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CHRIS'S STORY

Courage is not simply one of the virtues but the
form of every virtue at the testing point.

—*C. S. Lewis*

IntegWare is a product life cycle management software company
that serves Accenture, Agilent, Apple, General Electric, General
Motors, Hewlett-Packard, Johnson & Johnson, NEC, Siemens,
TRW, and many other Fortune 1000 firms.

IntegWare's CEO is Christopher Armstrong Kay, a square-
shouldered, clean-cut, tightly organized Hewlett-Packard engi-
neering veteran who took IntegWare's helm when it was trying to
choose between breaking into pieces and diving off a cliff.

Like most executives, he didn't think that courage would be at
the center of his recovery operation. He was focused on staff, deliv-
erables, productivity, brains, quality, speed, and revenues.

Like most execs, Chris didn't relish crisis. A glance at his orga-
nized desk and the neat press of his clothing suggests that he prefers
a well-disciplined shop to one with trash fires, cracking floors, and
nervous customers. Chris was acutely conscious of high operating
principles when he took the helm. This put him ahead in a tough
game, but this is one of those deep advantages that is not immedi-
ately visible.

Chris had arrived long after IntegWare had sped past its first
major crises and Points of Decision—those key moments when cri-
sis tests principles. Years earlier, key IntegWare managers should
have been replaced by leaders with character. Years earlier, ethical

relationships should have been preserved against the pressures of expediency, denial, puffery, self-interest, and favoritism.

Weeks after he had positioned his family pictures in his new office, the historical bills for low and poorly performed core values came due. The firm was no longer beguiled by a choice of a stark either-or; it was now actively breaking up *and* sliding down a cliff.

In its free fall down Darwin's ladder, IntegWare had lost its moorings. Its people wrestled for survival using prehistoric tools: backstabbing, gossip, rumors, and panic followed by the departure of some and the fears of all. This is super material for a teen horror film but unwelcome conditions for a good company.

Infighting had split the firm; debt capacity was at redline; printers spat out résumés; customers were worried; and work had become as much fun as exchanging gunfire in evening traffic. Yet it somehow continued to deliver products. IntegWare needed cash, customers, talent, strategic planning, core values, leadership, teamwork, a retreat, and new coffeemakers. *But in what order?*

Order is elusive when hearts and minds are lost in the fogs of economic struggle, fearful choices, and family despair.

Chris, like Aristotle, could separate the essential from the important, the necessary from the pressing. The Greeks called this ability *diaphoranta*. It enables great decision making.

In the winds of unit disorder and private miseries, Chris saw the essential fact about his firm: *We have no operating principles around which to mount a recovery, no core values serving as the unifying behavioral standard for the firm's next level of performance.* He saw that everything other than values was secondary.

Chief Operating Officer Will Sampson, a big, steady Iowan, would help. Sampson agreed to run the shop, maintain quality, and manage internal customer relations. Most important, he would work with the staff to develop new company core values while Chris sprinted around the globe reassuring customers and meeting with employees, asking them to stay and trust him.

Chris quickly set sample core values (*integrity, teamwork, innovation, customer focus,* borrowed from an earlier firm) for company

consideration, wrote code in emergencies, brought in meals for late-night workers, picked up trash to suggest good order, got new contracts for down-range revenues, gave up sleep for Lent, and quashed vicious company rumors for fun. Attrition stopped. His efforts were allowing a glimpse of sunlight.

It was then that a history of IntegWare delays and unresolved internal and external conflicts caught up with the company. These issues had been hounding the company and now they arrived, panting, tired, angry, and demanding. They cost cash, damaged relationships, and reduced supplementary support needed for key deliverables. Soured relationships turned bitter. Blaming became viral. Sullen silence settled like a Grand Banks fog. People began leaving again. You could feel it: the ship was sinking. Emergency funds were urgently needed, and strategy was out. The company was down to finding immediate tactical responses for the hour and the moment.

Chris met with Will Sampson, who had failed to begin the core values process or solve a single office conflict. But Sampson agreed to carry 35 percent of the debt to refloat a crucial line of credit. Chris would shoulder the rest. But Will missed the key bank appointment, apologized, and then missed the rescheduled meetings.

