



## Chris Peterson at DSS Consulting

*Deborah Ancona and David Caldwell*

Late Thursday afternoon, Chris Peterson was reflecting on the meeting she would have tomorrow with her boss, Meg Cooke. The purpose of the meeting was to give Meg an update on the status of the integrated budget and planning system her team had been working on over the last six months and plans for the team to begin marketing this system and other new DSS consulting services to clients.

Overall, Chris was quite pleased with the work her team had done. The team had been formed as part of a strategic change, including a somewhat controversial re-organization at DSS. The changes and new structure had created dissatisfaction and a fair amount of anxiety among many of DSS's consultants, but Chris felt her team had overcome their concerns to become a very effective group. They had worked together well, avoided the conflicts that often plague these kinds of teams, and generally maintained a high level of motivation and satisfaction. Most of all, Chris was proud of the work her team had done. They had created a budget and planning system that the team believed would be embraced by DSS's clients. The team had not gotten much support from other groups at DSS in developing the system, so team members had done much of the technical work on their own that would have normally been done by support people in the company. Despite this, Chris was very pleased with the system and looked forward to sharing her team's accomplishments with Meg.

### DSS Consulting

DSS Consulting was formed in 1997 to provide administrative support to small school districts primarily in the mid-west and mountain west. The company was founded by three retired school district administrators to help small school districts that had limited staff deal with difficult and somewhat specialized administrative problems, such as negotiating labor agreements or setting up procurement systems.

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This case was prepared by Professors Deborah Ancona, MIT Sloan School of Management and David Caldwell, Santa Clara University, Leavey School of Business.

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During the late 1990s, DSS grew rapidly as small school districts faced more complex challenges and pressures to cut costs, particularly in administration. In response to this growth, DSS organized itself into four practice departments—Procurement and Systems, Information Technology, Contract Negotiation, and Facilities Planning—to deal with different types of engagements. Business came primarily through contacts the five founders had developed. Once DSS was engaged, the project would be referred to the head of the appropriate practice group who would assign consultants to the project.

By 2005, a number of changes had begun to affect DSS. First, the founders were cutting back their involvement in the company. As a result, management decisions were being passed on to new leaders, including people hired from other consulting companies. In addition, since much of DSS's business was generated through contacts established by the founders, their reduced involvement was creating a need for new marketing strategies. Second, the types of problems for which districts were looking for help were becoming more diverse and often didn't fit clearly into a specific practice area. The increasing complexities districts were facing were both reducing the need for the relatively straightforward projects DSS had been working on and creating demands for new types of services. Finally, state standards for school districts were diverging from one another, so that certain issues were more important in one region than in another. All of these changes led to stagnation in revenue growth for DSS.

Because of these changes, the founders decided that a shift in strategy would be necessary for DSS to continue to grow and be successful. As a first step, they promoted Meg Cooke to the position of Chief Operating Officer. Meg had joined DSS in the Contract Negotiation group about four years earlier after spending time with a larger east coast firm. Two years after joining DSS, she had been promoted to head the Contract Negotiation group. The founders and Meg had concluded that if DSS was to continue to be successful, it would need to expand beyond its traditional customer base of small districts and offer services to larger districts much more than it had in the past. They felt that accomplishing this would require developing new services and reorganizing into a more cross-functional, customer-focused organization. A major part of the strategic change involved reorganizing DSS from a purely practice-oriented functional structure to a hybrid structure. Most of the consultants would now be assigned to new cross-functional teams that would be responsible for marketing and delivering services to districts within a particular geographic region. The practice groups were maintained to provide specialized expertise to support the cross-functional teams in their work but with many fewer staff members than in the past.

The new cross-functional teams were given two responsibilities. Over the long run, the teams were to build relationships with the school districts in their regions and provide a full range of DSS consulting services to those districts. The teams were also to develop new consulting offerings in response to district needs. The expectations were that the cross-functional teams would eliminate the functional

“silos” that constrained the services DSS could provide and help DSS develop services that could be sold to larger districts. Both these were seen as crucial steps in the plan to grow DSS.

