

STARTING A PARTICIPATIVE STRATEGIC CONVERSATION AT MARKEL INTERNATIONAL

By Chris Nichols and Dev Mookherjee, Ashridge Consulting, and Jeremy Brazil, Director of Markel International

Markel International is the UK-based franchise of Markel Corporation, a global insurer headquartered in Virginia. Following two years of tight post-acquisition commercial progress, the management team wanted to engage as far as possible the imagination and strategic capabilities of all 400 members of the UK firm in the next stage of the shaping of their shared future. Ashridge Consulting started to work with Markel International to support an organisation-wide strategic conversation. This is still work in progress, but we would like to tell the story of the thinking and preparation that went into embarking on this large scale conversation – and share some of our mutual learning from that process.



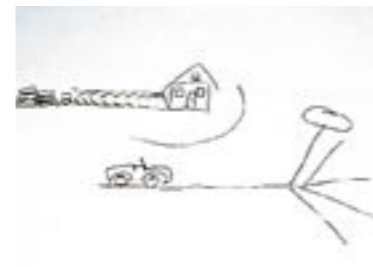
Markel's Jeremy Brazil

First discussions

During 2005-2007 five members of Markel's executive group attended executive education programmes at Ashridge. One of them, Jeremy Brazil, was a participant on the *Advanced Management Programme* where he met Chris Nichols, who was teaching the strategy component. Because Ashridge learning is designed for practical application, when the time came for Markel's business planning process, Jeremy and his colleague William Stovin wanted to provide their executive team colleagues with some of the challenges to their strategic mindsets that they had themselves experienced. As a result, Ashridge Consulting was invited to spend a day with the executive team in late August 2006, with an invitation simply to talk through the issue of "strategy: what it is and how you get it".

The one-day workshop started with a simple invitation to each member of the team to draw an image of what the word "strategy" represented to them personally. We often use image work in our strategy workshops, as this helps right at the outset to get people exploring their often untested assumptions about what strategy is and how you get it. Such drawings bring out rapidly the underlying metaphors each of us carry with us.

The images are shown below:



The pictures were set out on the floor and the team were asked to comment on any themes or patterns they saw. Right away the metaphor of "journey" was noticed. All five images feature some kind of travel towards a goal: sometimes showing one clear signposted path, sometimes showing several possible paths. Three of the images showed strategy as choice, two showed strategy as a journey to a goal or other winning outcome. We discussed together the consequences of these metaphors. For example, if the goal is known, who sets it? What is the role of those who do not set the goal? Since no individual really has a crystal ball, what role did certainty of destination really play?

This discussion drew on the work of Ralph Stacey and other thinkers and writers in the field of complexity and its application to strategy. Using these perspectives we looked at how the best brains and talents in the organisation could be involved in facing the ambiguity inherent in any look into the future that is part and parcel of "thinking strategically". This began to open up a new definition of "strategy" – a definition more consistent with Mintzberg's idea of "emergent strategy". In this view strategy is not a "one off event" in which top management and its adviser produce a plan for others to implement. Rather, strategy is both deliberate intention and choice AND a continuing responsive process in which the people of the organisation negotiate between the intent and new events in the world. Strategy here becomes a continuous process of learning, looking for signals about how the intention is or is not working, and continually refining the intent in response to this.

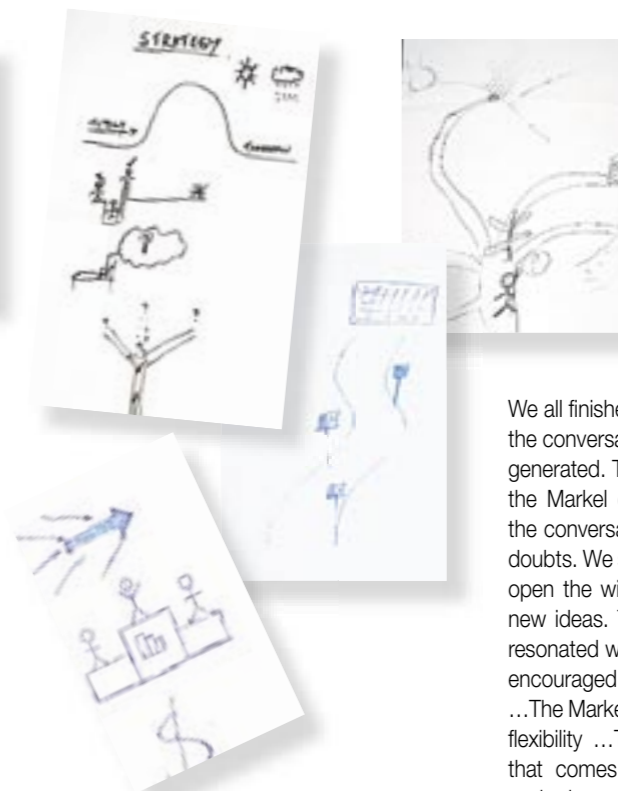
For this to be a successful process, everyone in the organisation needs to be aware of both the intention and their part in noticing changes and feeding this back into the process of the continual refinement of intent. This argues that real strategy is not the exclusive preserve of the top team, but is a continuous process of intention – action – learning involving everyone across the organisation.

