



## Leadership Drives Organizational Performance at an Accelerated Rate

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A legacy Defense contractor founded in the 1970s was approaching a new era with a sorely outdated business model. They had to break the mold without breaking the culture.



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## THE CHALLENGE

Art Garner, President and Chief Operating Officer of ORINCON International, was the leader of a company at a critical juncture. From the time ORINCON was founded in the early 1970s, the company had maintained a strong reputation for leading-edge research and technology in the Defense industry. In post-Cold War years, the company had remained competitive by applying its expertise to new sectors. Beyond the anti-submarine warfare signal processing technology ORINCON supplied to the U.S. Navy and other military customers, the company began to develop and market applications in the Information Assurance and Intelligence sectors.

The organizations transition began when ORINCON's Board of Directors decided to refocus its efforts as a business by redefining the company's strategic plan. Their directive was that ORINCON should not only fine-tune its diversification efforts, but do so for the purpose of positioning the company for a liquidity event—for example, being acquired by another company or going public with an Initial Public Offering. The Board reinforced their plan of action by putting a new senior management team in place—including Garner—and was quickly charged with leading the team to its new future.

On the one hand, the strategic decisions by the Board of Directors played to the company's strengths. ORINCON was a business founded by three engineering professors intent on developing new technology and had become known for its pioneering and innovative work. The Board members believed that ORINCON's talented employee base, 25% of them PhDs and the majority of them engineers, scientists and

IT professionals—could develop more high-end solutions and produce greater market visibility for the company and, in the process, drive dramatically increased revenues and shareholder value.

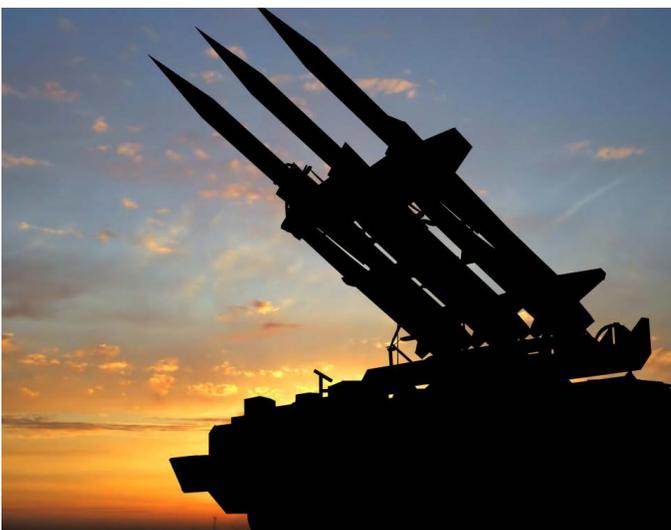
On the other hand, in Garner's view, the very culture at ORINCON that had engendered product innovations and had made the company highly reputable and profitable, was at risk as the company embarked on its new mission. "We were a new, hand-picked leadership team installed in a company that had done things a certain way for decades and done them very well with great success," explains Garner. "Yet the Board had charged us with taking the business down a certain path. And we had to do that without breaking the culture of the company."

In addition, Garner's leadership team faced tactical challenges. In recent years the company had successfully diversified, but largely in terms of its customer base rather than the types of solutions it was marketing. Dramatically increasing the company's value would mean refocusing its diversification efforts toward in-demand technologies and high-return revenue opportunities.

Finally, ORINCON's leaders faced challenges as a team. "Each one of us had been asked to join the company because we had the skills, experience and knowledge to do what had to be done," says Garner. "As individual leaders, our respective instincts were, to some degree, to just get started and make things happen. Each of us knew what we were doing, there was no question about that. But there was a question about the best way for us to go about leading the company through this defining point in time. And that's what brought us to JMW."

## THE WORK

The work with JMW began with a referral from one of ORINCON's Board members who had graduated from a JMW leadership program conducted for another company. At his recommendation, ORINCON's founder and Chairman enrolled in JMW's **The Manager of the Future**<sup>®</sup> program. Upon graduation, the Chairman urged Garner and two other senior leaders at ORINCON to participate in the same program.





“In a sense, taking the time to participate in an executive development program was a tough sell for us at the beginning,” recalls Garner. “I was there because people I respected tremendously believed it was the thing to do. But I was also very focused on the mission at hand for my company. Fortunately, I soon realized that participating in the program with JMW didn’t preclude making great progress with my company. In fact, the two went very much hand in hand.”

