

*Statement of Qualification  
Change Leadership*

## High Growth Software Company Implements Product Teams

### Engagement Description

Restructured functional development group into product-aligned teams. Integrated company into larger acquiring company. Reengineered culture to support new business situation.

### Situation

This client was a very successful startup, experiencing rapid growth in both sales and employees. They were the leaders in developing “middleware,” sophisticated software that enables LAN-based systems to access legacy databases. An entrepreneurial culture and a talented workforce created a high performing organization.

However, there was no product planning and products were late to market with increasing frequency. Developers were constantly shifted from one project to another. Different developers worked on different versions of the same product, each introducing his/her own personalized code structure. There were no coding standards, development templates or formal requirements gathering. There was a lack of coordination among Sales, Marketing, and Development.

The venture capital firm that retained interest in the firm brought in a new CEO who subsequently hired a new Vice President of Development. An acquisition was in the early stages. In four months, the company would be acquired by one of the largest database management vendors in the world. The acquiring company was more structured and had a more top-down management style.

### Solution Development

An initial assessment identified the need for executive team development. Solutions designed and facilitated quarterly two-day offsites with the executive team. The agenda include executive team development activities mixed with strategic business discussions. Solutions provided ongoing coaching to the CEO, and the Vice President, with a focus

on improving the relationship between the Vice Presidents of Development and Marketing. Information was not flowing smoothly between the two groups, delaying product launches.

Solutions also initiated a major reengineering project. After a comprehensive analysis of the core business process, Solutions, the project team and executives identified three major processes to reengineer: product development, product evaluation, and training. Project teams were formed for each of these processes. Solutions led each of these teams. The Development Group was restructured into product-aligned teams...each team with the resources to develop a product from start to finish without functional handoffs and delays. Product Managers, responsible for determining market requirements and product planning, were shifted into the product teams.

Solutions also assisted with the integration of this business unit with the acquiring company. They assisted in clarifying new organization structures. A key project was the integration of the two disparate cultures. As one part of that project, Solutions designed and facilitated a large group meeting consisting of almost all of the employees of the acquired business unit (N=300). During 2-1/2 days the group defined elements of their old culture that were still valuable and new elements that they wanted to create. Specific plans were developed for institutionalizing this new culture.

### Summary of Results

- Sales increased for \$12M to \$55M in 3 years
- A functional product development group restructured into product aligned teams
- Product portfolio planning introduced
- 10 of 11 products delivered on time in first year
- Self-managing teams implemented in development and technical services

