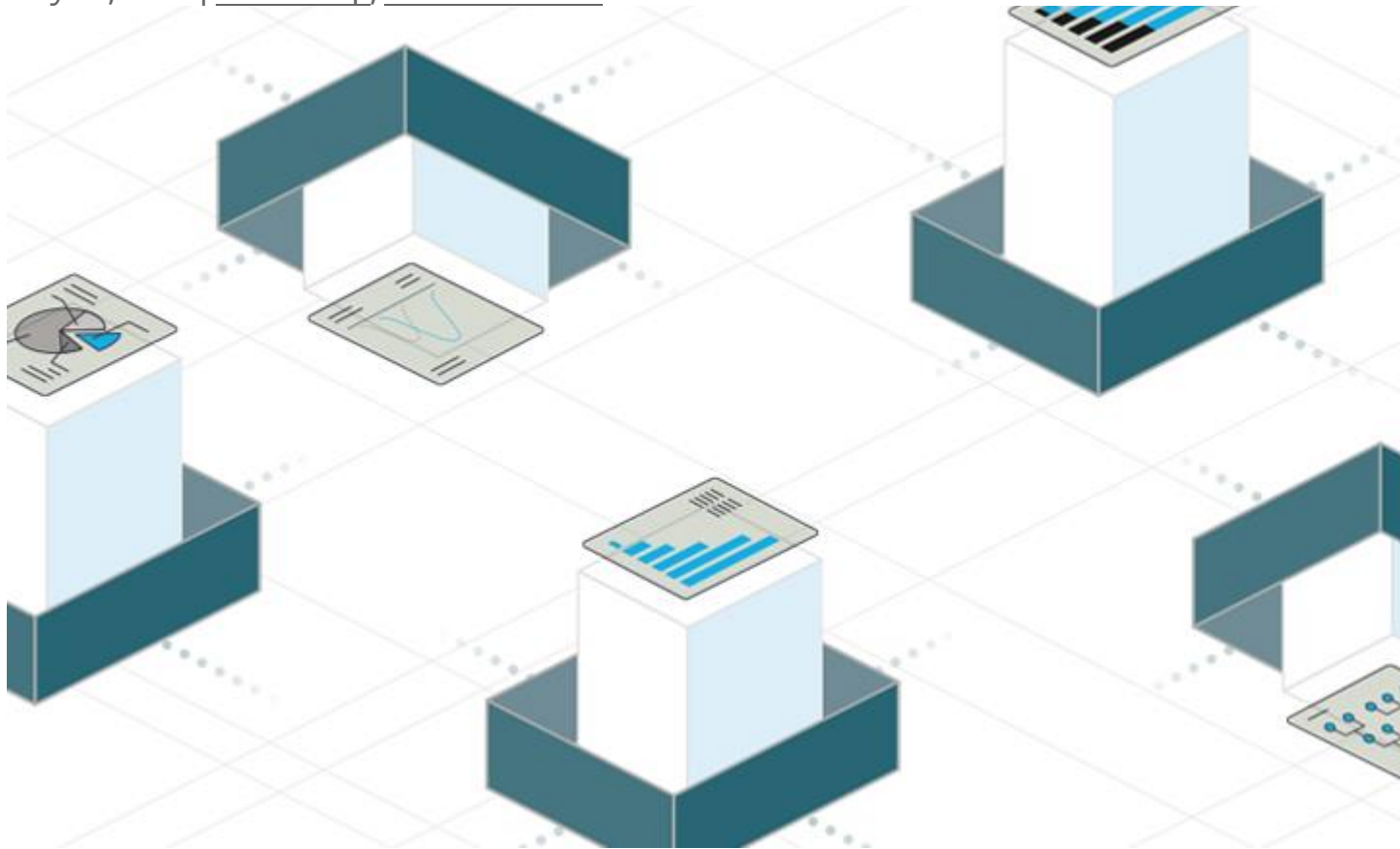


ARC: The Chaos of Unexpected Change

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An Unpleasant Meeting

The late summer sun shone through the CEO's office windows illuminating a large office designed to convey success, confidence, and prestige. Yet, the demeanor of the executives gathered around the conference table in the CEO's office did not match the office's curated atmosphere. The executive team was upset over the loss of several long-standing customers and recent troubling customer satisfaction scores had shaken their confidence. They were stunned to lose major

clients; after all, they were a leader of the industry and the company which had helped create the market.

