



CASE STUDY

Prodigy MSN Aligns on Objectives to Develop
Clarity & Focus



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BACKGROUND

Prodigy MSN (PMSN) is one of the most popular websites in Mexico, with over 23 million users. It features a variety of services, including Windows Live Hotmail, Windows Live Messenger, video, news, and the latest in entertainment, lifestyle and sports. At the time of engagement, it was a small organization in a start-up mode that specialized in online media, advertising, news, email and instant messaging. PMSN is a joint venture between Microsoft and Telmex.

The company needed to break down the silos within the organization, which were all working at high velocity, with growth imperatives in rapidly changing market conditions. There was no alignment between departments, and many felt that the goals of one department might not be aligned with the goals of another department. The development of organization-wide mission, vision and values were needed. Employees were busy—they were moving fast—but they were so busy there was no follow up with commitments made to other departments.

Working with McGhee productivity Solutions, a strategy was developed to create alignment and set goals for the entire organization. Through the implementation of the Strategic Team Plan (STP), the operating paradigm for the entire company was shifted. The team began feeling unity, creating commitment to an overall organizational goal and taking action to achieve results. By taking time to develop goals and ensure alignment, McGhee helped them slow down to speed up.

THE CHALLENGE

The General Manager for Prodigy MSN needed to break down the silos in the organization and create alignment within the team on consistent goals. Although it is a small organization, employees were so busy working in their own areas that larger goals were not being addressed. The company needed to develop and focus on core objectives.

Daniel Bekerman was brought on board to run PMSN after the organization had spent six months without a General Manager. Daniel realized that PMSN hadn't had a clear direction or focused organizational objectives during its short existence. Additionally, revenue and most of the other key metrics had been in decline for over 8 quarters. Daniel began by making an in-depth diagnosis of PMSN and realized that, to achieve sustained results, they needed to generate a cultural transformation and incorporate accountability, processes excellence and alignment towards common goals. Daniel looked to McGhee for help in achieving sustainable results over time.

“Once we completed the Strategic Team Plan, we began to grow continuously, increasing our year-over-year revenue and exceeding our financial, profitability and market share targets. These results are due to several factors but there can be no success unless each player in the game is aligned in the same direction. I know McGhee’s STP process is a key factor in assisting us to achieve these results.”

- Daniel Bekerman, General Manager, Prodigy MSN Mexico



OUR SOLUTION

Daniel and McGhee worked together to create a plan for implementing the Take Back Your Life[®] program and the development of a Strategic Team Plan (STP). Peter began by helping Prodigy MSN's Leadership team in identifying the company's Mission and Values, producing a very inspiring framework for the rest of the organization to align under, and then continued working with the team to create an operating paradigm that actually empowered employees to participate as part of a team rather than feeling like they were working in silos.

With this new context, the team created alignment on overall goals over a short and long-term period, creating direction and a roadmap for the entire organization. The Leadership Team abandoned the distractions that were paralyzing growth, causing them to slow down and focus on moving forward.

By slowing down, they were able to speed up through aligning and moving towards the same goals. With the STP in place, the team began feeling unity, with the emphasis on the "setting of commitments" becoming a natural result of their business process. The STP transformed the staff from being uninspired and lacking focus to being aligned on goals and objectives, making them part of the bigger picture and creating commitment to action and results. People are now participating as an active part of a team instead of being passive about what they were doing. People are now invested in the enterprise.

*"McGhee Productivity Solutions turned our business around.
They guided us in being aligned and getting clear on our roles and objectives.
We asked Peter to help guide us one way and he took us way beyond that."*

– Eduardo Suaret, Human Resources Director, Prodigy MSN México

In Phase I, Preparing for Your Strategic Team Planning, Daniel and McGhee worked with the team at PMSN to identify the obstacles in aligning on common goals and objectives. Daniel articulated the need to eliminate silos and the importance of having each team within Prodigy MSN working together towards clear and defined objectives.

In Phase II, Implementation of Sustainability of Your Strategic Team Plan, an off-site session was conducted with the Leadership Team, Daniel and his team worked to define the company's Mission Statement and identify 8 core values that the team now uses to make decisions on each thing they do. These core values act as their compass in the medium and long term, helping them make decisions, especially when times are difficult.

Through this process, there was clarity around common goals, alignment on defined objectives, and greater levels of accountability. The team worked with Peter to identify what was causing disempowerment within the staff, discovering that there was no alignment or clarity on what the company was committed to achieving. The Leadership Team then established and aligned upon goals and objectives for 1-year and 5-years out.



From these goals, each member of the Leadership Team clarified between 6 and 10 objectives which their area needed to achieve. Every one of these objectives was 100% aligned with the objectives of the organization. Having these objectives clearly defined helped the team identify the roles needed to make sure that, if everyone completed what they had committed to, they could ensure that the objectives of the company would be reached automatically, creating both sustainability and a foundation for accountability.

Finally, the team designed individual accountability templates, including metrics and an accountability calendar with monthly and quarterly review meetings. Completing these put Prodigy MSN in a strong position to incorporate new processes into their strategic plan and prepared them to execute the program independently while maintaining accountability.

RESULTS

- **48%** decrease in employee turnover and competencies were upgraded within the organization
- Greater work-life balance within organization with less hours spent within the office
- **43%** year-over-year increase in revenue 6 months after STP, followed by a **28%** increase in revenue in the second year of OAP
- Clear objectives for the first time and a system to track progress
- Silos have been eliminated and communication is now a regular practice
- Leadership team is aligned and has greater accountability, with a **20 point** metric increase on vision, strategy, and direction
- Company culture metric increased **9 points** annually

LONG-TERM BENEFITS

One-and-a-half years after beginning the STP process, Prodigy MSN accomplished the goals they set. 6 months after the first Strategic Team Planning session, Prodigy MSN's revenue had reversed a 9-quarter decrease in revenue ending up with a 43% increase in year-over-year revenue after 6 months, and a 28% increase in revenue during the second year of the STP. In addition, people were engaged in the work they do and the direction the organization was heading, and the team defined all commitments as "binary commitments" – you either accomplish them or not – a philosophy that spread throughout company.

Additionally, the decision-making process at Prodigy MSN changed. Employees constantly talk about values, and these values guide all their decisions. They relate to the organization's values when they make tough decisions because they are *committed* to the values – they live them and focus on them in their daily work. The values became part of the company language.

