

WingSpread - A Real World Scenario



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**Illustrative Case Study of a Company Using Innovative Human
Capital Management Analysis to Achieve Business Results**

- 03 Introduction**
- 04 The Beginning**
- 05 The Cascade**
- 06 Establishing the Equation**
- 08 Afterwards**

Introduction

The Gulfstream G550 disintegrated over northwest Arkansas. Its sixteen passengers and crew did not survive. In that instant, the \$1.6 billion division lost a senior leadership team that had taken years to assemble -- a critical threat to the company's infrastructure. Upon learning of this horror, the Chairman made three calls. The first was to his administrative assistant to schedule talks with the anguished families, a prelude to the worst three hours of his life. The second was to his Senior Vice President of Human Resources.

The Senior Vice President of Human Resources immediately called Ralph, his WingSpread Administrator. For the next five hours, they conducted searches for each of the 16 positions against the entire corporate database of 23,500 employees. The first step was to carve out a target population based upon geography, compensation and other variables. WingSpread reached into their PeopleSoft database to create these subsets. With the target groups for each position established, the actual WingSpread skills searches took but seconds. The results were the selection of three candidates for each position, each of whom possessed 92% or more of the 150 leadership, management, and technical skills that had been possessed by each of the deceased incumbents. The issue then became, not could they do the work -- that had been established -- but who did senior leadership want to promote colored by the multitude of reasons that one human is selected over another. In these five hours, WingSpread was to pay for itself many times over through a few very large "hits."

The third call the Chairman made was to his Chief Financial Officer. During this five hour period, he assembled a team consisting of the Investor Relations Director, SVP Marketing, Corporate Counsel, and the head of its Public Relations firm to develop a strategy for communicating quickly to shareholders, bankers, analysts, and customers the events of the day and how the company was responding to them.

Their quick action halted, and subsequently reversed, the downward slide in the company's stock that began with the news of the tragedy. In the weeks that followed, the company's ability to quickly and effectively respond to this event became a stabilizing force in the market for its stock, preserving its shareholder value. Swift action enabled the division to continue its growth and profitability as revealed in its

quarterly financial reports for the periods after the event. Armed with this new confidence, analysts increased their recommendations on the company's stock, increasing shareholder value beyond what it had been before the accident.

The Beginning

The groundwork for this extraordinary tour de force had been laid the year before. Simply stated, the Chairman had demanded a human asset management system that was "... as functional, accountable, informed, independent, and responsive (FAIR) as our financial system." Almost as an aside he added, "This corporation and our workers are data rich, information poor, and knowledge starved. We will change that."

After much heated debate, WingSpread was installed in the entire corporation...in one week. In this time, all employees in five divisions spread over 32 countries created their position and individual skills profiles over the Internet. The former defined their positions and the latter assessed incumbents against those standards. In all, 23,500 people invested an average of one hour telling the company the skills their positions required, the skills they possessed, and how well they could exercise them. A number of obvious, and some not so obvious, validation protocols ensured the reliability of this data. Because skills are "living" things, a profile updating protocol mandated all data was refreshed weekly ensuring information reliability. Once this primary database had been established, a third profile, the development profile, was automatically calculated for each worker reflecting the difference between position and individual profiles. It measured the skills individuals must acquire or develop to meet the needs of their positions. This "gap" measurement became the primary training driver of the corporation. And, because this information described the "soul" of the corporation, it was under truly formidable security.

Thus, in one year, the corporation became an "adaptive net" of human capital linked to an institutional foundation. WingSpread had created information value for the corporation contingent upon its strategic goals, technology, structure, management style and the nature of its workforce. This value was evident in one of two ways:

- **A few big hits** by improving a few relatively important decisions at the corporate or unit level. An example was identifying and choosing better candidates for top corporate positions once or twice a year where each

decision may have an impact of millions of dollars. This was the case with the searches to replace the 16 deceased executives.

- **A lot of little hits** by improving a large number of individual decisions, each with a relatively small impact. The succession planning and training examples described below determined by thousands of goal-linked needs had an impact of hundreds of dollars each, but an aggregate value of millions of dollars.

A culture of skillfulness in an organization reverberates outward. As the skills reservoir got big enough, it brushed everyone. It was authentic, transparent, and clear. The cumulative effect was that the corporation became perhaps the world's first large-scale, scientifically managed meritocracy.

The Cascade

Replacing these 16 crucial individuals with executives selected from all corporate divisions had a downward cascading effect. Vacancies sprang up throughout the company. Fortunately, in the last year, succession planning had already identified the leading candidates for all positions. In a convincing demonstration of electronic bench strength that was particularly impressive to the investment community, WingSpread again more than paid for itself through a very large number of small "hits."

Understandably there were instances when no acceptable successor could be identified internally. In those events, WingSpread became the ultimate recruitment tool. As any headhunter knows, if you know precisely what you're looking for, you know exactly where to go to find them. Sophisticated e-marketing programs, driven by the skills content of each position under search, directed candidate campaigns to source-rich populations. A simple but compelling message was automatically presented on these sites only when the desired demographic was on line. Recruiters thus harvested completed skills inventories and other information through the Internet. Only the best fits were given telephone interviews by corporate professionals whose sole task was to validate their skills entries. As with the executives, those selected for personal interviews demonstrably could do the work the position required. The question became who best fit the corporate culture; again a triumph of many small "hits."

