

# Spendvision



## Quick Facts

### Industry

IT & T – Software & Services

### Customers

Global customer base across Australia & NZ, UK & Europe, Asia and North America

### People

140 employees as of June 2013, with projection of 320 by April 2014

### Revenue

£19.1 million (approximately AUD\$30 million)

### CEO

Shane Bruhns

### Internal Change Agent(s)

Andy Aldworth, Global HR and Australian Team Manager, Spendvision

### External Change Agents(s)

Quentin Lawler, Human Synergistics

### Human Synergistics Tools Used

Organisational Culture Inventory® (OCI) Preferred and Actual

Organisational Effectiveness Inventory™ (OEI)

### Outcomes

Significant improvement in financial performance (both Revenue and Operating Profit)

Improved staff retention in aggressive recruitment environment

Higher levels of discretionary effort and employee engagement

## The Challenge

In 2010 Spendvision, while successful, was suffering from an unrealistic business plan which had them trying to do too much. The Management Team was pulling in different directions and this lack of cohesion resulted in a culture of confusion and protectionism. The initial challenge for Spendvision was to have the proverbial ‘mirror’ held up to the business, as a call for action and change.

## THE GOAL

The immediate goal was to create a self-reflective shock for the Management Team. It was important for the group to discover and understand the impact of their behaviour on the rest of the business. With discord and self-protective behaviour widespread throughout the Management Team, Spendvision was noticing the impact of a divided leadership team. The challenge was creating a situation by which the results of an all-staff survey would bring the Management Team together rather than fuel further discord. The cause for the current operating state needed to be owned by the Management Team so the business could address the challenges as it moved from a start-up to a mature business.

## THE PROCESS

Together with Human Synergistics, Spendvision developed a measurement project to survey the operating culture of the business in order to establish an organisational baseline. Importantly, the measure had to be an independent valuation that could be scientifically proven and robust enough to hold up against the scrutiny of technical specialists. It was positioned as ‘a spotlight’ to highlight the need to think differently about the way things were being done.

## Measuring the operating culture

In late 2010, all members of the organisation were invited to complete the Organisational Culture Inventory® (OCI) and Organisational Effectiveness Inventory™ (OEI). Climate surveys had been conducted in the past, with the introduction of the OCI/OEI being a big departure from the methodology that had been used previously. Members were asked to not only describe some of the hygiene factors – satisfaction, employer of choice, motivation - but also express their experiences on how the business was organised and how this impacted the way they felt expected to work and behave.

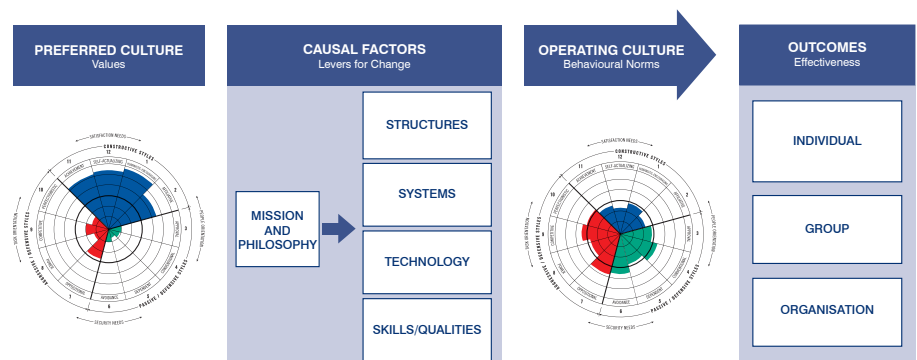


Figure 1: How Culture Works Model

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Figure 2: 2010 – OCI: All Data N=73

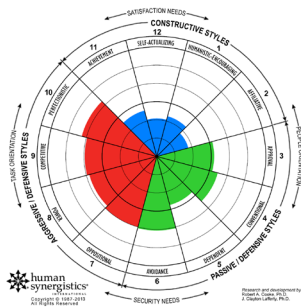


Figure 3: 2011 – OCI: All Data N=78

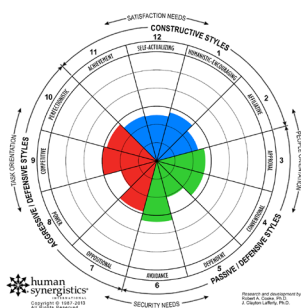
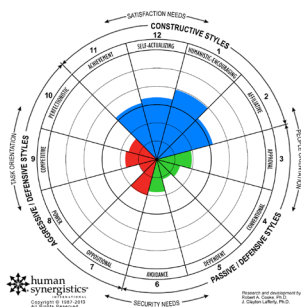


