

MC CONSULTING

“Quality Solutions and Training”

MEMORANDUM

September 26, 2011

To: All Staff Associates of MC Consulting

From: Chet Amagan, President

Subject: The Ned Wicker Case

1. BACKGROUND.¹ Ned Wicker is the manger of the Systems Proposal Department in the Graubart Electronics Company. The department was organized a year earlier to improve efforts by the company to gain new electronics systems business. Its functions were:

1. To carefully review and evaluate all incoming bid specifications for new electronic systems required by aerospace and other users of such equipment.
2. Then decide which of these (if any) would be potentially profitable, and within both the technical and fabrication capabilities of Graubart Electronics, and finally
3. Prepare the necessary business proposals to win contracts from potential customers.²

Recently Ned has approached me to provide advice concerning the quality of work and the climate in his department. Ned senses there may be morale problems in his work group and the work climate and quality of decisions and proposals seems to be declining. Below is a summary of Ned's description of his problem based on a conversation in my office and expressed in **my** words

2. PROBLEM. A graduate electronic engineer, Ned had been a senior proposal analyst with another company when he was hired by the president of Graubart to set up the new department. The new job coincided with his completion of an MBA degree and it was his first managerial position. He personally recruited and hired a diversified group of seven highly qualified engineers as systems proposal analysts most of whom had prior experience with customer requirements in the industry. The president of Graubart Electronics, Ned's boss, was enthusiastic about the new group, especially Ned's aggressive approach in getting things organized and underway.

Since the work of generating and submitting technical proposals for potential customers can be both costly and time consuming, Wicker felt they key to his department's success would be the careful preliminary screening and selection of bid possibilities on which proposals were to be prepared by the group. It was largely for this reason that he built such an elite group of professionals to work with him, and he developed a procedure for full participation by the entire group in the RFP (request for proposal) selection process.³

Symptom

Important Information

Cause clue

¹ Huse/Bowditch, (1978) *Behavior in Organizations*, Addison-Wesley, 44-5, adaptation of "Participative Decision Making".

² In high technology industries such as electronic systems, skillful bidding is critical. If a company bids too high, it rarely gets the business, or if it bids too low ("buying" the contract) it may get "bled" by the job. Also, the kind of work a company bids on and gets determines the shape of the company's future.

³ When an organization has a need for a device, system, or service from outside, it makes this need known to potential suppliers along with specifications through the means of an PFP, "request for proposal," which is an invitation to bid for the contract work.

The procedure called for all RFPs to be distributed and given a preliminary evaluation by individual analysts, who then made informal written "bid/no bid" recommendations to Wicker on Friday each week. On Mondays, a full morning review meeting involving the entire group was to be held, at which time each analyst would present in detail those proposals he had reviewed the preceding week and lead the group in discussing them. After RFPs had been reviewed in this way, final selections for making proposals were to be reached by group consensus.

The RFP review and selection procedure seemed to work effectively for the first three or four months, and three proposals submitted by the department resulted in major new contracts for the company. In the Monday morning review meetings about various RFPs discussions were lively and involved the whole group. Frequently the sessions ran over into the early afternoon. The variety of individual backgrounds, consciously selected by Ned, provided the group with a broad technical perspective for approaching its task. On only two occasions, based on information he had gained from top management staff meetings, Ned found it necessary to overrule the group's decisions. This was not done high-handedly, however, and he was able to lead members to see the wisdom in his final decision.

At the Monday meeting following the announcement of the second contract won by the group, the president paid a surprise visit just before lunch with a bottle of champagne for Ned and the group to show his appreciation of their efforts to date.

While Ned was very pleased with the quality of decisions made by the group during the first several weeks, two things began to bother him. Although the number of proposals being reviewed remained about the same, each successive week the Monday morning meetings seemed to last longer and would soon consume the entire day, a luxury he felt the department couldn't afford. He also had a nagging feeling that, as the manager, he needed to be better prepared to discuss the merits of the RFPs in order to assist the group in reaching the soundest decisions.

Since he received the written recommendations on Fridays, he decided to familiarize himself with them over the weekend and to arrive at his own tentative conclusions and priorities for making bid/no bid decisions of each RFP. His purpose was to have answers ready which might speed up group discussion on Mondays, but to do so in a way which did not directly influence members of the group as to his tentative conclusions.

Except for the fact he had less time for golf and weekend household chores, this additional effort on Ned's part appeared to bear results. And although the group's batting average with successful proposals declined in the second quarter, he felt better prepared on Monday morning, and the meetings began to shorten with discussions more to the point. This had the dual advantage of enabling the group to handle a larger number of proposals in the meetings and also freed up valuable time for the analysts to do the on-going work of the department.

A disquieting thing began to develop, however. Gradually, discussions in the group became more formal and at times, recently, became a dialogue between Ned and to analyst who had done the preliminary evaluation. The final blow came this morning, when the meeting lasted merely forty-five minutes, with Ned doing most of the talking. Since he considered this review meeting to be the heart of the RFP selection process, Ned became alarmed. While he still had complete confidence in the men and women he had selected, he felt more and more that in the review meetings they were holding back their ideas and technical judgment, both of which he knew were crucial for arriving at the soundest bid/no bid decisions. As he mulled over the situation on his way to lunch, one of the analysts in the group who had received the second highest performance rating stopped Ned to say he was leaving to take a position elsewhere.

3. CLIENT REQUEST. Ned has come to MC Consulting for advice on two issues. First, did he make any errors in designing and implementing the new RFP decision system? Second, what should he do next?

4. ACTION REQUIRED. I am asking each employee to write a position paper on this case providing possible answers to Ned's questions. Currently we have only the information above to go on.

SUSPENSE DATE: 9/28/2011

Cause 1. Lower feedback yields less information/wisdom on recommendations (poor vertical Comm resulting from barriers (structural and interpersonal) to vertical Comm.)

Cause 2. Motivation damaged due to HR satisfaction issues. Analysts feel devalued, climate more theory X or traditional. Herzberg dissatisfiers come into play.

Cause 3. Procedure change cause culture shift toward time saving over quality work, less entrepreneurship, people matter messages down.