

Organizational Consultation XVII

The Chartering Process: Part Two

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The New England Standard case study continues.

Step Three: Reviewing and Reformulating Mission Statement

Members of our team engaged in this third step by reviewing all the major documents of the corporation and by interviewing Gary and the other three founders of the corporation. The founding stories of an organization usually contain rich insights regarding the fundamental mission of the organization. The founders of New England Standard had to determine what business they were in. Furthermore, this decision usually was based, even if intuitively derived, on a sense of the distinctive competencies held by those who started the company. This decision was additionally derived from a sense of the particular needs in the marketplace that could be served by those possessing these distinctive competencies. There is much to learn about an organization from the founder's reflections on its origins. It can be learned whether we are considering the now legendary story of Bill Hewlett and David Packard starting their company in a Palo Alto California garage or of Jan and Steve Somebody who often tell a story about the founding of their grocery store in Fargo, North Dakota.

In making use of founding stories, it is important to realize that these stories contain not the truth about the early history of the organization, but rather truth about the deeply embedded, driving values and aspirations of those who work in the organization. Acknowledging that these stories offer a subjective truth about the organization, it is often appropriate to move beyond the stories to direct observation of the ongoing operations of the organization. Many corporate gurus (beginning in the 1980s, spurred on by Peters and Waterman's *In Search of Excellence*) have written about "walking the talk." They have suggested that stories regarding the actions of leaders are more believable and influential than the formal pronouncements of these leaders: "Actions speak louder than words." Better yet, stories about actions speak louder than words about values.

Given the credibility and power of actions and stories about actions, the central question becomes: do the patterns of behavior that exist in the current organization accurately mirror patterns contained in the founding stories or are there some major discontinuities? The founding story, after all, is also usually a story about actions that were taken. In the case of founding stories, actions were taken to start a new organization. Furthermore, even the stories about current actions, and even the consultant's observations of behavior in the present day

organization, are filtered through the biases, values, expectations and assumptions of the storyteller and the listener. Both the founding story and contemporary observations are constructed realities, rather than being some ultimate truth about the organization. Therefore, if the founding stories and current reality don't seem to match, then rich opportunities have opened up for further study and analysis. Why the discontinuity? Do these two accounts reveal two different sets of assumptions about the mission of the organization that are vying for acceptance in the organization? Is the founding story still viable as a reflection of the organization's mission? Is it instead viable as a vision of what the organization should be?

Another source of information regarding the mission of the organization is contained in its rituals and ceremonies. There has been a growing appreciation of the powerful role that organizational ritual and ceremony can play in the organization. Attention is usually devoted to the ways in which ritual and ceremony reveal something about the norms of the organization. However, these components of the organization's culture also reveal much about its mission. What is it that the organization is celebrating? The leaders of a corporation with which one of us consults gathers each year to celebrate their slow but steady movement up the Fortune 500 list ("...we have moved from 342 to 310!") Sadly, this organization doesn't seem to have any sense of mission other than this simplistic measure of organizational growth.

Conversely, one of us has consulted to another organization that celebrates its accomplishments each year by hosting a banquet for all its employees. The executive director and other members of the executive team cook and serve the food. This is a poignant action, for this organization is in the business of providing food to homeless people. The yearly banquet is held to celebrate the organization's ongoing commitment to the provision of food to those who are hungry. Those members of the homeless community who have served in a leadership role during the past year are invited to the banquet and honored, as are other members of the local community who have contributed time and money to the homeless food project.

What about New England Standard—how did we choose to appreciate the mission of this organization? Members of our team were fully aware of the rich sources of information that were available to us in identifying our client's mission. We decided to focus primarily on the founding stories of the organization. This seemed appropriate, given that the founders were all still active in the organization. Furthermore, the founders all held key positions in this "leader-centric" organization (as identified in the organizational culture inventory). Members of our team also made extensive use of the formal promotional materials of the organization. We relied on these documents because we discovered soon after beginning to work with New England Standard that the company had frequently produced promotional material over the years that contained many statements regarding the mission of the organization.

