

An Extreme Leadership Culture Study:

OAC Services, Inc.



Taking a Leap into LEAP

Success can breed complacency and resistance to new ideas – even when they are great. But this already successful consulting firm discovered that embracing Love, Energy, Audacity and Proof could take it to higher levels of excellence.

Yet, Shawn Mahoney knew something was missing.

OAC Services, Inc. (OAC) might not be a household name, but its proud tradition of excellence in design and construction-related projects dates back to its founding in 1955. The Seattle-based firm has weathered many economic storms over the past six decades and evolved to meet the demands of the changing marketplace. And by all accounts, OAC has always had great people, provided great services, and had a healthy financial bottom line.

Yet, Shawn Mahoney knew something was missing.

So he formed some committees, and that solved everything.

OK, not exactly. But, surprisingly enough, committees were a big key in making some dramatic internal changes that have taken OAC from a company its leadership team knew was great to one that's also now recognized by employees, clients, and outsiders for excellence in its culture and its services.

Mahoney, one of seven principals who jointly manage the firm, recognized a need several years ago for an organizing

framework that would help everyone understand and see the cultural and operational keys to OAC's success. If OAC employees better understood and acknowledged the reasons for their success, he reasoned, they would be less likely to take that success for granted and, in fact, could grow even stronger.

“My frustration as an emerging leader was that it was one thing to say internally that we had a great culture, but if we weren't showing it, we had a problem,” said Mahoney, “To grow our enterprise, we needed to identify our foundation and our soul.”

Mahoney knew OAC needed to define its mission, vision, and core values, and align around the strengths of its culture. He had no idea what framework to use, however, or how to create it. Then he heard Steve Farber speak about Extreme Leadership and the model known as LEAP – Love, Energy, Audacity, and Proof – and he immediately knew, “it fit perfectly with OAC.”

Looking at OAC today, you'd think the company took a head-first leap into LEAP. It

has adopted a version of the Extreme Leadership mantra as its vision statement and turned the LEAP components into its core values. As a result, employee surveys indicate a dramatic increase in employee engagement and satisfaction, customer loyalty is at an all-time high, and the company has recently ranked #2 in the state of Washington on Seattle Business Magazine's prestigious 100 Best Companies to Work For list and earned several other awards from within its industry. (See the list at the end of this report).

What's perhaps most fascinating about OAC, however, is how it successfully adopted LEAP. Mahoney didn't return to the office and order framed LEAP posters to hang the lobby or start plastering LEAP propaganda across the OAC website and marketing materials. In fact, the transformation didn't happen quickly or without resistance, but with a patient and organic approach that convinced nearly everyone in this already great company that it could be exponentially better – if only it would take the LEAP.

The Impulse to Act

Mahoney was in Las Vegas attending the Construction Management Association's annual convention in 2013 when he first heard Farber's message on Extreme Leadership and intuitively knew its principles held an important place in the future of OAC. It was what Farber would describe as an OS!M – that "Oh Shit! Moment" when a leader realizes it's time to take a significant risk to make something big happen. For the most part, OAC already operated on the values expressed in the LEAP model. So why not simply adopt it as the framework for the firm?

Mahoney felt the impulse to act, and he followed through on it. But, again, he couldn't just return to Seattle and send out a memo announcing that OAC was becoming a LEAP organization. First, he had to sell it to his fellow principals, who would need to embrace the idea and who, to some degree, had an "if it ain't broke, don't fix it" mindset about the need for any such framework. Second, he needed to sell it to the 70-plus employees, most of whom had an understandably low tolerance for flavor-of-the-month management best practices.



OAC SERVICES, INC.