Figure 4: 2012 – OCI: All Data N=88



The data from the baseline survey was presented to the Management Team through the Human Synergistics 'How Culture Works' model (see Figure 1). The model, in its simplest form, helps an organisation understand what it wants to achieve, what it needs to do to achieve this, what it ends up with and the performance outcomes. This was a systems model unfamiliar to the business, but one they could easily interact with. When applying the Spendvision data to each of the elements, the Management Team were not surprised by the results. The scope of the Aggressive/Defensive operating culture reinforced the feeling that people were afraid to make mistakes, that they were being pitched against each other, and that the business was reacting to trying to do too much. The results highlighted a need for change. A debriefing workshop was facilitated to help create a space for members to have a meaningful conversation about the operating culture that was data, rather than ego driven. There was acceptance by the Management Team that things were not right and needed to change; this was paralleled with the opinion of the majority shareholders who were unhappy and dissatisfied with the performance of the business. There was also acknowledgement that elements within the business were resistant to change. As part of this initial discovery phase, the Management Team also looked at the data from different locations, roles and departments. The intention was to discover whether the current operating culture was consistent across each of the groups, or whether specific demographic areas had different operating cultures. Based on analysis of the data from the OCI/OEI survey, the Management Team determined three key areas for development – themselves (the Management Team), the geographically isolated offices, and the external reputation of the business. Data from the OEI Causal Factors was then reviewed and a priority list was compiled to be the key Levers for Change.

Acknowledging that change needed to start at the top, the Management Team focused on Mission and Philosophy and Communication as important Levers for Change.

Pulling on the Communication lever, the Management Team concerned themselves with creating a shared understanding of the message they wanted members to hear. The message needed to be consistent across the different work groups and locations, and each member of the Management Team was required to create the same picture in the minds of others as they held together as a group. Information that was shared across the business linked activity to outcome and the overall business plan. Doubt and speculation disappeared as the wider business held a common and shared understanding of why the business priorities were as they were.

The business quickly became aware of what was going on and why it was happening. Members noticed the role modelling of the Management Team, who were deliberate and purposeful with their communication. Members walked away from meetings with clarity of how the day-to-day activity and the outcome were linked back to the business plan (the purpose). In a fatigued culture, members were beginning to witness swift change and commented on the positive difference it was making around them.

**Seeing the changes**

The business was moving from a frantic, busy attitude to one that was calm and stable. The Management Team were articulating a defined direction and clear path through which all staff members became involved and could understand the importance of their role in the process. The spotlight had squarely been put on what the business was focused on achieving. Attention was paid to a method and style of communication that would encourage participation from members, emphasising a top-down and bottom-up approach. Leaders were consistent, supportive and transparent with their decision making. The focus wasn't on changing culture for culture's sake, but working to improve business outcomes and performance. Emerging from the change was a sense of healthy conflict and a noticeable decline in the internal jockeying for position or title. Heading in to the next round of measurement, the business was well ahead on their annual plan.

The 2011 OCI/OEI results surprised the Management Team, particularly the degree of reduction in Aggressive/Defensive styles and Passive/Defensive styles across all levels of the business. Team members reported a 7% improvement in the Constructive

styles and a substantial decrease in the Defensive styles (a 39% improvement). The business was achieving more in a calmer working environment.

*"We were so busy and exhausted in the Red, and now we're achieving more in a much calmer (Blue) fashion."*

### The next stage

And the business wasn't there yet.

The OCI/OEI was now seen as a business tool for continuous improvement, and there was a strong desire to build on the momentum that had been created. The next stage of development was to improve on, and implement changes to, the internal structures that enabled members to do their jobs. To achieve this, the business rallied around common language, prioritising Communication, Alignment and Empowerment and focused on key Levers for Change as a result of the 2011 OEI Causal Factor results.

Through an Achievement process focusing on cause-and-effect thinking, initiatives were developed to pull on the Training & Development, Goal Setting and Supervisory/Managerial Leadership Levers for Change. In doing so, the Management Team became aware of a double-edged sword. Some members of the business were becoming weary of empowerment - now that they had the resources and investment to perform their role, becoming accountable was challenging. The efforts that had been made to dramatically improve the Humanistic-Encouraging style and reduction in the Power style were now translating to the enablement of an Achievement culture, whereby they were expected to pursue a standard of excellence and work for a sense of accomplishment.