Like many other organizations that are oriented to public relations, New England Standard has no paucity of statements regarding its mission. Instead, the appreciative challenge concerns a discovery of the relationship that exists among all of these statements. Perhaps one of the reasons why employees at New England Standard lack a clear sense of direction is that they are surrounded by many different formal declarations regarding the intentions of their organization. Which of these statements should they believe? What is public relations and what is really of importance at New England Standard?

Members of our team faced the problem of overabundant mission statements by constructing four sets of statements regarding organization mission, each set of statements serving as a basis for the next set. We proposed to Gary and the senior administrative team that it is essential for an organization to first identify its *distinctive competencies*. Members of our team made a preliminary assessment of New England Standard's competencies by reviewing its many promotional documents, as well as reviewing the four interviews we had conducted with New England's founders. We identified the following core competencies:

- **Competency One:** New England Standard is a relatively small organization that primarily serves other small to medium-sized organization. Because it is small, New England Standard can be highly flexible and responsive to shifting client and market needs. New England Standard is not small, however, when it comes to financial resources. New England Standard has access to substantial financial resources. Consequently, New England Standard can successfully respond to major client needs. ["It is our size and approach that distinguishes New England Standard. We offer flexibility to develop a transaction that makes sense for the company and its cash flow requirements. Because of our direct management involvement, we can address our customers' requests immediately and arrive at solutions quickly." From New England Standard Brochure, 2011] ["When the customer calls, New England Standard is small enough to respond to their needs immediately, but large enough to support multi-million dollar transactions." From interview with a founder]
- **Competency Two:** Highly skilled and experienced employees with a strong service-orientation. Long-term history of New England Standard leaders asking a fundamental question: "how can I help?" A long-standing history of New England Standard leaders then delivering services that are requested by this client. ["This business is about people and establishing long-term relationships. At New England Standard we have the experience and the commitment to take an educated approach that offers customers a reliable financial partner with whom they can grow." From: New England Standard Brochure 2010]

- **Competency Three:** Capacity to move rapidly and skillfully into emerging professional service markets. Repeatedly demonstrated ability to shift direction and scope in response to shifting markets, technology and competition. [“New England Standard will continue to expand our customer base in existing industries. . . . Because of New England Standard’s market awareness and the dedication of its people, we can continue to be an innovative and responsive . . . partner.” From: New England Standard Brochure 2011]

Making use of this list of distinctive competencies as a base, members of our team next sought to identify a **simple statement of mission** for New England Standard. We found the following statement in several of the company’s early promotional materials: “People Helping People Achieve Their Dreams.” While this statement has a lovely feel about it, it doesn’t provide much direction for the organization. Similar to many mission statements, it is meant more for external consumption than for internal use by company stakeholders. We decided, therefore, to use this statement as a second level base, building on the statement of competencies as a first level, and identifying a third set of statements that flesh out this simple statement of mission.

We defined this third set of statements as the **fundamental components of the mission** and extracted these statements from several sources. We not only used the founder interviews and promotional materials, but also information from the employee meetings regarding organizational values and from current strategic plan documents of the company. Once again, members of our team sought to honor work already done in the company. We saw ourselves as synthesizers and organizers rather than as creators of new statements regarding the intentions of New England Standard. We were operating through a unique blend of Model One and Model Four Consultation. Members of our team identified four fundamental components, each related to a specific functional unit of the company:

- **Client Service:** A full-service business. Long-term mentality striving to deliver the highest level of internal and external client service by exceeding expectations. It is no longer enough for New England Standard to be in the financial lending business. There are many other financial institutions that can lend money at a lower rate. The key to New England Standard’s success is the establishment of a long-term, high-trust relationship with its clients. [“We understand how to structure transactions to fit the customer’s objectives.” From: New England Standard Brochure 1992] [“New England Standard is dedicated to providing superior execution in terms of reliability, quality and innovation in insurance-based transactions of all sizes.” From New England Standard Brochure 2009]

