

OPENING UP BUSINESS: At Royal Bank Financial

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In early 1995, the new Risk Management Unit of the Royal Bank took a risk. They planned a meeting for senior management with little pre-arranged agenda. The task was to engage senior managers from around the world in developing the strategic directions for the next three years.

After the Executive Vice President set the context, an agenda was created in less than an hour. In the next day and a half, the managers proceeded to explore the challenges and opportunities facing Risk Management. It was the manager's passions, not those of the EVP, that determined the spirit and content of those discussions. They led the discussions, produced the reports and determined the priorities.

The EVP states that the meeting was highly successful. The agenda and the written reports give a clear picture of the concerns and commitments of the managers. A clear shared focus for the Unit emerged. This has been visible in subsequent meetings. Elements of the strategic plan were clarified. Strategies for improvement were identified and priorities clearly established with plans to achieve them. All of this came from a meeting with no agenda and where everyone began by sitting in a large circle.

Canadian business and organizational executives are now discovering that by opening up space for creative leadership the learning and inspiration critical to sustained high performance emerges. In today's competitive global environment businesses need to create the conditions for human spirit and team spirit to emerge and soar.

Re-engineering of structures and processes is not enough. There is increasing evidence that downsizing can actually reduce the ability to change when it is needed. If employees become jaded and dispirited, then performance will suffer, now and in the future.

Before its meeting, the Royal Bank had "re-engineered", developing clearer goals and new structures. The Risk Management Unit was one of the new structures, pulled together from a number of others. The EVP knew that a well-rationalized structure and direction would not be enough. Without openness for initiative and creativity, the re-structuring would fall flat. He said, "The structure has changed but some people still act as if we are in the old structure and approach." In an Open Space meeting, you realize very quickly that you are not in the old structure any more and that you have a role to play in creating the new.

Not every one in Risk Management liked the openness. However, most did. New people felt free to speak-up. Others were amazed at how quickly they came to some solutions with less wrangling than usual. Some noticed the enthusiasm in the reports and were surprised that chaos works. Concerns were shared. The real complexity of the task was demonstrated. Yet, there was as sense of commonality and connection to the whole group and the future of the Unit. The priorities that were recommended became critical components of the strategic directions for the next three years.

Note: Risk Management achieved its first 3-year plan in 2.5 years. I have since worked with the senior team and the 90 senior managers to develop the next vision.

Contributed by Larry Peterson – May 1, 1998