

Celemi Tango™ helps IT executives learn to lead at Sierra Systems

CELEMI CLIENT CASE

Executives of Sierra Systems got more than they expected at their annual leadership conference when they experienced a business simulation designed to help them understand



how to generate business from knowledge in the world of IT consulting. In addition to demonstrating the need to skillfully manage two kinds of assets — cash and knowledge — the simulation also created a greater sense of corporate unity.

“This was an added benefit” notes then incoming CEO Iraj Pourian, who had announced a strategic corporate change just one day before the conference was set to begin. “We are moving toward a one-company concept, rather than independent business units and branches across North America. As a publicly traded company, thinking and acting as one company will improve our ability to build on our successful track record. This simulation demonstrated the actions and thinking needed to achieve this vision.”

Francis Pring-Mill, VP of corporate research who organized the conference, explains that he had researched various ways to run the event. He worked closely with consultant

John Edmondson of JTe Management in Canada who introduced him to the business simulation he ultimately selected called Celemi Tango™. “I could see right away how it would help everyone understand the value of cash as well as intangible assets, like know-how and image, to our bottom-line,” Dr. Pring-Mill explains.

But the simulation’s added benefit was its ability to generate immediate understanding for the company’s reorganization. “It’s not easy to get 100 of your top leaders to change their thinking in financial terms from an independent to a centralized focus, but Tango helped,” adds Mr. Pourian.

Sierra Systems, a publicly traded IT company with 800 employees and 15 locations throughout North America, brought together all partners and relationship managers for a two-day conference in Whistler, British Columbia, and immersed them in Tango, a cooperative and competitive simulation that drew many parallels to the IT consulting industry in which they operate day-to-day.

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Aha! Moment

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— Iraj Pourian, CEO, Sierra Systems

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During the simulation, members of Sierra System's management team were sorted into four different "marketplaces" with each marketplace hosting six competing teams or "companies." Each team managed resources, including cash, clients and talent, and maneuvered symbolic playing pieces along a game-style work mat. Over the course of four business cycles or "years," team members saw the impact of their decisions on customer relationships, employee satisfaction and corporate image, as they fought to differentiate themselves in their marketplace.

Ian Reid, one of the company's founders, says he worked with Dr. Pring-Mill to find a way to increase the value and effectiveness of the leadership conference. "The standard format of listening to talking-heads and breaking into workshops is expensive, time-consuming and often fruitless," he notes. "Tango kept everyone engaged and thinking about the various business issues while emphasizing the need to focus on the core business — and do it well."

Many of the teams weathered experiences all too familiar in the business world. After a relatively strong start, the road grew bumpy in Year 3 for Team Epsilon. "We discounted our fees too heavily to win one project and we weren't aggressive enough in acquiring talent," laments one team member.

Team Alpha, on the other hand, was not concerned about the hiccup in their operation. One team members describes

it this way: "We spent a lot on R&D and training our employees in order to strengthen our position in the marketplace for the beginning of Year 4."

According to Dr. Pring-Mill, "Celemi Tango is different from anything I've ever seen in professional development programs. We're all smart people, but it's difficult to understand that intangibles like know-how and reputation are key assets in our business. You don't need to shoot at everything, but you do need to develop a sound strategy and know your competition."

As the "years" progressed, team members were faced with insolvencies, hostile takeovers, mergers, defecting employees, and ever-increasing competition. Shouts of cheer rose from some tables, while groans of exasperation came from others as financial results were posted on scoreboards.

"I was really impressed with the simulation's level of sophistication," comments Altaf Jadavji, a participant from Sierra System's Ottawa branch.

"Tango was an ideal match for Sierra Systems," concludes Mr. Edmondson. "It helps non-financial people understand an important part of the business that they're not normally involved in, but need to know because their actions have a significant impact on the financial health of the organization."

CELEMI Tango™

What is Tango? *"It's a fiendish game," noted editor Thomas A. Stewart, writing of his own experience with Celemi Tango in Fortune Magazine. This board-based, non electronic simulation is aptly named: it does take two to Tango – customers and employees; tangibles and intangibles; short term and long term; profitability and investment. "If one tries to bend the other to its will, both end up in a heap on the floor," concluded Stewart. Over the course of a typical two-day session, participants compete for employees, customers and market share while managing capacity, price, budgets and more. When the music stops, only one group will be left standing – that with the greatest total market share.*

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