

Strategic Direction gives strong review of Laura Stone's article "When An Initiative Is Stalled By Warring Factions"

A recent issue of the management information resource *Strategic Direction* featured a review of an article penned by our founder and CEO Laura Stone. Laura's article, "When An Initiative Is Stalled By Warring Factions," described Stone + Company's involvement in changing the relationship between a retail company and their outsourcing partner, and was published in *Strategy and Leadership* in 2009. Strategic Direction's review, in the article "When Outsourcing Goes From Wrong To Right: The Importance Of The Neutral, Experienced Party," highlighted the key insights Laura shared.

The review recounted how a retail company had invested \$180 million in its outsourcing project, but after 18 months, the project was nearly terminated due to deep-seated disagreements between the two firms involved. Laura's article detailed how the project was put back on track "with the intervention of a neutral third party." As the review noted:

"The first advantage of bringing in a middleman is overcoming the mentality of 'us vs them.' An objective outsider is very useful

in repairing damaged relationships by coming to the project with the end user in mind, and showing both companies involved how they can work together to best serve that customer rather than themselves. The second advantage is the experience of a strategic consultant, who in this case could quickly see that implementation work had started to happen without first dealing with decision-making, context-setting and process knowledge."

The outsider perspective and the experience of a strategic consultant proved to be valuable, as tangible results were quickly evident. In fact, "six months on, annual losses dropped from \$20 m to \$6 m." To keep the momentum going, "a new strategic plan ... had been drawn up, and both sides were confident about addressing uses such as defining a one-to-one organization structure between them, creating an enterprise resource plan, and developing communications strategies." As the review observed, "[the] project had turned around."

"When Outsourcing Goes From Wrong To Right" also summarized



Laura Stone

As the CEO and a senior consultant at Stone + Company, Laura Stone brings a wealth of strategic consulting and leadership development experience in both start-up and mature business environments, providing a transformative strategic planning process for clients in the pharmaceutical, manufacturing, retail, insurance, high-tech, and consumer product industries.

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Laura’s tips for success in the change process. For example, Laura encouraged “nimble thinking, with a great understanding of the whole system,” and also emphasized the importance of maintaining trust levels. Laura recommended the “back of the napkin” method – in other words, “if you cannot distill the core issues and opportunities onto the back of a napkin, you do not understand the situation well enough.”

Laura suggested ongoing evaluations of progress and results with all involved, and emphasized that the parties must, “finally, deal with the hard facts and face them.” Of course, this includes knowing when to “abandon all but the core aspect of change if need be.” As the review noted, “[the] unsaid recommendation is of course to bring in a consultant. They may be an additional cost, but in times of change you need that neutral party.”

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“When Outsourcing Goes From Wrong To Right: The Importance Of The Neutral, Experienced Party”



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