Founded: 1955 by Richard Tracey and Gerald Brunstrom

Ownership: Privately held; managed by a leadership team of seven principals

Employees: 85

Services: Forensic architecture and engineering; project and construction management; building enclosure consulting; alternative project delivery; structural engineering

Client industries: Government; contractor/builders; school districts; law firms; healthcare; insurance; colleges/universities; technology; private developers

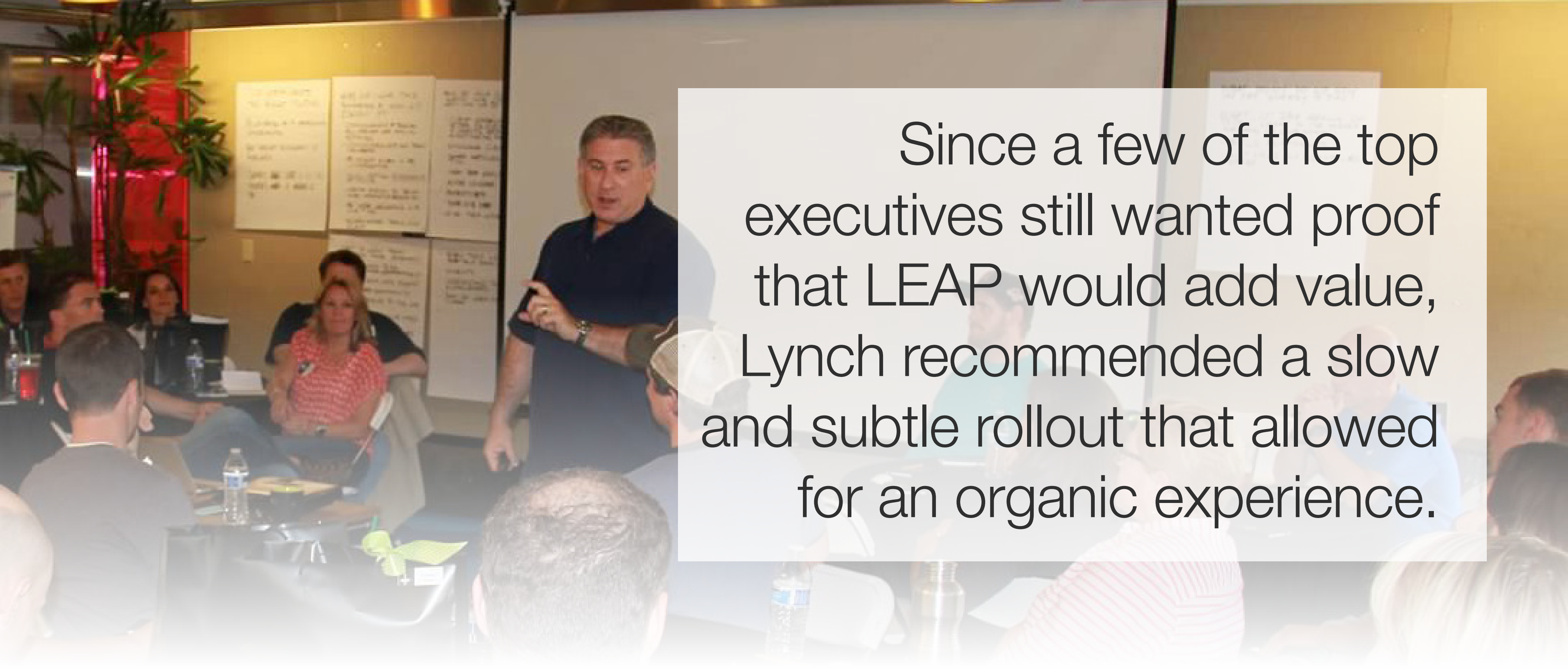
Offices: Seattle, Washington (HQ); Spokane, Washington; Olympia, Washington; and San Jose, California

Vision: Do what we love in the service of people who love what we do.

Mission: Serve our clients and communities as trusted partners to design, build and improve where people live, work, learn and play.