Standing alone in a sunny parking lot after another canceled bank meeting, Chris grimaced, as if small muscular flexions could dispel all bad feeling. To the casual observer, Chris appeared intact, but his insides were flopping on the concrete.

He thought: *Look at the facts. You're on notice that Will is a major problem.* For a moment, Chris wasn't standing in the Rockies. He was back being a second-grader in his Dallas home. His parents had quietly closed the kitchen door to say whatever sad things they said to each other when they tried, without success, to fix their problems. He and Ellen, his five-year-old sister, tried to listen through the thick door, hoping to hear good things but needing even more to deny the truth.

The truth was that their parents couldn't resolve their differences. They were good people, but they lacked the skills. For years,

they had unintentionally been installing the vast childhood fears of separation and abandonment deep into the psyches of their small children. The parents resorted, as many of us do, to trying to cover up reality for others instead of learning new skills for themselves.

Chris's father left the home that year, never to return. Chris's dad remained active in the Boy Scouts and camping. A few times, he took Chris fishing at big, blue Lake Texarkana. There the father and son sat silently and uncomfortably, studying their bobbers, praying for the nibble that would let them feel something together and magically recover the father's lost commitment.

Chris shook his head. He had to confront Will Sampson and figure out why his COO was a no-do and a no-show. *Why would a man say he'd do something and not do it? What do I do about this now? We're in a punctured lifeboat fighting for our lives.*

Chris returned to the office to plug holes. He realized that he couldn't afford the possibility that Will Sampson wasn't going to come through. IntegWare couldn't survive the year without a bailout, and that required Will. Chris set another appointment with him. In the next weeks, he kept accepting Will's increasingly weak excuses for not delivering the goods in core values development, results, and cash.

Chris was worried about Dornier Klein, a major Fortune 500 client whose overseas financial firms IntegWare had served for years. Chris's predecessor had warned him about this company.

"Dornier Klein doesn't like us. They only love Gene Stingley."

Gene Stingley was one of IntegWare's most brilliant thinkers and its most relationally challenged manager. He had performed intellectual wonders for Klein and had an unusually tight relationship with Klein's CIO, CTO, and COO. Klein had included Gene in every major in-house corporate event and party in Europe, Asia, and North America.

Then Chris received a call from Klein's CEO. Chris greeted him.

The Klein CEO bluntly told Chris that he should name Gene Stingley COO of IntegWare. "If you don't, I'm going to hire Stingley away from you. Chris, I'd save a lot of money having him in my

own shop. My guess is that naming him COO is easier than all the alternatives."

Chris politely said he'd think about the idea and get back to the man. Quickly calling HR, Chris was told that Gene Stingley had refused to update his noncompete clause for over a decade. Thus Gene was probably free to work for Klein or for anyone else.

Chris checked the time, which was running unnaturally fast. He thought of speaking directly to Gene Stingley, remembering how difficult it was to even mention his special relationship with Klein.

A project engineer came to a scheduled appointment to explain that a major product data management proposal had been critically underbid by a sales exec.

"This isn't the first time this has happened," she said. It needed immediate modification before key consultants became unavailable. Chris was asking her cost questions when an essential contracting administrator, on the edge of tears, opened the door, stood awkwardly, and blurted out that he needed a month off, immediately.

"I'll be right with you," said Chris. "Be in your office in ten."

Chris's investment banker called, saying it was urgent. Chris asked the engineer to begin the modification orders and made a note to talk to the VP of sales. He picked up the phone to learn that the call truly was urgent; he now had major treasury and investment issues.

His assistant placed the two late and troubled operations summaries—needing his immediate quality and cost review—on his desk, next to his uneaten lunch and untouched breakfast burrito.

He scanned his e-mail. One of his department heads had written an urgent note: *You need to know that I can't work with Sly Travers anymore.* Travers was a senior manager.

He had a flashback to a Marx Brothers movie with a stateroom and fifty waiters, butlers, maids, and shoeshine men trying to work while jammed together like fruit in a blender. Will Sampson opened the door in a rare appearance. He motioned for Chris to get off the phone. Behind Will, Chris saw Gene Stingley whispering to a testing manager who was one of Will Sampson's main office allies.

