

CMD Group Case Study

CMD group had done it all “right”. They were capturing market share and had made very strategic acquisitions and were growing the business globally. They were a visionary, inspired company and were heading into the clear blue sky. They were opening new branches, adding more complex products and services with greater margins. Arol Wolford, their CEO when he engaged The Center, said, we thought we had just grown too fast and therefore needed a little tweaking --- basically he said, “we just needed to clarify our vision, mission and values and get buy-in, that kind of thing. Boy was I wrong”.

In Arol’s words listen to their story ...

Prior to working with The Center, CMD had engaged several of the top consulting firms who did all the number crunching, interviewed everyone, ran surveys, mapped processes, studied the marketplace and made recommendations. Their solution resulted in a major software installation and their consultants working with us to design and implement it. From there we experienced a tragedy/comedy of the greatest proportions and an endless process of change orders and add-ons. We were just digging our way out of the hole we were in, only using technology to do it faster.

It was humbling to have to acknowledge to our investors, shareholders that we were throwing good money after bad. First, we discovered we spent close to 85% of our time in a reactive state (even though we believed we were being strategic in all our decisions.) All of our growth had stretched our resources, causing us to take short cuts everywhere we looked, including our selection, development and promotion of people. We were on a sprint to beat our competitors into the internet market and dominate the digital world of construction market data while maintaining all of our existing (brick and mortar) publications. Exciting times! Of course it was, but little did we know that we were throwing fuel on the fires we thought we were putting out --- all the while actually limiting our growth --- not growing our business.

Once we mapped the patterns and underlying structure that was causing our reactive behavior. We discovered our company was “working perfectly, just like it was designed.” When we were able to see the cause (which were the principles we were violating) – we also saw the leverage points that would completely remove the source of our reactive behavior. From that point on we simply aligned everyone around those leverage points and eliminated the reactive behavior that was consuming us.

Third, we formed a design team and several change coalitions to remove our limits to growth and become a focus-driven company. Then we began the process of developing core competencies. Ultimately, we focused our attention on becoming a competency development company. That is what gave us our competitive advantage. This strategy

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led to us selling the business and became a part of one of the largest business information corporations in the world. The pay day for us was substantial.