Core values: Love, Energy, Audacity, Proof

Company Web Site:
<http://oacsvcs.com/>



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Mahoney shared his excitement about Farber's message with his colleagues, and then attended the Extreme Leadership Summit in 2014 along with other five members of the OAC leadership team. The Summit exposed the team not only to the basics of LEAP, but to a group of leaders from diverse organizations who shared the values of Love, Energy, Audacity, and Proof.

"I think it really helped the other members see that this didn't just relate to our organization, but also to rock bands, education, and other industries," Mahoney said.

A month after the Summit, Mahoney participated in an Extreme Leadership Certification Program. Then he sent several key members of the firm through the certification program to gauge their reaction to the training.

In January 2015, Mahoney was named as the firm's managing principal. It had been nearly two years since the convention in Las Vegas, but he now felt there was enough momentum to test

the LEAP message more widely throughout the organization. So, the team members who had been through the certification program organized a "LEAP Week" – a series of events in May 2015 that culminated with an in-person message from Farber. Jenna Lynch, a certified facilitator for the Extreme Leadership Institute, helped organize and run the events and a few months later was hired as a consultant to help explore a more formal adoption of LEAP at OAC.

Since a few of the top executives still wanted proof that LEAP would add value, Lynch recommended a slow and subtle rollout that allowed for an organic experience. They began by announcing that management was committing to a more inclusive, open-door leadership approach. They told employees this would begin with a survey to learn what employees valued and that they then would form four employee-led committees that would help determine the direction of a new framework.

"We told them we were going to survey everybody in the company, and that means we love and care enough about what your thoughts are," Lynch said. "We are no longer just going to make all the decisions at the top and push it down. We aren't going to be in a secluded room where you have to make an appointment to make an appointment to see us. We are going to get your feedback, and we love and care enough about you to value what you think. From that, we are actually going to create energy. We are going to cultivate love through the survey and then we are going to generate energy. That energy is going to come from building these committees."

OAC had used committees in the past, Mahoney points out. And, like many organizations, those committees didn't always produce positive results. That's because a leadership team member had always led the committees.

“It was like saying, ‘I’m empowering you to do everything ... but check with me first,’” said Mahoney.

The new committees – Culture, Communications, Talent, and Growth – were led by the employees, who established objectives and key results (OKRs) that are measured against cultivating love, generating energy, inspiring audacity and providing proof. They made recommendations for everything from community service projects to policies that shape the way OAC operates. And they regularly reported on the plans and progress of their work.

“For the first time the employees felt like they were making the decisions versus the leadership team,” Lynch said. “That in and of itself was incredibly audacious.”

Lynch assumed the role of “culture and people officer” – a title that signaled OAC’s commitment to the process. She led the committee members through the LEAP training and worked with them as they began making decisions.

The committees quickly bought into LEAP as a framework. They agreed on a proposed mission statement, taking Farber’s credo for Extreme Leadership – “Do what you love in the service of people who love what you do” – and making it plural and collective: “Do what we love in the service of people who love what we do.” Then they looked at Love, Energy, Audacity, and Proof as core values, adding action verbs to give them strength – cultivate love, generate energy, inspire audacity, and provide proof. And eventually they crafted a mission statement: “Serve our clients and communities as trusted partners to design, build and improve where people live, work, learn and play.”

It took nine months to come up with the mission, vision, and values, but it Mahoney said it was worth the wait.

“Every single person felt part of it, and they all were embracing it,” he said. “If we had just rolled it out at LEAP Week, there wouldn’t have been any steam. Now there’s ownership in it.”

Because of that ownership, LEAP is incorporated into nearly every aspect of the business –

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including performance reviews, the hiring process, internships, and community service.

The committees not only added value to the culture and the business through their recommendations, but they help foster better teamwork while feeding OAC’s leadership pipeline.

For instance, OAC had a bit of a silo-culture in which employees seldom interacted with each other if they weren’t on a work team or in the same geographic location. The committee structure allowed people who didn’t work together on a regular basis to get to know each other.