Over the course of the program, Garner and his peers developed a new sense of perspective on the changes they were implementing at ORINCON—specifically, what those changes would mean for employees, as well as key leaders. They also developed a new sense of what was possible for their company.

“I think each of us came to understand there’s a difference between being motivated and being committed,” recounts Garner. “When you’re committed, you truly ‘stand for’ what you’re pursuing. And there’s a difference between trying to lead people and genuinely engaging and enrolling them in your mission. I think we took those distinctions to heart and began to use them in our work right away.”

The next step was for Garner to arrange for the rest of his senior team to participate in an intensive course customized for ORINCON by JMW called **Forging the Future™**. A year later, a total of 18 ORINCON senior leaders had completed JMW leadership development courses—including the presidents and chief operating officers of three business units, as well as senior leaders in Human Resources and Corporate Development.

## THE RESULTS

The work with JMW came at a time of extraordinary change and challenge for ORINCON. The company’s Board had decided to give greater priority to its Intelligence and Information Assurance (data security and intrusion detection) operations and, after completing a major acquisition of an intelligence systems engineering company, ORINCON adjusted its resources accordingly. Although the company had made its mark in the Defense industry with antisubmarine warfare signal processing technology and devoted 90% of its operations to this work, the senior team altered that allocation significantly. Moving forward, ORINCON would dedicate 50% of its resources to Defense technologies and roughly 25% to both its Intelligence and Information Assurance business units. This marked a fundamental shift not only in the company’s operations, but also its identity.

“We had already begun to do a number of things we hadn’t done before as a company,” recalls Garner. “We began to make changes to our approach that would help us preserve our culture as a company, despite the fact that this was a company in the midst of change—change that, after 25 years, was hitting some people pretty hard.”

A few years later, the company had granted stock options to all employees in an effort to reinforce their critical role in the company's plan for the future. ORINCON then further invested in its employee-focused efforts with an extensive communication plan, including the installation of video conferencing equipment at various sites. As the company pursued an aggressive growth strategy—nearly doubling its employee base and increasing its total sites from two to nine—it grew company-wide employee communications capabilities as well, holding regular “all-hands” video conferences that gave employees a sense of the overall progress they were achieving.

In a five-year period, ORINCON's attrition rate remained below 6% as its workforce nearly doubled and annual sales surged from \$17 million to \$60 million. By the end of JMW's work with ORINCON, the company began to receive acquisition inquiries from larger corporate competitors. A total of four large-logo suitors began what soon escalated into a bidding war to acquire ORINCON. In January 2003 came the official announcement of ORINCON meeting its top objective: Garner and his team announced a buy-out deal with Defense industry powerhouse Lockheed Martin.

## LESSONS LEARNED

### **Leading better gets results.**

“We thought that pursuing our goals of value growth and eventual liquidity would take seven to ten years,” says Garner. “It took less than five years. I believe the work we did to make ourselves better leaders made the difference. I'm not saying that we wouldn't have realized our objective without it, but I think it would have probably taken longer, and it would have been much, much harder for the people in our company.”

### **Alignment is critical.**

“We leveraged the strengths we already had in our company—the innovative spirit and expertise that was there from the beginning,” explains Garner. “Doing that, and communicating to our employees that we were doing that, was critical. The mission we described was a mission most of them could support.”

### **You don't know what you don't know.**

“We transcended our limits,” says Garner. “We were as capable a team of professionals and leaders as you'll find anywhere, but we didn't know everything. We knew how to make things happen, but we learned some critical lessons about the importance of how we made them happen, and that adjustment resulted in incredible returns for our company.”

### **The returns continue.**

I think it's a natural inclination, when people are geared up for a certain event, not to look much beyond that event,” adds Garner. “At ORINCON, we're beyond that big event now, and there's plenty of work ahead. As a part of a much larger corporation, the challenges and adjustments continue. And we find ourselves again using the leadership lessons and resources that helped get us here—so the work continues, as do the returns on our investment in our leadership.”

### **Art P. Garner III**

Art P. Garner III took over as President and COO of ORINCON after 10 years in the aerospace industry and more than 25 years in Intelligence and Defense assignments for the U.S. Government. Focusing on the long-term purpose and direction of the corporation while monitoring its short-term performance and operations, he was responsible for ensuring customer satisfaction and the continued prosperity of the company while maintaining Lockheed Martin's emphasis on core values and corporate integrity.

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