The business was working under the philosophy 'One Team with One Goal'. Spendvision was working at both sides of the Circumplex, increasing satisfaction through the People and Task orientations by strengthening Humanistic-Encouraging and Achievement styles. Members began to notice things were working; people were more effective, success was breeding success and the business continued to hit and exceed its financial and sales targets.

The Management Team focused on promoting new investment in resources and development. A structured training and development program was established and the business focused on providing its members with performance feedback that was constructive rather than perfunctory. Good work was recognised, while undesirable performance was managed through constructive feedback and behaviour. A clear problem solving process was established to enable groups to work cross functionally, with both rational and interpersonal outlook. Balanced scorecards were introduced to make it clear what people would be held accountable for. None of these initiatives could have been implemented until they all saw the value in constructive behaviour.

Since the 2011 OCI/OEI measure, the business had made a concerted effort to shift the entrenched leadership style accepted by the 2010 operating culture. The shift aimed at transforming the way people were encouraged to lead in the business. The Management Team became consciously aware of the impact of their leadership style on the business - how they reacted with others, how they communicated, the type of language they used and striking a balance of when to coach and when to act. In the last quarter of 2012, the business remeasured the operating culture for the third time using the OCI/OEI.

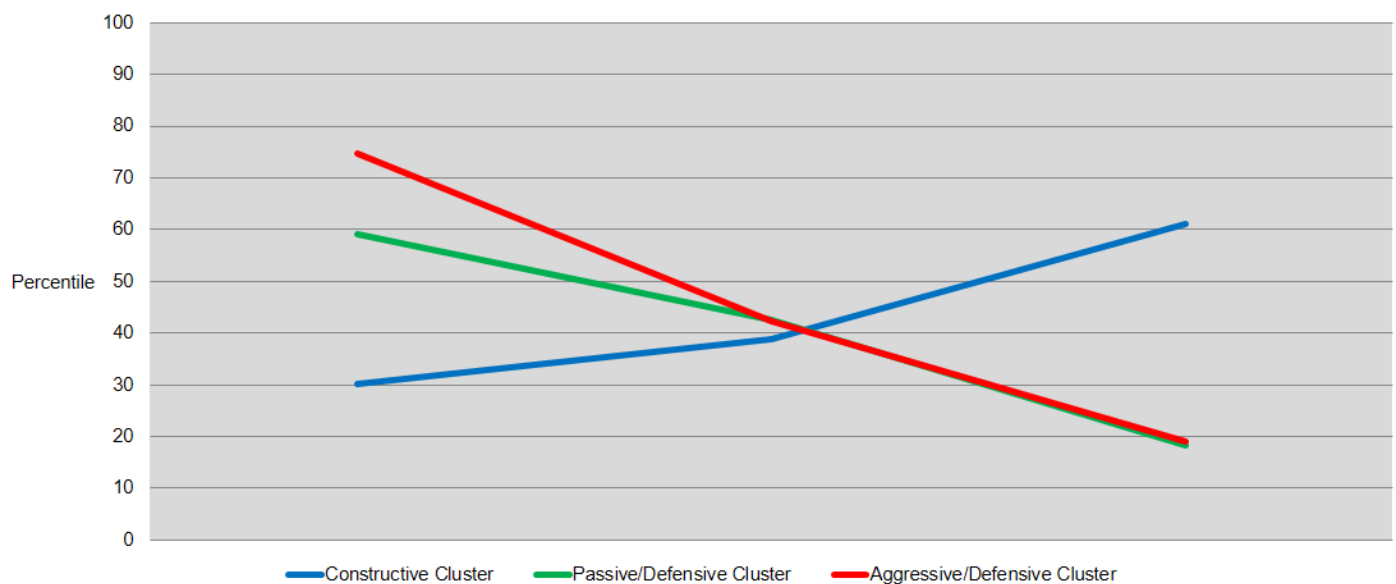


Figure 5: Spendvision Cultural Norm Shift 2010 - 2012

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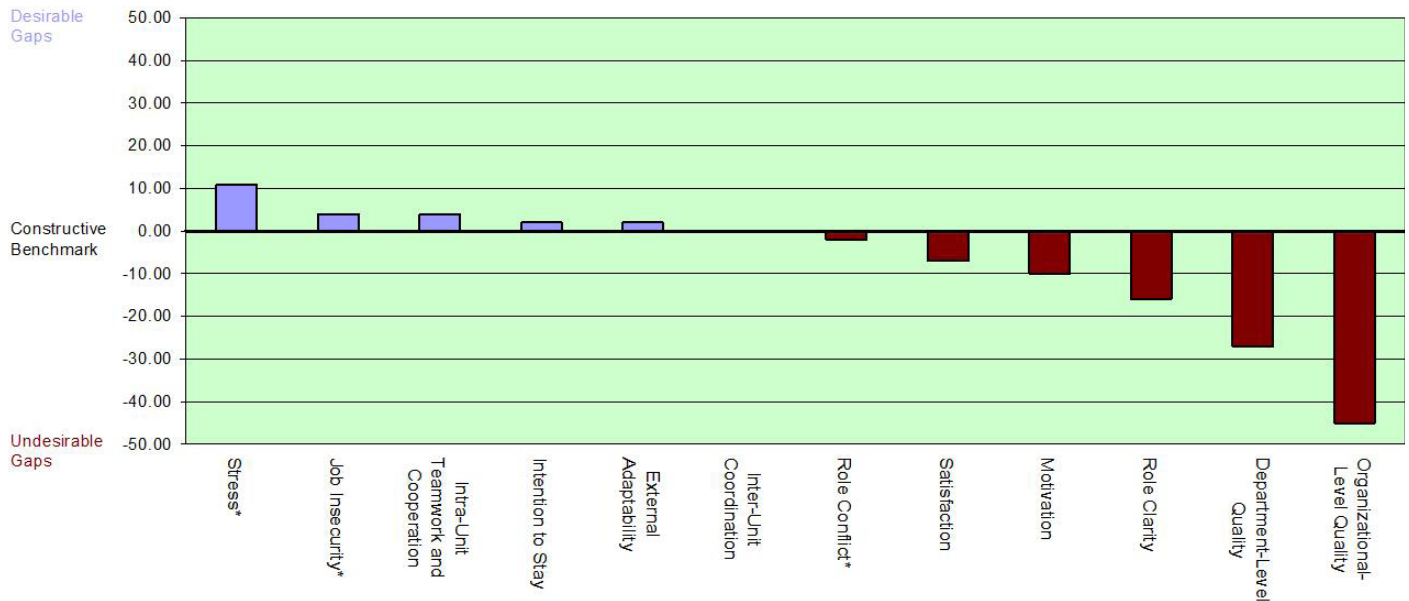


Figure 6: Outcomes Summary 2012

**THE OUTCOME**

The Management Team’s role modelling had a significant impact, with the 2012 OCI results showing a primary style of Humanistic-Encouraging and a significant reduction in Avoidance and Competitive styles. The Constructive styles saw a 57% improvement and the Passive/Defensive and Aggressive/Defensive styles saw significant decreases from the 2010 results (57% and 55% improvement respectively).