“It broke down those barriers,” Mahoney said. “We’re connecting people from other offices, and it’s been awesome.”

The committees also prepare leaders of the future because the chairs of the 14 sub-committees all are mentored monthly by members of the leadership team on things like how to lead a cross-functional team and how to overcome challenges. And the rigor of providing progress reports to colleagues and the leadership team has stretched them to develop new skills.

“It’s a great way for people to really demonstrate their leadership abilities in front of the group,” Mahoney said. “We’re not looking for workers. We’re looking for leaders. Empowering them to run these committees helps us run the business and develops our leaders from within.”



Growing in LEAP

Mahoney felt an immediate connection to the LEAP model in part because he could see those components in the people who worked at OAC.

“The love and the energy were a slam dunk,” he said. “And in our business, like any consulting business, providing proof is the deliverable you have to have.”

Formalizing it and embracing LEAP, however, has helped them bring those values to life in more notable and measurable ways.

As a professional services firm, for instance, OAC always has recruited and valued people who value relationships. But like many organizations, they never used the word love to describe how they operated as a business.

“It took some time for people to recognize that love is an essential part of how they do business and then get used to saying the word,” Mahoney said. “I think the first couple times it feels a little funny, right? Especially for engineers, architects, contractors ... But they are the first ones to give their colleague a hug after accomplishing a major task. So once you take a little while to socialize it, they get it.”

Lynch also led exercises that helped employees personalize the values so they could see, for instance, what love meant to them when it came to clients, vendors, partners, and, most importantly, each other. They realized love encompassed values like trust, respect, listening, and caring – all things they already believed in.

While the company had a good head start on love, energy, and proof, Mahoney recognized a weakness when it came to audacity. That’s not uncommon in an organization that sees itself – rightly, in this case – as successful. It took time, and proof, for everyone

to see that the framework was needed and that it is valuable.

Mahoney, of course, led the way in this area, exemplifying audacity by championing the LEAP approach. And as employees began to see and feel the support from the leadership team, their goals and ideas grew more and more audacious.

For instance, the idea among employees that they had a voice was new. But after a few quarterly meetings with the leadership team, the leaders of the committees began to see and feel the support for what they were doing. For starters, the principals didn’t take over the committees or shoot down their ideas – instead, they encouraged and supported what the committees were doing.

“They were great ideas,” Mahoney said, “way better than anything the leadership team would have come up with.”

The support created energy that inspired audacity. For example, OAC had no HR department and no formal pathway that showed employees how they can move to new positions within the company. So one of the committees created an organizational “growth chart” that mapped it all out.

“The people on this team vetted every single role in the company and created a few additional ones,” Lynch said. “When someone interviews with the company, they now can see the potential path. And when they are having performance reviews, they can see how to go from A to B.”

Another committee came up with a plan for using a drone in the business.

“It’s not only a fun, cool thing,” Mahoney said, “but it’s also a service tool.”

WHAT WE DO



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Birds of a Feather

The values of Love, Energy, Audacity, and Proof are lived out individually and honored collectively at OAC.

For instance, Andrew Sahl, an OAC project manager, was working for a school district client at a site where workers discovered an osprey nest. He engaged the right people and used some creative outreach to have the nest moved in a way that appeased environmentalists, thus avoiding a potential black eye for the client.

In other words, he cultivated love, generated energy, inspired audacity, and provided proof.

The Rewards and Recognition subcommittee, meanwhile, had come up with a formal recognition program for OAC but was struggling to give it a name. When they heard the osprey story and the impact it had on the client and the community, they named the recognition program the Osprey Awards. Anyone within the firm can be nominated and the award is given out monthly to someone who exemplifies “cultivating love, generating energy, inspiring audacity, and providing proof.”

One of the committees also institute OAC’s “quarterly scrum” meetings. All the employees are invited and expected to attend, either in person or by teleconference. The meetings cover all topics relating to the company and highlight all areas of the business and culture, from new hires, to awards, to stories about work done with clients. They even recognize and honor employees who are leaving the company for other opportunities.