The men and two women sat around the table looking quizzically at the company's CEO, puzzled at their current dilemma. They were expecting the CEO to announce another executive retreat like the last three which had included a meditative retreat, a trip to Black Rock City—home of the Burning Man Festival—and a wilderness adventure which almost drowned one of them. How had they arrived at such a dilemma – declining sales and a CEO who thought spiritual understanding would solve the problem?

The Company's Early Years

The company, ARC (Automated Regulatory Compliance), was a pioneer in the



automated compliance market. The founder, Makil Goszen, who operated his own accounting practice, had become intrigued with the regulatory compliance issues his clients faced. He hired an accounting intern, Anita Wazemmer, a software programmer, to help him keep

track of his clients' compliance obligations. When speaking with a client, he would pull up his tracking program and remind the client of upcoming compliance issues and filing dates. His clients appreciated his knowledge and ability to help them avoid compliance issues. His small tracking program soon became a major sales differentiator, as he competed against bigger and more experienced local accounting firms.

Wazemmer graduated and wanted to work for Goszen but knew the practice had to grow in order to support both of them. She believed they were just scratching the surface of the regulatory compliance problem facing their clients. She approached Goszen with an idea, she would spend 15% of her time on identifying the types of compliance issues their clients struggled with while enhancing her program to address these issues. He wholeheartedly approved as he was much more interested in the compliance issues than the routine accounting work. Together, they envisioned a company focused on regulatory compliance which would become an indispensable provider to companies of all sizes.

Their company had grown rapidly, first organically, then fueled by external capital. The rapid growth under Goszen's and Wazemmer's leadership was astounding. They had closed their accounting practice and launched the compliance-centered company at just the right moment. The country was just recovering from a significant recession and compliance tracking and management had become a significant issue for all sized companies. Like most successful entrepreneurial stories, they had an intriguing new product which worked well, impeccable timing as they launched at the beginning of an economic upturn, and a good deal of luck.

Twelve years later, neither Goszen nor Wazemmer were with the company. Goszen retired due to health problems and Wazemmer left when she was not considered to succeed Goszen. She was hired away by a competitor who was adding a compliance practice and used her experience to build it into a major revenue generator for one of ARC's competitors.

ARC was suddenly leaderless.

The company grew from a handful of employees to 600 in six years and then added another office across the country. The number of employees continued to grow as the market seemed insatiable. But when Goszen and Wazemmer left the company, ARC was suddenly leaderless. Goszen's nephew, Mestaphlos, who had worked in sales and marketing, took over as the CEO. He had spent most of his time enjoying life on his uncle's payroll, never expecting to be anyone other than a relative to the founder. When his uncle was forced to retire, he suddenly was thrust into the CEO position via Gozen's will which had never been seen by anyone other than Goszen and his attorney. Suddenly, Mestaphlos Sutcliid, was a CEO, a job which he had never wanted or even imagined he could do. But his uncle's will was clear. Sutcliid was responsible for leading a rapidly growing product and service company.

Searching for the Light

Sutcliid's start was shaky with Wazemmer leaving in a rather public fashion and the investors worried about his lack of experience. He knew their concerns were legitimate and he was unsure how to tackle the problems caused by ARC's success. His knowledge of the business and how the company worked was something working in his favor, but he had never been interested in managing and was not a natural leader. One thing Sutcliid did care deeply about was the spiritual health and the well-being of his employees. He was a believer in self-directed personal discovery as a path to

individual growth. Having found value in his personal growth experiences, he led his executive team through a few of the experiences he had found most valuable in the hope that self-growth would create leadership acuity. It did not.

The executive team dutifully attended all of Sutcliid's self-exploratory retreats, wondering when he would become self-aware enough to realize the company needed action not reflection. Feeling their disapproval, he sought consulting help. He interviewed several well-known consulting firms, searching for someone who understood his passion – individual self-realization and personal growth. Then he stumbled into a small consulting firm. One of the firm's principals convinced him employee self-growth could be fostered by creating a healthy, productive environment rather than the chaos which currently defined ARC. The consultant framed the productive environment as the greatest gift Sutcliid could give his employees, a place to grow and thrive. A workplace which would support employee growth rather than ignore it.

ARC: What to Do When Chaos Reigns continues June 14th, 2022: A Plan Comes to Light. 