We selected 'purpose' as the right boundary, rather than 'destination'

So what makes such a strategic process coherent? After all, if everyone is learning and responding all the time, doesn't strategy simply become a directionless 'free for all'? After exploring this for a while we came to the sense that this would not be the case if the exploration and learning were 'bounded' by a clear awareness of purpose. We selected 'purpose' as the right boundary, rather than 'destination'.

'Destination' suggests clarity of eventual outcome: someone somewhere knows the eventual end goal. This credits someone with 20/20 foresight, which they do not have, and disenfranchises those who do not set the destination from meaningful participation.

'Purpose', on the other hand, is not tied to a future direction. Holding a clear purpose allows for everyone to join in a genuine exploration and genuine learning, contributing to the ongoing conversation that is strategy.



A visual representation of 'strategy': Markel workshop August 2006

We all finished this day energised and excited by the conversations and the perspectives they had generated. The Ashridge facilitators noticed how the Markel executives had truly participated in the conversation, sharing their insights and their doubts. We sensed a shared willingness to throw open the windows and let in new learning and new ideas. The group had acted in a way that resonated with the stated Markel credo: "We are encouraged to look for a better way to do things ... The Markel approach is one of spontaneity and flexibility ... There is excitement at Markel, one that comes from innovating, creating, striving ... sharing success with others".

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Launching a participative process

Whilst the executive group believed that the existing strategic plans were well known and clear, they wanted to allow a wider group of employees to think together about the formation of the longer term strategic intention, to allow the strategy to benefit from the widest possible insight and experience. Secondly, they wanted to alert everyone to their ongoing capacity to contribute to strategic observation and strategic change as future events unfold.

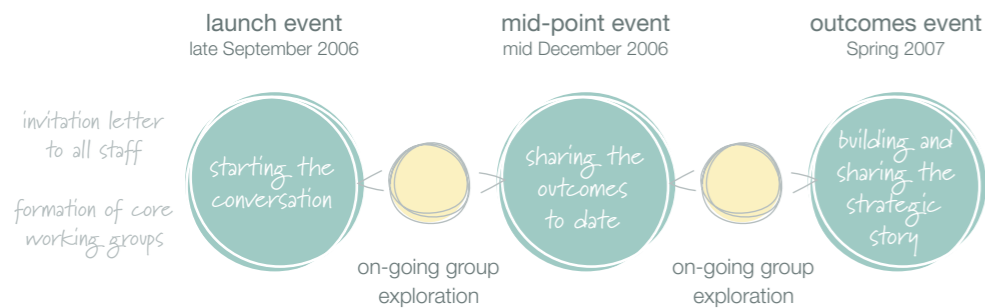
Therefore it was decided to design and run an organisation wide “conversational process”.

The illustration below shows the schematic outline of the process. It is designed to consist principally of a series of working groups that explore the main areas of activity: these groups are designed to be porous and to some extent overlapping. The process is punctuated by the launch event and by a mid-point sharing conference, where each of the groups will share their thinking to date, although the intention is that sharing is not confined to this event. The process closes with decisions on the main “strategic story” and its communication in a final outcomes event.

thinking about our future under the broad heading of Building our International Franchise.” The letter also set out the timetable for the expected work and described the structure of “working groups” through which the work would be co-ordinated. Writing about the groups, Gerry wrote: “If you feel there are areas that are missing from the list (of work areas) and that are important to building our future, please do get back to me with your ideas – I would be very pleased to hear your ideas”.

The letter closed with Gerry’s own aspiration for the process, and his personal invitation for everyone to become involved in an exciting opportunity to do some thinking together. Receipt of the invitations led to a noticeable buzz in Markel’s offices. A week or two later Gerry expressed his delight that the reaction seemed to have been so energetic and positive. Both William and Jeremy noticed how upbeat the reaction had been: “To be honest”, William said, “you expect some cynicism from somewhere, but that just didn’t happen on this occasion. The letters seem to have been received as genuine and positive by almost everyone.”

Gerry opened a clip-file from his bookshelf. The



Inviting people to talk

How do you engage over four hundred people in a shared strategic conversation?

Ashridge and Markel worked together to co-design a way of starting and organising such a conversation.

The process started with CEO Gerry Albanese writing personally to every member of the Markel team. His letter referred to the success already achieved, and the thinking already in place about the future. He then went on: “We would now like to open this process to all the minds and voices of this organisation in creating our shared future success ... Over the next few months, from late September 2006 to mid-February 2007 we will be inviting you to contribute to various groups working together to develop creatively new

file contained two dozen or more personal replies to his letter. Some were emails. Some on letter head. Some were hand written. “I found this really encouraging,” Gerry said. “People have taken the time to say thank you for starting the initiative and that they are keen to be part of it.”

The launch event

The launch event on 28 September was designed to give everyone involved in the core working groups the chance to discuss how they would work – and in particular to explore how the conversations could be as wide as possible whilst remaining coherent.

