

CASE STUDY: MCCHRYSTAL GROUP SERVICES

Unified Cross-Functional Approach to Leadership and Succession Planning

Energy and Industrial Supplies Company



McChrystal Group partnered with a globally-dispersed 2,500-person organization to develop a **robust, repeatable leadership development program** to **strengthen its leadership succession planning and cross-functional camaraderie**. The program created **organization-specific communication** and **decision-making processes** that participants owned, adapted, and cascaded throughout the organization. Additionally, the program **built crucial business relationships** among the participants that have helped the organization **break down silos** and **build trust** as a cross-functional group.

Why this industry/problem set is relevant in the world today:

McChrystal Group worked with an industry-leading provider of oilfield supplies delivering supply chain solutions throughout the value chain, such as procurement, inventory, and warehouse management logistics.

With their performance so closely tied to the oil and gas market, declining oil prices forced the company to reconsider its operating model. After a series of “efficiency exercises”—e.g., cutting costs and reducing margins— company leadership determined that operational changes could not overcome a lack of shared leadership principles, which they considered foundational to building the next generation of company leaders. The organization needed to cultivate the company’s next generation of executives while equipping each business function with a cohort of committed leaders who underwent the same training and could develop cross-functional bonds that would allow the organization to adapt to an increasingly uncertain energy market.

While oil prices have recovered, the energy sector’s volatility remains, validating the company’s emphasis on retaining and cultivating leaders capable of applying and cascading leadership best practices. Moreover, with the “great resignation” continuing to disrupt, the long-term leadership development partnership serves as a model for organizations that wish to embrace intentional succession planning and foster high cross-functional collaboration.

Challenges

In 2017, the client faced a tumultuous oil market that exposed operational inefficiencies left unaddressed after a series of failed acquisitions and favorable market conditions. While efforts to reduce operational inefficiencies and leverage competitive advantages provided some alleviation, the organization concluded it needed to invest in its leadership to drive fundamental change throughout the organization. The organization identified structural challenges like unclear executive leadership succession, tenuous cross-functional collaboration, a need for greater leader diversity, and a siloed global network of teammates who did not identify as a cohesive ‘one company’ team.

Solutions

Partnering to build and refine this program over five years, McChrystal Group introduced a leadership language and toolkit that over 70 participants carried back to their teams, resulting in seven of the first cohort participants earning C-Suite and Senior Vice President roles. Additionally, the capstone application project element of the program challenged participants to apply the leadership concepts they were learning to a specific business problem. For example, one cohort was tasked with reducing working capital to 20%, a metric they were able to meet, surpass and sustain. Over the course of the program, they collaborated as a team to achieve this outcome, innovating new automation methods and saving the organization millions in the process.



McChrystal Group designed a leadership program for soon-to-be executive leaders. Over the course of each year, the program included four in-person sessions where we came together to learn about leadership and foster relationships and trust amongst a cross-functional group. These programs paved the way for the participants to develop key business relationships that have helped us drive the leadership content throughout our organization and break down silos.”

Chief Administrative and Information Officer

The learner journey was delivered by McChrystal Group expert facilitators through various methods, including presentations, videos, discussions, group activities, simulations, and individual exercises. The program included “stretch” experiences wherein participants had the opportunity to engage in events outside of the typical classroom setting that enhanced the learning experience.

The strategy and tailored approach was developed with high stakeholder collaboration, a two-day workshop with the company’s Executive Leadership team, and key stakeholders from various functions within the organization to understand their operating environment and leadership challenges.

Impact

Leader Succession

The Executive Leaders program equipped the next generation of top leaders with the critical behaviors and tools needed to lead their teams into the future. Approx. 60% of leaders that progressed through the program advanced to the organization’s C-Suite or Senior Vice President level.

A Common Leadership Language & Toolkit

McChrystal Group equipped participants with common leadership principles, frameworks, and tools. At each touchpoint, leaders could discuss, debate, interact and share knowledge for immediate workplace application. The train-the-trainer program scaled the program's efforts.

Improved Leadership Diversity

McChrystal Group met with the program’s sponsors after the first iteration and identified the lack of diversity within their cohort—e.g., only one female leader in a cohort of 15+. Thankful for the candor, the company’s team committed to increasing participant diversity, culminating in the last cohort being 50/50 men and women, and a significant increase in representation from people of color.

Capstone Programs Deliver Rol, Empowerment, & Cross-functional Camaraderie

The program incorporated a capstone project focused on actual business challenges for the participants to leverage program learnings, collaborating over a year period and presented as a business initiative at the end of the program.



These in-person workshops were critical; however, what made the program come to life was incorporating a capstone application project, challenging our people to apply the leadership concepts they were learning to a specific business problem. For example, the first cohort was tasked with reducing working capital to 20%, a metric they were able to meet, surpass and sustain. Over the course of the program, they collaborated as a team to achieve this outcome, innovating on new automation methods and saving our organization millions in the process.”

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