Between the 2010 measure and the 2012 retest, Spendvision significantly improved the way members felt about working for the organisation and how they reported the business’s performance. Employee Satisfaction increased by 17%, Intention to Stay improved by 20% and External Adaptability (how well an organisation recognises and responds to changes in its external environment) improved by 16%.

A change was also being noted in other business metrics too:

- Staff retention, in a very competitive marketplace, was significantly improving and the business was attracting high achieving people through deliberate recruitment practices.
- Clients were commenting on the positive change in their partnership with Spendvision.
- There was improved business confidence.
- The business was exceeding financial and sales targets ahead of forecasts.

**NEXT CHALLENGE**

The Management Team feel that the business is organisationally ‘fit’ to pursue future goals with confidence and enthusiasm. There is still work to be done however; staying one step ahead of competitors in the market and managing the impact on the business and culture of any new executives and managers. The business believes that it is important to have a focus on both the resources and systems for the production of services, and how people are encouraged and motivated to interact within the system. People will continue to be supported to bring their best to work every day.

As a means to reinforce the pursuit of more constructive ways of approaching work and interacting with each other and customers, Spendvision plans to use the Human Synergistics Constructive Benchmark as one of their goal posts. Figure 6 shows the business’ 2012 outcome results against the Constructive Benchmark, with areas of opportunity to meet the higher standard.

Part of the challenge will be to sustain the current constructive operating culture in a larger business with the organisation expected to double in size in the near future. The constructive culture enables the business to address new challenges confidently, rather than anxiously waiting to see what might happen. The OCI/OEI will continue to be used by Spendvision to measure the ‘maintenance’ of the current constructive operating culture.



**Changing the World —  
One Organisation at a Time®**

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