We were fortunate that Paul Springman, the global Executive VP of Markel Corporation, was in London that day. He and Gerry jointly opened



the event and welcomed the 40 or so people in the room, plus a smaller number of people linked in by video-conference.

Opening words from Paul, Gerry and the Ashridge facilitators stressed the intention at the heart of the process. The most important aspects could be summarised as follows:

- **Strategy as ‘purpose’ rather than pre-determined destination.** The Executive Team positioned themselves as ‘holders of the process’ rather than ‘owners of the definitive knowledge about destination’. This was vital because if everyone felt that there was a ‘right answer’ already decided on, the conversational and exploratory work would be pointless. So Paul and Gerry spoke openly about their clear purpose for the work: “To build the international franchise of Markel” and their openness to new insight and new thinking about what that might mean. At the same time they stressed that not every idea could be agreed with or implemented – decisions had to be made, but it was best if these decisions are based on insights and options that make the most of all the talents and expertise of the organisation.

- **The principle of invitation rather than command.** The intention throughout is to build on people’s enthusiasms and interests – and these can’t be forced. So we stressed that everything was framed as “invitation”. That is why Gerry had “invited” participation in the groups and invited people to become core members. The core groups were now able to widen their membership, involving by invitation anybody who had the interest and energy to become involved. Part of the spirit of invitation is that it allows for people to say no!

- **Groups are porous not silos: inclusive not excluding.** We recognised one difficulty right at the outset. Markel was keen to ensure that some questions were addressed in the process, and so a working group structure would be useful. But setting up core groups ran the risk of excluding people not invited into the groups. Therefore the groups were set up as highly porous flexible cells, not sealed work units. All groups were invited to extend invitations to the rest of the organisation and indeed externally.

We summarised this in the following diagram:

Group philosophy

- These groups are ‘different’
- The rules of invitation always apply
- Groups have an invited ‘core’ and always invite others
- Groups are porous: insight is not totally within the group
- Flow inside and outside the organisation is good
- Coherence without exclusion
- Everyone is invited to speak to any group

- **Be aware of work between groups – creative overlap exists.** We invited the groups to be aware of differences and conflicts – and not to force agreement for agreement’s sake. The groups were not set up with neat briefs: there was the potential for more than one group to consider any area and possibly to come to different conclusions. We invited the groups to notice this, to speak to each other, but not to fear the difference nor try to resolve it too soon. We stressed that this was not a race to find answers: early conclusions may not be as good as creative open inquiry. “If you get answers too quickly, be suspicious” became the motto!

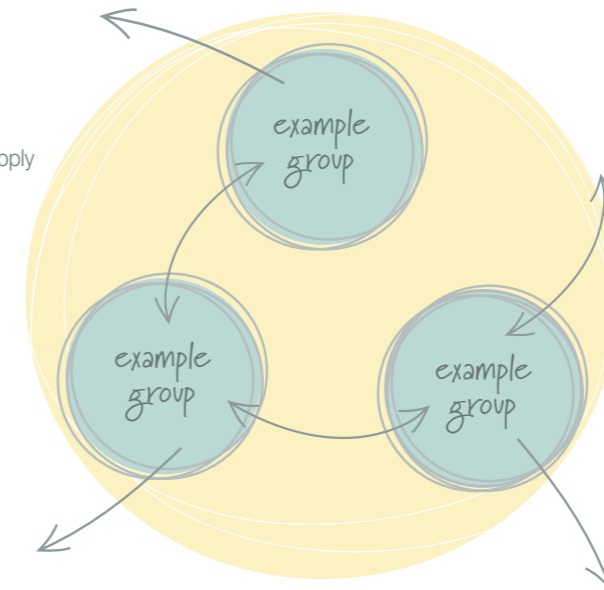
Overall the aim of the working groups during this phase is to be explorative, creative and involving. If a range of conflicting and rich insights emerge we will feel that the exploring process will have been a good one.

Our shared learning

In retrospect, what have we noticed and what have we learned together?

We have noticed that this way of working is energising. The response to the invitation from Gerry was wholehearted and positive. People seem keen to join in and share their experience and their thinking.

People are finding the work different from their customary ways of planning and strategic analysis. This is in line with the spirit of “opening up the windows, letting in new light” that informed the design.



“ ... As people create meaning together they sow the seeds of action. Meaning and action are intertwined.”

Taos Institute

Update

Much has happened following this preparatory stage. The “porous” working groups worked throughout the Autumn. In December all members of the core groups met along with members of the Executive Group and leaders of Markel globally. This “share and challenge” conference allowed each working group to display their “work in progress” and enter into conversations about agreements, connections and conflicts. The day was very successful. Subsequently each group reported its core findings and discussed these with the Executive Group.

Over the next two months the Executive Group engaged further with the ideas of the teams – launching a further participative phase to take the critical outcomes into action. We use the words of CEO Gerry Albanese to describe the stage now reached in this project:

“We invited many of you to participate in a number of working groups. These groups have been successful in helping us to determine what needs to be done to prepare us to achieve our goals, with each group submitting a report to the Executive Committee. We are now moving to the (next) stage ... From the reports submitted, we have identified ten critical items to look at in more depth and we will be establishing some more small groups to take these matters further.”