Caught in the matrix: Accelerate consulting firm

Abstract

Axel had been hoping for a promotion, but that hope now hangs by a thread. He has ended up in a hornet's nest of conflicting goals and personalities within Accelerate, the consulting firm where he works. The problem emerged in a client project that has hardly begun – and that would normally not be this complicated. How can he handle the challenges he is facing, so that he can focus on managing the project and ensure that the client is satisfied? Axel needs to find out how he can regain the confidence of the client partner, Elias Ebner, and improve the relationship with Kristina Kaube, a junior consultant on his team. As for the leadership team of Accelerate, they may consider more broadly what role the organization plays in creating such situations and whether there are alternative organizational designs that may facilitate the work of project managers like Axel.

Learning Outcomes

The purpose of this is case is to help you..:

- Gain insight into the challenges of working in matrix organizations with two or more bosses

- Understand alternative strategies for coping with conflicting goals and priorities in organizations

- Become aware of the need to analyze conflicting roles and unit mandates in complex organizations

- Appreciate the link between organizational structure (organization design) and role conflicts in organizations

Accelerate is a US management consulting firm that opened its first office in Frankfurt, Germany in the 1980's. Seventy-five employees now work out of the Frankfurt office. With only 3,000 employees in total, Accelerate competes against larger firms such as Deloitte, PwC, EY and Accenture. Like most other consulting firms, Accelerate is partner-owned. There are four partners at the Frankfurt office: The managing partner for Germany (and office manager for Frankfurt) and the leaders of the three practice groups (or competency groups), see Figure 1 and 2 below.
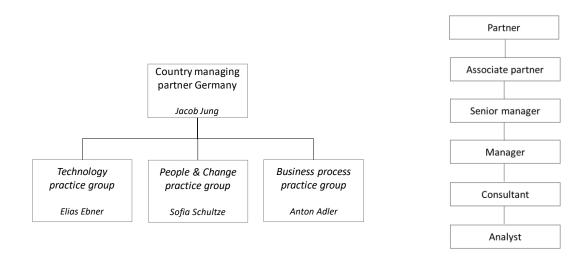

Figure 1: The organizational structure of Accelerate.   Figure 2: Levels and roles in Accelerate

The consultants in the Technology practice group work primarily on IT projects, such as the introduction of new IT-systems, digitalization of work processes, or improvement of IT departments in large firms. The consultants in the People & Change group deliver leadership development programs and help clients with organizational development. The members of the Business process practice group focus mainly on process improvement (by using methods such as Agile, Six Sigma and Lean). Client projects with a narrow scope usually draw on consultants from a single practice group. Those with a broader scope require teams that include members of two or all three groups.

Elias Ebner, who leads the Technology group, recently sold a project to a relatively large manufacturing firm located outside Frankfurt. The purpose of the project is to increase the productivity of the firm's IT department with approximately 100 employees. A key goal is to reduce costs, which will require a number of changes, including changes in work processes, roles, incentives, and organizational structure. Ebner will now put together a team of 3 to 4 consultants and start the work as soon as possible.

Elias Ebner is himself a computer scientist by training. He was hired from a specialist IT firm five years ago, and has limited experience from the other areas that Accelerate covers. He realizes, somewhat reluctantly, that he needs to draw on resources from the other practice groups for this project. In terms of performance, he is a bit behind his personal targets at the moment. One Key Performance Indicator (KPI) is sales volume. Like other partners, Elias is measured on sold projects (or more precisely, the revenue from client projects that he has sold). Another KPI is the utilization rate of the consultants in his group (Utilization is the percentage of hours during a standard workweek (e.g., 40 hours) that external clients are charged.) By using consultants from other groups, the utilization of his own consultants will obviously be reduced, unless they find work on other projects, but that is uncertain right now. At the same time, it is paramount that the client is happy with the end result. He recognizes that the consultants in his group are a bit too young and too "techie" to handle a multi-faceted organizational change project on their own.

So he looks for Sofia Schultze in the office and asks her what she thinks. She says that Axel Ackermann, a senior manager with 16 years of experience, might have the right profile. Sofia knows that Axel is a candidate for promotion to associate partner during the next 12 months and thinks that this will be a project where he can demonstrate both project management and commercial skills (there may be opportunities for further work in the IT department or in other parts of the client firm). Although Elias would have preferred to select

a project manager from his own group for the job, he agrees to take Axel. He thinks that he can staff the project with three more junior consultants from the Technology practice group to help him meet his performance targets.

One person that Elias has in mind is Kristina Kaube. She joined the firm as an analyst four years ago after completing an engineering degree. Despite her young age - 27 years - she has already distinguished herself and was promoted to Consultant after only 1 ½ years (the normal time frame is between 2 and 3 years). She has already become a specialist in the improvement of IT processes, particularly the ITIL framework, but has little experience in areas such as strategy and organizational development.