### **Chris Peterson and the Southwest Region Team**

Chris Peterson joined DSS in 2001. She started her career as a high school teacher in a small school district in Iowa. When the district began to deploy personal computers, she was asked to head up the implementation in her school. The process went so smoothly that she was asked to give up classroom teaching and work full-time for the district in rolling out technology across all the schools. After five years in that job she joined DSS as a consultant in the Information Technology group. She rose to the position of project manager in the group and had been very successful in leading consulting projects. When the decision was made to reorganize into cross-functional teams, Chris was seen as a “natural” to lead one of the teams and was assigned to head the Southwest Region team.

Chris looked on her new assignment with a mixture of excitement and apprehension. Much of the excitement came from the opportunity to lead a permanent team rather than coordinate individuals for short consulting projects. Her apprehension came in large part because of some uncertainties about how the new strategy would unfold. Chris was aware that many people were ambivalent about the new strategy and uncertain about the necessity of the change and whether or not it was likely to be successful. The result of this was that there was a great deal of anxiety among many consultants about the future of DSS and their roles in the new structure. Chris also suspected that the strategy was still evolving and might change as management got a sense of how well the new organization was working.

One of the decisions that Meg had made about the new teams was that the team leaders ought to have a great deal of flexibility in inviting people to join their teams. Chris welcomed this opportunity. In thinking about who she wanted for the team, she considered two factors. First, she wanted people who had good skills and were experienced in the DSS consulting process. Second, she felt she needed people who would be able to work together well. She believed this would be important because of both the nature of the work to be done and her fear that the anxiety created by the change would boil over into dissatisfaction if people had trouble working together.

Chris gave a great deal of thought about who to ask to join the Southwest Region team. She decided that one thing that would help the group work together smoothly would be to select people who already had some experience in working with one another. Overall, Chris was quite happy with the team she was able to put together. She ended up asking two consultants each from Contract Negotiations, Procurement and Systems, and Information Technology, and one consultant from the Facilities group to join the team, all of whom accepted. Even though the consultants had not worked on specific projects with each other in the past, they knew one another and had a great deal in common. Nearly all of them had worked on DSS’s annual Habitat for Humanity project and all had started at DSS at about the same time. Many members of the group socialized with one another

outside of work. At the first group meeting Chris realized that her strategy had worked well. Two of the consultants marveled about how nice it would be to work with people who were both very competent and friends as well. Another consultant mentioned that he didn't know many people at DSS other than the members of his new team and he was really looking forward to the project. Like most DSS consultants, members of Chris's new team had some questions about the new strategy and leadership; however all believed that their new team had tremendous potential.

### **Beginning the Work**

As DSS was making the transition to the new structure, consultants continued to finish existing projects even as they began working with their new teams. Chris believed it was very important that her team members be located together as soon as possible even though the team would not be working together full-time right away. She believed that co-locating the team would allow the group to get a quick start on the major deliverable of developing new products for DSS and prevent the group from getting distracted by some of the uncertainties created by the new structure. Chris was able to identify some space and a plan that could bring the full team together. Since none of the other new team managers felt as strongly about the co-location of their teams as Chris did, Meg allowed Chris's team to move together before the other teams did.

Once the team got settled into its new location, they quickly got to work. Chris believed that the first issue for the team would be to share their experiences and use their collective knowledge to identify one or more potential new products, and that her initial job would be to help the group pull together their experiences. The group had a number of meetings over the next month discussing their perspectives. Chris was very pleased with what happened in the meetings. The team members seemed comfortable sharing information with one another. If a disagreement emerged, the team dealt with it without creating animosity or substantial delay. Chris was particularly pleased when two of the team members told her that this was one of the best groups they had ever been a part of.

Even though they were from different functional areas, the team members found that they had very similar experiences in dealing with districts. All of them had at least one story about how they had been delayed in a project because the people they were working with in the district were not able to get accurate data about budgets or long term plans. What emerged from the discussions was that small districts seemed to lack any integrated system for linking plans and budgets over time. The superintendent of the district seemed to be the only person who knew everything that was going on and if he or she was not available it was difficult to get timely information. The team concluded that what small districts needed was an integrated system for planning and budgeting. Although most large districts had the systems or the human resources to do this, the costs were prohibitive for a small district. The team determined, therefore, that a scaled down system could provide the level of planning small districts needed at a price they could afford. Further, this project both excited the team and was something they felt they could do well.