- **Marketing:** New England Standard and its products are market driven to maintain and broaden the client and service base, while maintaining a solid financial base and increasing market share.
- **Focus:** Company focus is financial products and services provided to the small to medium-size corporate marketplace. [“New England Standard offers a wide variety of financial products and services specifically designed to help you manage your . . . finances more efficiently and profitably.” “We help you manage the risks associated with your business through provision of a wide range of insurance products and services.” From New England Standard Brochure 2009]
- **Excitement and Alignment:** The New England Standard organization is thriving when any New England Standard employee can walk into a room full of other New England Standard employees and find them talking enthusiastically about the fundamental business (mission) of New England Standard and, in particular, talking about a New England Standard project that holds the potential of successfully moving New England Standard into the future

Our team then constructed a fourth set of statements regarding the mission of New England Standard. We identified these statements as the ***commitments inherent in the mission statement*** of the organization. Based on our review of the existing documents of the company and our interviews with the founders, we suggested that the mission of New England Standard will be fulfilled on a consistent, ongoing basis, if employees of the New England Standard Corporation make six fundamental commitments:

Commitment One: Customer Service: The New England Standard Corporation is committed to exceeding client expectations in the delivery of services. The company is not only in the business of providing financial support to its clients: it provides a full set of services that can be of value to small and medium size organizations at all stages of their growth. [“New England Standard doesn’t just make a deal. It builds relationships.” New England Standard Brochure, 2009] [“New England Standard has a vested interest in not only helping its clients succeed, but also in expanding and extending its working relationship with its client. New England Standard seeks to be in its client’s ‘inner-circle’ along with its accountant, lawyer, and sometimes its suppliers.” From interview with a founder.]

Commitment Two: New England Standard’s Economic Growth: The New England Standard Corporation is committed to creating an environment that will promote economic growth and prosperity within the New England Standard Corporation. The more successful New England

Standard is as an entrepreneurial company, the greater the security and financial opportunity afforded by the organization to its employees. [“New England Standard has a long history of pioneering in the business of assisting small and middle-size businesses.” From interview with a founder]

Commitment Three: Client’s Economic Growth: The New England Standard Corporation is committed to creating an environment that will promote economic growth and prosperity among New England Standard clients. [“New England Standard assumes that clients are willing to learn about running their business from other people with substantial experience. However, clients often do not come to terms with their need to learn about the operations of their business until a time of crisis or transition in their business.” From interview with a founder.] [“New England Standard will structure flexible . . . programs to help [our clients] build and . . . enhance [their] growth—whether starting or expanding [their] operations.” From: New England Standard Brochure 2009]

Commitment Four: Collaboration: New England Standard is committed to promoting internal and external collaboration to achieve better outcomes for its clients. New England Standard seeks to work closely with all individuals and organizations who seek to manage their risks in a thoughtful and consistent manner. [“In collaboration with other service providers, New England Standard encourages its clients to look at their business from a broader, more knowledgeable perspective. In partnership with other financial and professional institutions, New England Standard also seeks to create innovative products and services to better assist its clients in successfully facing a shifting set of potentials and problems.” From interview with a founder.] [“Our knowledge of the insurance industry makes us an attractive partner to newly formed organizations. Newcomers turn to us because of our knowledge of the industry and our professional services. By participating in many insurance institutes and national associations, we remain current with developments that are essential in providing services and new technologies in the insurance business” From interview with a founder.]

Commitment Five: Access to and Proficiency in the Use of Cutting-Edge Technology: The New England Standard Corporation is committed to promoting an efficient and reliable communications/information technology infrastructure for its employees and clients.

Commitment Six: Skillful and Knowledgeable Workforce: The New England Standard Corporation is committed to investing in and maintaining a highly skilled, well-trained workforce. [“The people are the key assets of New England Standard.” New England Standard Vision Statement: 2008]

We brought this substantial four-tiered mission statement to Gary and the senior administrative team. We encountered very few problems when presenting this statement, in large part because many components in this statement came from existing New England Standard documents. Members of our team had worked closely with these key leaders of New England Standard while formulating the mission statement, which further smoothed the path of acceptance by the senior administrative team.

