forefront of all your merger or acquisition activities and plans. Never allow

this key ingredient to go missing from any component of the change process.

7. Well-Conceived, Customized Plans for Success

The words for this key were chosen carefully, and each has great meaning. Obviously, an undertaking as important as a business merger will require plans, but it is absolutely essential these plans are carefully and excellently conceived, having considered all options, all contingencies and all possible pitfalls. This is the time that experienced outside consultants and coaches can provide you a huge return on your investment. The word “customized” indicates the importance of considering the unique needs of each company, each employee and every operational and relational element. Mergers require customization, and don’t lend themselves well to “cookie cutter” planning.



8. Shared Leadership Vision

It never works to create and embrace a vision that is not shared mutually by all parties of the merger. Mergers can often be seen as the giant monster gobbling up the much smaller and weaker “victim.” Yet, if a powerful vision is *mutually* crafted, *mutually* beneficial and *mutually* embraced by these parties the merger gets a running leap out of the starting gate, yards ahead of typically single-sided or non-envisioned mergers. The emphasis here is on the word “mutual,” which means shared. A shared vision translates to shared work and shared success.

9. Mutual Continued Leadership Development

Again, these words are carefully selected for their intrinsic value. I've already discussed "mutual" —this is something shared. "Continued" is something that does not die out, but lives on. Leadership development should be a central focus during the transition time, and having a mutual leadership learning process can pull disparate teams together quickly as both acknowledge and encourage the new learning together. Executive development of the senior leaders of both companies around a common development model not only builds better leaders, but also builds a stronger, unified team. In this featured merger, the Leadership Agility™ model not only prepared these leaders for the agile actions they would need during the merger, but also served to unite them. For best results, this mutual leadership development should continue in some format well beyond the actual merger process.

10. The Right Tools

Everyone knows, especially engineers and contractors, that you can't build something without the right tools. The same is true for mergers. Whether it is leadership models, training activities, organizational development or just the basic tools for everyday operations, the right tools can make all the difference in the world, and can, in fact, make or break a merger. Experienced OD Consultants and Executive Coaches are best equipped to recommend and execute these tools for successful transitions. Just as hammers drive nails, chop saws cut boards and torque wrenches tighten with just the right amount of force, tools for successful

mergers need to be just right (*intended*) for that job. There are many such tools to choose from, but only the "right" tools will have the right results. **Also make sure the right people are choosing the right tools.**



A Few Closing Thoughts...

In the popular sitcom "The Office,"¹⁰ based on a British comedy series (BBC) and adapted for the U.S., viewers get the chance to laugh at, and relate to, the antics of daily life within a typical American office. The main character is Michael Scott, who is a regional manager of the fictional Dunder Mifflin company. In one episode titled "The Merger," Mr. Scott makes a profound statement. Not usually known for his great insights, Michael clumsily stumbles onto the basic truth of any merger, of any kind. Obviously something had turned sour when he uttered these words:

"The word merger came from the word marriage and that's what today was supposed to be. The loving union between people. Instead, it is become like when my mom moved in with Jeff. And once again it becomes my job to fix it."

Remember the blended family I spoke of earlier? That's exactly what a merger is. And when you ignore the people, all you have left is the marriage license, not a marriage...and not a family.

Michael may not be exactly correct when it comes to the root of the word "merger" which actually is from the Latin word "mergere" which literally means *to plunge*, but whether marriage or merger came first, both are essentially a plunge. And in either it is critical to know and **thoughtfully consider the people you are plunging with.**



10 NBC television sitcom, "The Office," Produced by: Deedle-Dee Productions and Reveille LLC in association with Universal Media Studios, Season 3, episode 8, "The Merger"

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