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Moving Outward

While the committees began recognizing each other for exemplifying LEAP, the company began expanding the message outward – and drawing praise for its results. They started by putting the mission, vision, and values on the internal website, then on the public website and, more recently, in their proposals to clients and on social media sites like Facebook.

“It’s definitely making a difference,” Mahoney said. “There’s a firm in Seattle, Big Fish Games, for example, that’s really committed to their mission, vision and core values, so they are looking for other companies with similar values and the same discipline.”

Lynch points out that some clients are hiring OAC in part because it’s a way to reinforce their own cultural aspirations.

“If they care about their culture and their values,” she said, “they want to make sure they are hiring the right people to come in. They will be more efficient, more effective.”

The feedback, internally and externally, is providing proof that LEAP is working for OAC. When the company did its first internal survey just as they were exploring the LEAP concepts, the results were extremely positive, Mahoney said. But they

were even better the next year when LEAP had gained momentum.

The survey conducted in 2017 showed marked improvement from the initial baseline survey in 2015. OAC asked employees for feedback on a number of statements grouped into twelve categories, and only those who strongly agreed, agreed, or somewhat agreed were considered favorable responses when tabulating the results. In every category, the percentage of favorable responses increased from the baseline survey. By industry standards, a 5 percent increase is considered difficult to achieve and therefore quite significant. Yet nine out of 12 of the categories had an increase of at least 5 percent. Culture (plus 11.60 percent) and workplace environment (plus 14.22 percent) showed the biggest increases, and the overall increase was 6.75 percent.

“Every single category went up,” Lynch said. “There were hundreds of positive comments from people saying that they were feeling more engaged and more valued. You can’t fight that data. The proof is there. But we had to do it through cultivating love, generating energy, inspiring audacity, and providing proof for those who were naysayers in the beginning.”

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OAC also has taken the audacious step of entering contests to see how well they are doing compared to other great companies. In 2016, Seattle Business released its list of best companies to work for in the state of Washington, and OAC ranked No. 14 among midsize companies. In 2017, they shot up to No. 2.

Those rankings are more than nice ego biscuits. They also have led to new relationships with other leaders of companies on that list, which has expanded OAC's business opportunities. And, of course, they've provided proof that what they are doing is working.

"It's one thing for the leadership team to sit in a room and say, 'Oh, we're amazing,'" Lynch said. "But those are just seven people. When you get phenomenal feedback from the whole company,

and when you are winning awards and everybody you ask is saying we're a great company, well, that's not just seven people in a room."

Lynch says OAC provides a great example that an organization shouldn't wait for problems to emerge before acting to make things better. One mark of great companies is that they are proactive about identifying and building upon their strengths.

"I work with a lot of companies, and OAC was not a toxic culture when I came in," Lynch said. "I don't want people to think that they only need LEAP if they're in a dismal state and about to close the doors. That's not the case at all. Companies that are already great can be exponentially better. Shawn was an emerging leader who wanted to get in front of this, and he built a structure that made OAC even stronger and better."

Recent OAC Awards

- *Seattle Business Magazine's* 100 Best Companies to Work For (No. 14 in its category in 2016 and No. 2 in 2017)
- NAIOP Finalists – 2016 Life Sciences Development of the Year Finalist– Vue Research Center
- Engineering News-Record #83 in the 2017 Top 100 Construction Management-for-Fee Firms
- 2016 Community Impact of the Year Finalist – Food Lifeline's Hunger Solution Center and Virginia Mason 3T MRI
- DBIA 2016 National Award of Merit – Spokane Central Service Center and finalist for 2016 Excellence in Process Award
- 2015 Community Impact of the Year Finalist – Swedish Renton Landing
- Furry 5K 2016 - Top Team Fundraising
- Seattle Met's 2015 Light a Fire Award
- 2016 IA Industry Partner Award