Contract Design and Oversight: How John Deere Championed and Delivered Top-Down Executive Coaching with Strategic Vision

Derek Steinbrenner, Richard McAnally and Melinda Pearson

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Contract Design and Oversight: How John Deere Championed and Delivered Top-Down Executive Coaching with Strategic Vision

DEREK STEINBRENNER, RICHARD McANALLY AND MELINDA PEARSON

Flexibility and self-direction characterize the unique approach to strategic executive coaching undertaken by Deere & Company, one of the world’s leading manufacturers. Here, the authors show how contract design and project administration created a context for innovation, evolution and success.

In May of 2008, the Board of Directors of Deere & Company gathered for its regularly scheduled meeting. At the dinner that followed, eight executives offered directors an unusual insiders’ perspective on the progress and results of Deere’s ambitious executive coaching initiative and how the coaching had already begun to change their behaviors, the behaviors of their peers and direct reports, and – in some ways – the culture of the company itself.

Chairman and Chief Executive Officer Robert W. Lane, who had championed the coaching, and his direct reports, known at Deere as the “Seniors”, led the discussion. Each executive shared a narrative of his experience, focusing, in part, on the meetings each had held with his staff to discuss the whole team’s 360-degree qualitative feedback, the developmental action plans that emerged, and the progress they’d made. CEO Lane had congratulated all in a letter he’d written a month earlier, and as the discussion at each table paused, one of the Seniors rose to read Lane’s letter to the Board.

“I want to thank you,” the Chairman had stated. He continued to say that the conversations he’d been having with and been hearing about among his peers, were rich in candor and openness. “I feel encouraged,” the letter concluded. “I want you to continue.”

What had begun with a single coachee, the Chairman himself, now had almost 100 top executives engaged and -- with them -- the promise of sustainability. In this article, we will outline a chronology for such change, with particular emphasis on the development and impact of the contracting process, including:
how the preparation and planning done by the Deere management team defined the contracting process terms;

- how the contracting process impacted on its decision to build the engagement in phases; and

- how the contracting process ensured understanding of the coaching program’s goal-focus and performance management.

THE CONTEXT FOR DEERE’S INITIATIVE

Conceived just two years earlier, the executive coaching initiative signaled a departure for Deere & Company. Deere is the 171-year-old, mid-western, US-based tractor and heavy construction equipment manufacturer. It had grown into a $20 billion, over 50,000-employee business with operations around the world and was ranked 106 on the Fortune 500. Until 2000, Deere & Company, the makers of the John Deere tractor, had maintained its position as a global industry leader by relying, in part, on a foundation of conservative values. With the arrival of new CEO Lane, however, came a change in vision— a commitment to build a business as great as its products. There would be a shift from the traditional hierarchal organization that had reflected the family leadership which had guided the company for most of its nearly two centuries, and its closely held culture.

While for many years Deere had embraced an internal coaching program targeted at individuals seeking a performance edge, Deere’s organizational development team designed the new external coaching initiative to be broad and strategic—a leadership development catalyst that would support Deere’s global vision and the capabilities needed to achieve it.

THE IMPACT OF DEERE’S EXECUTIVE COACHING

The conversations and interactions described at the May 2008 Board meeting would have been unusual, if not unheard of, in that recent past. But now, through the implementation of Lane’s vision, leadership’s approach to management would integrate teaming and the principle that everyone would be a contributor.

Board members who had previous exposure to coaching expressed surprise at the level of value delivered, given the cost. In those Board members’ experiences, higher-cost coaching had brought less to their organizations than what was described by the Deere Seniors. The value of executive coaching has traditionally been difficult to quantify. ROI calculations have reflected individual and functional area contributions to revenue targets, but more often than not, the behavior changes associated with the coaching interventions have been tactically-targeted and remedial in nature (Schlosser, Steinbrenner, Kumata, & Hunt, 2006).

At Deere, somewhat surprisingly, the perceived cultural and behavioral change across a broad spectrum of senior leadership has defined coaching’s value. How would this have occurred at a company known
for its results-driven work style? How could coaching have transcended hierarchy and delivered a foundation for better collaborative decision-making?

THE CONTEXT FOR DEERE’S INVESTMENT IN EXECUTIVE COACHING

In fact, Deere’s management began sponsoring and supporting coaching in 1993. The company’s HR leaders designed the early initiative – titled “Coaching for Results” – to be an enhancement to Deere’s Diversity program, one that would provide extra support to “protected class” employees. Soon thereafter, any employee seeking to build a performance edge could request to participate. Although awareness of the program had grown slowly, by 2006 it was widely known within the Deere workforce, with between 200 and 400 employees receiving coaching every year.