Usually a trauma of this magnitude would have tremendous dislocating effects on any

company. But two corporate-wide WingSpread programs had conditioned the company's workers to rapid, fluid transactions in the past year; its training and career planning programs. In an era of skills-starved corporations, these programs had been the company's most powerful mechanisms for attracting, focusing, and retaining excellent workers.

It is a sad fact that most corporate training programs are based upon what trainers want to teach. Not so with WingSpread. WingSpread analyzed the gaps described in each worker development profile. Such gaps were, by definition, the skills the corporation must acquire if it were to meet its goals. These gap skills were prioritized in terms of need. Companion skills were grouped naturally into training courses for the most workers, while isolated skills became guided individual responsibilities to be acquired through academic, mentorship, or third party means.

Of equal importance were individual career development programs. These were the workers tangible rewards for their meaningful participation in WingSpread. They gave employees the ability to plan their careers. Comparing their individual profiles against a series of more responsible position profiles, workers explored opportunities for more challenging positions, different functions, or entirely different corporate entities. The result was that each worker could design one or more career paths. Like so many knots in an ascending rope, each knot identified and quantified the skills they must acquire for each successive position. They also provided insights into timing, cost, and possible political obstacles. As a reality test, WingSpread automatically compared career paths with corporate succession plans for the individual. In this way, conflicts were identified before they occurred so they could be resolved between workers and the company.

Establishing the Equation

But these initiatives would have been meaningless unless they had produced substantial results for three constituencies; workers, leadership, and the corporation. For workers, it meant promotions based upon clearly defined, understood, and accepted parameters. Politics wasn't eliminated, but it certainly became much harder to justify. For leadership, it meant a precise measure of increased human asset value as a direct result of their efforts. In an act of intellectual courage, the annual report actually had a human resource accounting section that reflected the gain or loss in human assets in

dollars. To give this metric some teeth, leadership bonuses were, in large part, based upon these figures. For the corporation, it meant extraordinary financial gains through improving the productivity of its knowledge workers.

This is how it happened. When the Chairman had opted for WingSpread the previous year, he got much more than he bargained for. Like all thoughtful businessmen, he knew that the governing dynamic of any business was very simple; the work to be done must equal what the workers can do. The art of business was balancing this equation. When he and his board adopted a corporate goal -- the work to be done -- they were in effect writing a check against the human assets -- the skills -- of the organization. In the past, whether this check could be honored was purely a matter of their intuition. Then, at his insistence, Ralph and his laptop began showing up at the board meetings.

In that year, when the board members appeared close to adopting a goal, inevitably they would expectantly turn to Ralph. During their debate, he had been quietly calculating, using the WingSpread goals to tasks to skills algorithm, the skills costs of their proposed goal. He then compared it to the assessed skills bank of their 23,500 workers -- what the workers could do. In those expectant silences, Ralph might say something like, "Ladies and gentlemen, you have just spent 126 percent of your skills for the next 2.45 years. But, should you decide to go ahead, here is a list of potential acquisitions, joint ventures, outsourcing opportunities, and training options that can make up the deficit."

Marshall McLuhan observed, "First we build the tools, and then they build us." This equation worked on all levels; whether it was positions looking for workers, workers looking for more challenging positions, or problems looking for solutions. When someone had a problem, there were 23,500 potential solutions. If you could formulate your problem in terms of the skills required for its solution, you could discover and reach out to those who possessed them. As a result, ad-hoc alliances were continually being formed which produced transformations much like those that had occurred by sheer serendipity around industrial age water coolers. Most importantly, contributors were rewarded for their participation, thus reinforcing what the company grew to call their global "electronic water cooler." Scientists know it as consilience; when disparate knowledge is applied fluidly to a common problem. Indeed, it was but a poetic tribute to the 16 lost executives that the innovative solution to the Gulfstream's defects the NTSB identified as the cause of the tragic explosion evolved through the company's

"electronic water cooler."

It was the "mass customization" of human assets in which the goods of skills were transformed to services, services to experiences, and experiences to transformations for all concerned. In summary, a human resource decision-support system had measurably improved the management -- and therefore, the goal-linked productivity -- of thousands of its knowledge workers, and, in the process, ushered in a golden age for this beleaguered corporation.

Afterwards

Although the events described here are fictional, for illustrative purposes, any thoughtful executive can easily identify with the traumatic components of this narrative compounded by the complex forces of the Information Age working on corporations. What is true is that nothing like WingSpread exists in corporate America today. What is equally true is that it can, and has been built.

About the author

Wayne Reagan is the Founder and Chief Executive Officer of WingSpread. With over thirty years of experience in retained search and corporate strategy consulting, he is a recognized expert in the field of Human Capital Management. Wayne began his career by forming Delphi Systems to redefine the recruitment industry, through which he developed the Blackbird executive development program and WingSpread. Wayne is also an accomplished author with works published on organizational behavior, political science, history, medicine, and computing.

About WingSpread

WingSpread™ addresses the fundamental equation governing Human Capital Optimization: “The work to be done must equal what workers can do.” Skills are the critical element in solving this equation as skills are measurable and quantitative. Developed from over 30 years of experience in the fields of executive recruiting and corporate strategy, WingSpread™ applies an innovative methodology and web-enabled “SaaS” analytics technology to help organizations to evaluate talent and take decisive action. Our solutions enable companies to overcome challenges of talent recruitment and development, corporate restructuring and mergers and acquisitions to achieve better returns on their investment in human capital.

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