

CASE STUDY: MCCHRYSTAL GROUP SERVICES

Connecting Silos and Developing Future Leaders

Global Real Estate Investment Bank

A growing investment bank was able to improve performance and increase client referrals by enhancing existing networks and empowering leaders at every level.

Why this industry/problem set is relevant in the world today: As companies experience rapid growth, the structures and processes that brought them initial success can stop being as effective. The result is frustration and stagnation.

McChrystal partnered with a global, best-in-class and rapidly-expanding real estate investment bank to scale their primary competitive advantage: a highly-connected senior leadership team capable of blending expertise and capability to provide strategic advisory to clients. By strengthening information flow through company-wide networks and enhancing key leadership behaviors, McChrystal was able to make the company more agile and adaptable by preventing the senior leadership team from becoming a bottleneck to performance.



McChrystal Group has provided us with a pathway toward our objective of creating a sustainable and empowered organization, they care a great deal about our success; it's been and continues to be a terrific partnership."

Managing Director

Challenges

While the company's revenue growth was strong, and it employed several hundred people across 13 offices on three continents, the company's leadership was growing concerned that their success was overly dependent on the long-standing client relationships and expertise of the company's top few executives. McChrystal was brought in to first assess the challenges faced by the company, and then implement a program of innovations to address them. We identified the following:

1. The company had flawed organizational processes, cadence of operations.

The company lacked the communications systems needed to distribute information across its various teams and offices. The original system had been designed when the company was much smaller, and while senior leadership had sufficient access to the organization's information, low-level teams and officers did not. This prevented mid-level and frontline leaders from innovating and creating value for their local clients.

- *Fewer than 50% of the company's employees thought that there were processes in place to disseminate new information throughout the organization.*
- *Only 50% of the company's deal professionals felt that they were incentivized to proactively share information to other teams.*

2. The company was not sufficiently preparing next-generation leaders to support its global business.

With senior leaders having solitary access to the company's internal information flow and deal-making opportunities, the rest of the organization perceived a lack of professional development opportunities.

- *73% of employees thought that the company had not developed leaders capable of running the organization after the current leadership team retired.*
- *Only 41% of respondents thought they received timely and constructive feedback on their work performance.*

Solutions

The engagement began with an Organizational Diagnostic, which gathered qualitative and quantitative data that allowed us to analyze not only the company's performance but also its network. This analysis was used to inform the following lines of effort, guaranteeing a more tailored, targeted approach that solved the company's most pressing challenges:

“Communicate at Scale”

McChrystal connect more than 300 deal professionals on a regular cadence with a focused and inclusive intelligence forum, enabling them to jointly identify, interpret, and respond to emerging market trends and opportunities based on real-time data points from across their global platform.

“Creating, Equipping and Empowering Liaisons”

The company designated promising mid-level team members from across its geographies and business lines to become ‘liaisons’ to the larger firm. Their role was twofold:

1. Support information sharing across the company
2. Form the next generation of company leadership

“People First Strategy”

In close collaboration with the HR department, we overhauled performance management to support efforts transforming the organization into an intelligence- driven and networked firm. This system reinforced the required behaviors to drive high performance and provided ample data on individuals to inform performance management decisions.

Impact

Increase in collaboration, information-sharing and strategic awareness in the company

In 2018, the company underwent a second Organizational Diagnostic, which revealed the following improvements from our engagement:

- i. The organization's network was much more integrated. In particular, deal teams based in New York, London, and Atlanta were now much more prone to sharing information with one another.
- ii. Teams specializing in “Office”, “Retail”, and “Multifamily” real estate deal types showed especially increased connectivity across their geographies.
- iii. Scores for perceived levels of “information sharing” in the organization as a whole grew dramatically.

Growth in Client Satisfaction

In the aftermath of McChrystal's work, the amount of company employees considered “strategic advisors” by their clients increased by 10x.