Feedback from the internal coaching suggests that Deere’s broader mid-level management had recognized the value of coaching long before the current strategic initiative launched. Deere has asked, and continues to solicit, each internal program’s coachee for an evaluation of the intervention. Between 50 and 60 percent have responded, and the great majority found it of value, giving the experience “high marks”. Typical comments indicate the level of satisfaction as “turned me around”, “shifted the relationship”, “kept me in the company”. This reinforces the sense that the Deere internal coaching was working effectively on an individual-by-individual basis, as Cambria’s ongoing Coaching Impact Study demonstrated (Schlosser et al, 2006). Previous studies with other organizations had captured similar results in such circumstances (Wasylyshyn, Gronsky, & Haas, 2006; Orenstein, 2006; Fillery-Traves & Lane, 2006; Smither, London, Flautt, Vargas, & Kucine, 2003; Hall, Otazo, & Hollenbeck, 1999). Consequently, there was some cultural acceptance of traditional coaching as an effective management performance enhancer.

A business-driven “burning platform” also argued for a more strategic approach to coaching. Deere’s strategic planning called for expansion of its lines of business into several emerging international markets – Brazil, Russia, India and China would be high priorities. Deere wanted to ensure that its managers had the adaptability to openness and to meeting the new challenges that these market opportunities could be expected to present. The demographic distribution of the leadership had given cause for concern. Many of those at Deere’s highest levels had 20-25 years’ experience. But below them lay another large group with only about five years on the job. Given the near-term business objectives and strategies for global growth, Deere’s leadership team concluded that its next generation would have to move through the organization’s development stages more quickly and more efficiently than their predecessors. To do that, they’d need to be better at learning and at sharing what they’d learned.

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An outside consultant in late 2005 conducted an audit of the company’s leadership practices, and identified a few gaps. Among them were needs for increased workforce planning, leaders teaching leaders, and leadership development associated with needed new behaviors. As part of the key findings, the auditors compared best-practice development programs with Deere’s, and identified the lack of external executive coaching as a gap in terms of a best-practice talent development activity. Deere talent managers agreed with the recommendation. The internal coaching had served its purpose; however, to accelerate leadership development and capture buy-in from senior management, Deere’s talent development leaders needed coaches who could offer executive-level perspective and understanding, and who had the interpersonal and communications skills to build trust and comfort. For Deere’s next-generation leadership to be able to manage the change being asked of them, the talent managers concluded that their coaches had to be just as capable.

Planning for executive coaching: The internal contracting organization
Responsibility for planning and contracting the external program fell to a small team led by the manager who had overseen the internal coaching program for several years, and to her supply chain management partner—an operational/supply chain alliance typical for Deere. They, in turn, reported to the company’s Manager for Organizational Development and to the Manager of Global Talent Development. The coaching manager had 13 years’ experience with coaching, and used that experience and exposure to executive coaching thought leaders as a base for development of program objectives, vendor assessment criteria and the components of the contracting process. From drafting the Request for Proposals to selecting the leading supplier candidate, the coaching manager would take the lead, with the supply chain partner serving as advisor and reviewer on all contract-related issues. Presentations to Deere’s HR leadership and its Leadership Governance Council, and their approvals, would be necessary to move the project forward at both the Request for Proposal (RFP) and final supplier selection stages.

With the supplier chosen, the coaching manager would work directly with the coaching cadre assembled by the supplier to implement the program, to assess its progress, and to evaluate its results.

Planning for executive coaching: Program criteria
Deere’s coaching manager had several criteria deemed critical to the success of the initiative, and they were incorporated into an RFP released in March 2006:

- The coaching had to be integrated into Deere’s existing leadership development process.
- Executives should, over time, come to want to be coached and to seek it out.
- Coaching should contribute to and enhance a “culture of development”, which for Deere’s coaching manager

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meant a corporate culture in which there was a broad willingness to be open to giving and receiving feedback, and to working on new skills and behaviors. Supported by a strategic plan, the coaching manager and a senior manager responsible for talent management determined the framework for Deere’s approach to executive coaching. The strategy rested on initiating executive coaching ‘at the top’, the senior-most level of the organization, so that leadership could – and would – role-model the behaviors of openness, engagement and commitment to development that would then be cascaded to direct reports and to peers. As noted earlier, the demographic gaps (both age and experience) in Deere’s leadership left a need to pull the younger, less experienced executives quickly through the company’s developmental pipeline. The business case reflected the fact that Deere had done little executive hiring during a 10-to-15 year period, and the perceived reality that the younger executives would be now most likely to embrace coaching if they were to see their senior leaders engaging with coaches too.

A second strategic component would be the initiation of a 360 feedback process for each of the coachees in the pilot phase. During the initial three-month launch and after the 360 interviews and feedback presentation, the eight executives, including CEO Lane, would agree on a developmental action plan and then have the option of whether or not to continue with the coaching. While not formally or contractually identifying continuation as a success metric, the Deere team assumed that any expansion beyond the pilot would depend on a high level of ongoing engagement by the first group of coachees.