## **Planning the New Product**

As members of the team began finishing the consulting projects they had been working on, they were able to devote more time to developing specifications for the new system. The majority of the team were now spending nearly all their time working with one another and saw less and less of the other consultants who were not on the team. Occasionally people would bring up what other consultants had said their teams were doing, but this seldom generated much interest and was sometimes seen as almost a distraction to the group. At this point in time, Chris had two primary goals for the team. First, she wanted to keep the group focused on the jobs of defining the new system and determining exactly how DSS consultants would use it. Second, she wanted to help the group avoid distractions and continue to build cohesion.

In addition to working with the team, Chris tried to deal with people outside the group. She had developed friendships with two superintendents in small districts and when she saw them, she took the opportunity to describe the system her team was developing. Generally, the feedback she received was positive and she relayed this to her team. Chris also met occasionally with Meg to update her on the project; however these meetings were generally short. Chris observed that some of the other team leaders spent more time meeting with Meg than she did, but she didn't see that there was much need for her to do so, given the progress her team was making.

## **Developing the Planning and Budgeting System**

Once the specific design of the proposed budget and planning system was complete, Chris felt it was time to share the work of the team with others. She took a detailed description of the program out to a number of districts she had worked with in the past and asked for comments. She also emailed the program description to Meg and some of the DSS functional specialists who would have to provide some technical support in developing the consulting protocols and specifying parts of the code for managing the data base.

The conversations with people in the districts were informative and more-or-less positive. While generally expressing support for the new system, people in the districts raised some specific questions. Many of the comments or questions were about how the system would deal with issues that were unique to a district. A few questions emerged about the price of the product and how it would differ from other products already on the market. When Chris took these comments back to the group they tried to modify the initial design and specifications of the program to meet the concerns that were raised. This worked well in the short run, but as more comments came in, the group began to flounder as the team tried to adapt the design to meet many of the questions from outsiders.

The reactions from others inside DSS were different from those in the districts. Most of the functional specialists who received descriptions of the project simply acknowledged receiving them but did not offer any real comments. Meg responded by asking a couple of questions and saying that

she and Chris would talk more about it later. Overall, the group was pleased with these responses; no one had raised any objections to the program design or identified any difficulties that would slow the project down.

As the group worked to change the project specifications in response to the comments coming in from the districts, Chris felt that the effective process the group had developed was beginning to break down. There were disagreements about how important various comments actually were and progress in finalizing the specifications seemed to slow. Team members began to voice more concerns than they had in the past about the direction DSS was going and question whether the team would be able to accomplish its task. Chris decided that something needed to be done to get the group back on track. She cancelled work on the next Friday and had the whole team meet at a nearby nature preserve. After a hike, the group returned to Chris's house for a barbeque lunch. Following lunch, the members spent the rest of the afternoon discussing how they were performing and what they needed to do to finish designing the project. Overall, this seemed to work quite well. When the team got back to work on Monday, they quickly finalized the specifications and identified the steps that would be necessary to actually develop the product and consulting protocols.

The team turned its attention to completing the project. The project had four components: a database program provided by a third-party vendor; a program for putting information into the database program written by an outside consulting firm; a set of forms districts would use to organize information about schedules and budgets; and a set of instructions for consultants to use in helping districts use the program and its results. The team split into sub-groups to work on pieces of the final project.

Putting together the forms and developing instructions for consultants were the most challenging parts of the project. Both of these tasks required detailed knowledge about the different types of projects districts might undertake. Although members of the team had the knowledge and experience to complete most of this work, they often found that they needed to draw on the specialized knowledge of the DSS specialists in the practice groups. When a specific question came up that the team could not answer, one member of the Southwest team would either email a question or have a face-to-face meeting with the specialist. This worked well for simple issues but not for more complex problems. When team members tried to get functional specialists to spend time working on these more complex problems, they were often not given much help and were occasionally rebuffed. Chris found that she often had to go directly to the manager of the practice area to try to get support. Even this didn't always work. One event typified the problem Chris was experiencing. She met with the head of Contract Negotiation to identify the specific information about a district's employees that would need to be entered into the program. He told Chris that he would ask one of his specialists to work on it with the team. When one member of Chris's team contacted the specialist, he was told that this project had not been built into her schedule and that she would not be able to help him until other things got done.