Kristina has a personal mentor, like other employees in the firm. His name is Harry Hertzog and is an associate partner who works closely with Elias Ebner in the Technology group. Harry believes that the project can be great opportunity for Kristina to get exposure to a broader set of issues, and maybe provide an opportunity for her to be promoted to manager within a year or two.

Axel Ackerman takes up the reins of the new project the same day it is assigned. However, he also has to finalize an HR project that he is working on for another client. The first thing he does is to call the client (the head of the IT department of the manufacturing firm) and arrange a kick-off meeting with the client and the whole project team at the client site.

Before the kick-off meeting, Axel wants to have a clear project plan that he can discuss with the client. He meets with Kristina and talks about their respective backgrounds and how the project might proceed. Axel asks Kristina to create a draft for the project plan. Because he has to complete the HR project before he can dedicate himself 100% to the project for the IT department, he has to run a bit back and forth between the two projects during a two week period.

The next day, Axel is in a conversation with other consultants working on the HR project. They sit around a large table, intended for teamwork, in the middle of the firm's open office landscape. Kristina passes by and asks Axel whether he can take a look at her initial draft for the project plan. Although he is somewhat stressed about the deadline for a deliverable on the HR project, Axel responds, "OK, let's find a quiet corner and spend 5 minutes to go through it".

He looks at the plan that Kristina has created and feels a sense of frustration: Many of the key activities are not defined, the deadlines don't seem realistic, and in addition, the plan is visually confusing. This is not something that he would like to present to a client. He explains what the problems are and tells Kristina: "You need to change this". He suggests that she start over and provides some guidelines and tips, but does not take the time to check whether she understands or accepts what he suggests, feeling the need to return to his meeting on the HR project.

The following day, Axel and Kristina meet again, and Kristina presents her revised project plan. It is somewhat better than her first attempt, but still includes several of the deficiencies of the first version. Kristina indicates that this project plan is based on standard methodology that she has learned in the Technology practice group, and that she has used this approach on previous projects without ever getting any complaints.

Axel points out that this is not an IT or technology project, but an organizational development project. Although they are working for an IT department, they are not supposed to improve the IT systems but improve the way the IT department is working and reduce the costs. He briefly shows Kristina some slides from one of his own past projects to illustrate what he means, and argues that the standard IT methodology from the Technology practice will not work in this project, knowing that his boss, Sofia, would agree with him on this. Kristina does not seem completely convinced but returns to her desk to make another attempt.

Axel is now becoming concerned, knowing that a successful project requires a well aligned project team. He feels that Kristina is probably smart enough and knows the basics of IT processes and technology, but she is somewhat stubborn and has little experience with this type of project. He has also noticed differences in personality and ways of communicating that may impact their work.

Late that evening, when he is home with his family, his cell phone rings, identifying the caller as Elias Ebner. He is quite surprised, as partners rarely call late at night. Is there a crisis?

When he answers the phone, Elias Ebner says: "Hi Axel, sorry to disturb. It's about Kristina. I understand that she's unhappy about the project. You know, she has done really well in our group on previous projects, but she was apparently very upset about some feedback you had given her. She told me that after she spent a lot of time on a project plan, you said that you couldn't use any of it. Can you talk with her and sort this out?". Axel responded that of course, he would talk with her, thinking that it was strange that a partner would call him about such a minor issue.

The next day he asks Kristina to meet. Axel describes the phone conversation with Ebner and asks Kristina about it. He expresses that he is surprised and feels that it is unfortunate that she goes "behind his back" and escalates disagreement or discontent to a partner, without consulting him first about it.

Kristina says that she is also surprised, because she has *not* talked with Ebner. On the other hand, she has spoken with her mentor, Harry Hertzog. He works closely with Ebner, and is obviously the one that has mentioned the situation to Ebner, and which made him call Axel the day before.

Axel is now wondering about Harry's motives, and is concerned that he is being branded as a "bad manager" who can't even collaborate with his own team members. From what he has observed during his career at Accelerate, it does not require a lot to harm a manager's reputation. He responds to Kristina: "OK, but I still have the same question: If you were unhappy about something, why didn't you raise it with me first?" Kristina replies that it is normal to discuss a challenge you have at work with your mentor, and asks: "In fact, isn't that why we have mentors?". She maintains that the way she created the project plan is the way that she has learned to do it, and she adds that both Elias and Harry have indicated that the standard methodology in the Technology group should work well in this project.

After the meeting, Axel feels dizzy and sits down with a glass of water.

He has already spent several hours with Kristina, and he still does not have a usable project plan. Two other junior consultants have been assigned to this project, but he has not even had time to meet them. And the kick-off meeting with the client is only one day away.

Discussion Questions

1. How would you describe the key challenge Axel is facing?

2. What are the possible causes behind the challenge that Axel is facing? How are they related to individual level factors? To the organization?

3. How should Axel proceed in the situation he is in right now?

4. How can one minimize the chance that such situations occur in the future?