Several members of the administrative team did express concern about ways in which the company might assess the extent to which the six commitments are being honored in the company. The Vice President of Human Resources suggested that both program reviews and future performance appraisals should incorporate these six commitments. She agreed to set up a task force to modify existing review procedures so that they fully incorporated an assessment of these six commitments. The Vice President for Operations further suggested that our work on the company’s mission be incorporated in the ongoing strategic planning initiatives at New England Standard. The operations VP was particularly impressed with the list of distinctive competencies and believed that these statements should be taken very seriously as New England Standard positions itself for the new long-term ventures that were identified in the company’s strategic plan and in its vision statement.

Step Four: Identifying the Purposes of the Organization

At this point, four months into the chartering project, we went back to Gary and the senior administrative team to review what had been accomplished to date. Several members of the team indicated their surprise that the process had moved along smoothly, while others were still waiting to see if the chartering process would make a difference. Gary expressed his support for the project, but reiterated that his primary concern continued to be the alignment of all New England Standard activities around a core set of goals, objectives, outcomes—“or whatever you want to call it!” We proposed that the next and final component of the charter needed to be put in place. This final component was the purpose of the organization. We reiterated that the purpose is often the factor that heightens employee commitment to the organization as well as providing direction—and alignment. We also reiterated that the purposes can best be identified by not only looking back at document, but also by bringing together all of the employees to reflect on the reasons they choose to continue working at New England Standard.

In supporting our proposal, Gary set up a series of small focus group meetings where employees from different departments of the organization met to identify their own sense of the company's purpose. We asked participant in each focus group to briefly convey a story about a particularly gratifying experience at New England Standard. In most cases, employees shared a story about a client that they were able to help or about ways in which they were able to effectively support other employees inside New England Standard. We also asked the employees in each focus group to talk candidly about their reasons for working at New England Standard, including monetary incentives and job security.

Members of our team were able to identify five major purposes for the New England Standard Corporation, based on the focus group discussions as well as the team members' review of various company documents:

- **Providing High Quality Services:** stimulating economic growth and cooperation among small to medium-sized organizations; providing the leaders of these organizations with the fundamental knowledge, skills, and abilities needed to be effective in the management of their risks and insurance needs; enabling them, in turn, to more effectively address the needs of the community they serve. ["By helping a company acquire insurance that is instrumental to their growth, they can be more productive and competitive in their marketplace." From: New England Standard Brochure 2011]
- **Accessibility:** providing leaders of small to medium-sized organizations with accessible financial services and affordable high quality support services. In many instances, the clients being served by New England Standard are family owned and run businesses. New England Standard is committed to assisting and helping to preserve small family-based businesses—which reside at the heart of America's distinctive character.
- **Preparing Organizations for the Future:** creating and maintaining a setting in which the leaders of small to medium-sized organizations working collaboratively with New England Standard help to prepare for the future direction and scope of their changing businesses.
- **Community Leadership:** serving (individually and collectively) in a leadership role in the insurance community—promoting the highest standards in fostering the personal and professional growth of individuals and groups inside the New England Standard Corporation.
- **Providing Stable Employment:** ensuring that a group of well-paid, efficient employees will find job security through hard work. ["New England Standard has a long history of commitment to employees and of setting this commitment at the forefront in terms of decision-making and strategic planning processes." Interview with a founder.]

Step Five: Creating a Chartering Document

At this point, our team had collected and assembled all the statements regarding the mission, vision, values and purposes of the New England Standard Corporation. As per our agreement with Gary and the senior administrative team, members of our team prepared a draft of the charter that contained all of the statements as well as a brief preamble that was prepared by Gary indicating the reasons for the charter. In this preamble, Gary reiterated his commitment to an organization that is aligned with a set of “fundamental directions as described in the statements of mission, vision, values and purposes.” We also prepared a brief three-page description of the steps taken in formulating the charter. Copies of the charter were distributed to all employees and four luncheon meetings were held for employees. Gary and one of us attended each of these meetings and answered questions regarding the charter.