Chris looked at the clock: time for Heather's soccer game. One minute to catch up with the administrator. He wondered what Will Sampson would say. He needed to make it home for dinner once this week. Well, maybe next quarter. Suddenly, he remembered that his son Grant had written him a note. He fished it from his pocket:

Daddy, I want to rassle with you tonight. Love, Grant.

I wish, he thought. Grant was a bright lad who watched his father's eyes and every movement as if they held the answers to the cosmos. Last night, Chris had returned home late, again. He had run up to Grant's bedroom. In the dark, he sensed that his son was feigning sleep, like a lost bear cub trying to trick a Texarkana mountain lion. Chris wanted to say something. His mouth opened, but no words came.

The meetings with the contracting administrator and Sampson were not wonderful. He had to allow the administrator to take time off and realized that he would have to somehow secure total firm refinancing by himself.

Chris looked at his watch; he had to send a memo to the board. The chairman was concerned about the status of new RFP responses. He outlined the board memo and picked up his private line.

Suppressing a mild inclination toward panic, Chris called a consultant for advice.

The consultant asked him to name the *diaphoranta*—the essential issue facing him.

"My COO, Will Sampson. International IBM experience. Top schools. Very, very smart. Great presence. And he's killing me."

The consultant asked Chris to describe Will's character, Will's ability to consistently sustain integrity-based behaviors.

"I guess not good," said Chris. "He's lying. I don't know why."

"How does that answer inform your next step?"

Pause. "I guess I have to ask him to step down."

The consultant remained silent.

"You saying I should fire him?" asked Chris.

The consultant took a moment. "If Will were on the market today, would you hire him?"

"No way."

"I think that's your answer."

"But he's a good man. He's just in a bad place right now. A lot of people trust him, and he has family problems. It's not serious or long-term, but I can't fire him."

The consultant was sympathetic. "Family issues make it tougher emotionally. Do you have any options to help him if he left?"

"I think I'd rather carry him than fire him."

The consultant got the details: Will Sampson had not performed crucial core tasks and had lied about his commitments. Staff knew of his failures to deliver. There were no indications he'd improve despite Chris's many attempts to counsel him on performance.

The consultant suggested that Chris get a thorough background check on his COO and then identify the right thing to do.

Chris learned that Will had a history of poor execution at IntegWare. Friends at IBM shared confidentially that Will was popular, but for unclear reasons, he had left under a cloud.

Chris grimaced. He had erred by interpreting the suggestion of competence for the presence of integrity. That error was now inflicting moral and economic risks on the company and himself.

He asked his assistant to hold his calls. He needed to discern.

Chris imagined firing Will. Instantly, he felt a jolt of fear: at least two mission-essential managers were Will's allies; Will could take them with him. Will, like Gene Stingley, also had a special relationship with another key customer who was on the bubble with IntegWare.

He also knew that he couldn't name Gene Stingley his COO—the man had always been a lone ranger, the brilliant mind at his desk. As a result, he lacked the kind of relational capital inside the company that a COO requires. Chris pictured telling Klein's CEO that he couldn't do what the CEO asked and then watching Gene and millions in revenues walk out the door.

Despite the fact that life didn't feel good right now, Chris Kay knew that he had at least ten good reasons to not fire Will and five reasons to not get into a pushing contest with Dornier Klein over the brilliant Gene Stingley.

Chris disliked conflict and hated the bad feelings in his gut that conflicts generate. But conflicts were impeding the work of his company. It was time to do what was essential.

Chris reflected on his immediate goals. *I need cash, an unsecured line of credit, and a new COO. Have to fix customer relationships and use teamwork to name core values. Use them to unify fragmented departments and cliques. Get home this year to see my family. I want to date my wife Janet and generate a new sales strategic plan as part of a new overall strategy. Keep up quality, develop board relationships. I have to rassle Grant and read to Heather. Get new sales execs. Cut senior exec salaries and stop mine altogether, today. And improve the coffee.*

He called HR to stop his own salary. But most important, Chris Kay had to identify his core personal values before his company could find its own.