When Chris learned of this she scheduled a meeting with Meg to discuss the difficulty her team was having in getting support. From Chris's perspective, the meeting with Meg did not go particularly well. Meg seemed sympathetic to the difficulty Chris was having getting support and suggested that she could keep working with the practice group managers to get the final elements of the project completed. Chris had hoped that Meg would take more direct action. When Chris reported back to the team, the overall reaction by team members was negative. There were a number of comments about how decisions at DSS seemed to be more "political" under the new organization and how the "new Meg" seemed to be playing favorites.

### **Finishing the Project**

Despite the difficulty in getting support from others in the organization, Chris knew that the project was close to completion and could still be a success in the market. Chris conveyed this to her team. She reminded them that even if they were not getting the type of support they would like, they had the experience necessary to finish the program on their own. Chris's optimism was contagious. The team increased their efforts and did independent research to fill in their own knowledge gaps. The project came together quickly and within 10 days the team had a full product ready for beta testing. A few weeks earlier, Chris had recruited a district that would be willing to serve as a test site and a date was scheduled for the team to go into the district to demonstrate the product.

### **The Meeting with Meg Cooke**

As Chris came into work on Friday morning, she thought back over the last few months and was quite pleased. The group had done a terrific job of specifying and developing a new product that was ready for a beta test. Initially her team members had doubts about the new strategy and their new roles but they had overcome those, and some real obstacles, to finish the assignment. Chris was looking forward to sharing this with Meg.

From Chris's perspective, the Friday morning meeting with Meg started off very well. Chris outlined the progress her team had made on the integrated budget and planning system. She spoke about how she was managing the beta test for the program and of the positive comments she was getting from the district. She also talked about how effective her team was. They worked together very well, were cohesive, and made decisions easily and quickly. Chris also mentioned that a number of the team members had not supported the reorganization at first but despite that had invested a great deal of effort in making the team and project work and were now committed to the new direction for DSS. In particular, Chris complimented the team members on their initiative in finishing the project even when they didn't have a great deal of help from the specialists in the practice groups.

Meg thanked Chris for all the hard work on the project and mentioned that she had heard very positive things about Chris's leadership from members of the Southwest Region team. Meg then shifted the conversation and asked Chris for a report about the types of services districts in her region might be looking for DSS to provide in the future and whether some of the other projects the DSS

regional teams were working on would be of interest to the districts. Chris responded that she had a general idea of what the other teams had been working on but did not feel she had sufficient information to present them to districts at this time. She went on to say that her team had focused on their project and that the plan was for them to go out and meet with all districts in the region after the project was in a beta test so that they would have something specific to discuss. She reassured Meg that although she did not have a clear answer to the question right now, she would in the near future. Meg then asked Chris how she saw the integrated budget and planning system being marketed to large school districts given that most of them already seemed to have either systems or personnel to do this. Chris responded that she understood the concern and that, at this point in time, large districts might not be interested in the system in its current form. She went to say that as the system was modified and expanded it would very likely be of interest to larger districts. After this, Chris and Meg exchanged a few pleasantries and the meeting ended.

### **The Monday Morning Meeting**

When Chris arrived for work on Monday morning she found that she had a message from Meg asking if they could meet for coffee at 10:30. Chris was curious about the meeting, but quickly responded that she would be available, and the two agreed to meet at a nearby coffee shop. After getting coffee and talking a bit about the weekend, Meg told Chris that after reviewing her team's project and its potential, she had decided that DSS would not go forward with the scheduling and budgeting project. When Chris asked for the reasons for this decision, Meg replied that the number of new products DSS could support was limited and that teams in the other regions had not reported any interest on the part of the districts they had worked with for this type of product. Meg also said that she was concerned that the project would not be of interest to the large districts. Chris responded that she certainly understood the issue about large districts but did not agree with Meg's observation. She went on to say that she did not understand how other regional teams could say that there would not be a demand for the product when they did not even know what the planning and scheduling system could do. Meg said that she appreciated Chris's concerns but that the decision to cancel the project was final.

An awkward silence followed this last exchange. After a moment or two, Meg said that there was one more thing left to discuss. She said that the Southwest Region Team would focus exclusively on marketing DSS products and not be involved in product development work in the future and that there would be some change to the composition of the team. Meg ended by asking Chris if she was prepared to lead the group in a new direction or if she would be more comfortable and successful returning to the IT practice group as a functional specialist.