Employees were informed that they would be expected to fully understand and support this charter at these luncheons and through a memorandum sent out by Gary. Specifically, Gary announced that a charter dinner was to be held in two months. At this dinner each employee was to commit himself or herself to working “on behalf of the company’s mission, vision and purposes and commit to working in a manner that is consistent with the company’s values.” Most of the employees were enthusiastic about the prospect of finally having a document that clearly lays out priorities and commitments. Several employees did express some reservations about the chartering process, hinting at what they called its “coercive” or “brainwashing” character.

Many of the employees indicated that they would like the charter to generate a series of guidelines for their own department that would list measurable goals and objectives. Furthermore, they indicated that they would like these guidelines to be tied directly to budgets, program priorities and the criteria being used to assess their own individual job performance. Gary indicated that he would strongly support the movement toward more concrete, department-based guidelines.

The Vice President for Human Resources also reported in each meeting on how the charter was to be integrated into the performance appraisal system at New England Standard, while the Vice President for Operations reported on the integration of the charter and strategic planning processes of the company. Employees were pleased to hear of these action steps and appreciated my team’s appreciative use of

existing documents in the organization. Several employees noted that the chartering process breaks a long-term pattern in the organization of always starting over again and never following up on the work that has already been done.

Step Six: Convening the Charter Dinner and Establishing the Mentoring Program

Gary was pleased with the outcomes of the luncheon meetings and looked forward with enthusiasm to the charter dinner. We suggested that this was a good time to begin planning for the mentoring program. This program would ensure the continuing commitment of new employees to the mission, vision, values and purposes of the organization. Furthermore, Gary needed to identify a mechanism for sustaining work on the charter. It is critical that any charter be viewed as a living document, rather than as a dead, historical document that gets placed on a shelf. Gary asked that his Vice President for Human Resources establish a task force that would work with my team in creating the mentoring program. He also asked that the strategic planning group at New England Standard take responsibility for keeping the charter up to date. I was asked to continue serving as a consultant to New England Standard, meeting on a quarterly basis with both Gary and the strategic planning group to ensure that the charter is not forgotten.

The charter dinner was held. Gary offered a few brief comments regarding the chartering process and the central role to be played by this document in the future life of New England Standard. He then signed the charter. All the other members of the administrative team then followed his lead and signed the charter. Subsequently, each employee came forward to sign the document. Several employees spontaneously made a few brief comments regarding their commitment to the company and their sense of pride in working at a company such as New England Standard. They spoke in a sincere manner and created an exceptional atmosphere of appreciation that lingered for many months in the company. As a result of the success of this initial charter dinner, yearly ceremonies were planned and enacted. New employees signed the charter and older employees spoke of their “recommitment” to the charter. The mentoring program was also established for new employees. Gary became a true believer in the chartering process because the activities of employees in New England Standard were consistently and enthusiastically aligned with a set of core statements regarding the organization’s fundamental intentions.

Concluding Comments

In these two essays we have offered a detailed description of the chartering process. We offer this detailed description to demonstrate that chartering is not an impractical exercise or organizational luxury intended only for organizations that are flush with time and money. Chartering is a systematic process that can produce tangible benefits for an organization and its leaders in the alignment of organizational activities and outcomes with the mission, vision, values and purposes of the organization. Chartering is an appreciative process that motivates employees, while also providing them with direction. Effective leaders in contemporary organizations can continually engage in the expansion of existing organizational intentions, while also continually clarifying those intentions that already exist in the organization.

The appreciative chartering process enables members of an organization to assess the range and implications of existing intentions, as well as discover new intentions that emerge naturally from, and in alignment with, existing intentions. Chartering is like appreciation. It focuses on both the past and future, while also being firmly grounded in present day realities. This is the fundamental reason why chartering is essential for any organization that wishes to be appreciative in character and that seeks to be successful in the complex and turbulent world of 21st Century life. Chartering can also become one of the most effective organizational improvement processes being advocated and assisted by appreciative organizational consultants.