Planning for executive coaching: Supplier selection criteria

Important from the perspective of Deere’s coaching manager was the willingness of its coaching supplier to be collaborative in the design and execution of the program. Coaches and coaching vendors have often been perceived as working outside the organization that has retained their services (Alta Mesa Group, 2007). In committing a full-time internal resource to manage its external coaching, Deere created the opportunity for ongoing dialogue and assessments with both the coaching cadre and the coaches. Deere wanted to leverage this capability. With the support of Deere’s Leadership Governance Council, the concept of a collaborative relationship became central to the Request for Proposals published by Deere in March 2006. Supplier requirements included:

- Collaborate with Deere in leadership development efforts
- Collaborate with other coaching organization(s)
- Collaborate in building the external coaching practice

As a corollary to the principle of collaboration, Deere put value on supplier flexibility, asking that coaches be able to work with or without instruments such as 360-degree assessments and Myers-Briggs Type Inventory; that coaches accept their being chosen by their coachee as opposed to direct assignment; and that coaches be comfortable with both face-to-face and telephone coaching. Deere, the coaching manager
recalls, wanted a vendor that would neither make demands nor mandates regarding the interventions and their outcomes.

**Planning for executive coaching: RFP process and supplier selection**

The Request for Proposal followed a standard, supply chain management-required process used by Deere for all contracts with suppliers. Eleven candidate suppliers were invited and responded. The coaching manager narrowed the field to six, based upon the written responses. She then conducted phone interviews to narrow the field further, and – with the support of the company’s Global Talent Management leadership -- eventually identified the one leading candidate to present to the company’s Leadership Governance Council for an interview and final evaluation.

Through the initial phone interviews, the two Deere program managers (coaching and supply chain) were able to develop an understanding about each potential supplier’s methodology and approach. Primarily, the managers were listening for recognition of Deere’s emphasis on the importance of collaboration. Deere wanted to be able to use the supplier’s experience, and not simply contract for the delivery of coaches who would then operate independently or in a way that was disconnected from the strategic objectives of the initiative. The other top five criteria for consideration were: pricing, responsiveness and flexibility; access to experienced and exceptionally well-qualified coaches, and knowledge of coaching best practices. The criteria were a mix of standardized, supply-chain management criteria and those that reflected the Deere coaching manager’s experience. The key, the Deere manager would recall, was “the issue of wavelength” – the recognition of the collaborative imperative. “We believed that a good fit there,” she said, “would be a good predictor of success.”

As a result, Deere eliminated suppliers who indicated their focus was on psychological approaches or life coaching, or whose principal experience had been with at-risk executives. The company also wanted to avoid locked-in assessments, and to have the flexibility to customize both instruments and the coaching approach.

For the final supplier candidates, a new questionnaire was developed in April. The 16 questions were designed to drill down into each supplier’s experience, and to determine whether its outcomes and its philosophy were aligned with the Deere goals of changed behaviors, openness and teaming.

Some of the questions Deere posed included:

- “How have you encouraged your clients to share the outcomes of their coaching engagements to contribute to a learning/development culture?”
- “Describe how you are able to shift skeptical leaders to a mindset which embraces coaching as an effective strategic investment.”
• “Describe your ability and willingness to integrate with our leadership development and employee development process.”

The results of the questionnaire were compared with spreadsheet-grading done by the two Deere program managers. By now, the differences were subtle. Whether the supplier demonstrated a willingness to share decision-making around which assessment tools to use, how to assign coaches, and the interviewing and selection of the coaches themselves became one differentiator. So, too, did access to technologies for managing and tracking coaching activities, compatibility with the Deere culture, and whether there was an awareness of the ROI of coaching and how it might be measured. The outcome of this assessment was the selection of a candidate supplier to bring first before the HR leadership team of Deere, and then the company’s Leadership Governance Council.

While this approach varied somewhat from a more typical process that would identify a finalist pool of two or three vendors, the longstanding internal coaching program at Deere gave Deere’s program team confidence that it had both the experience and knowledge to be accountable for the evaluation and assessment of a single leading candidate. Later, when the program implementation began, the coaching manager’s background and experience allowed for and facilitated substantive two-way communication and feedback between the lead coaches and Deere management.

While the astute reader may well deduce from the list of authors who the selected supplier was, that is not a point of this article. What is relevant, as this section has shown, is that the process of selection provided the context and foundation for true collaboration in the design, planning and execution of this unusual and successful executive coaching engagement. For the authors, this was the first executive coaching engagement that began with a top-down implementation focused on the Chief Executive Officer and his direct reports, and on the resultant role-modeling that their engagement with their coaches would deliver. Most organizations, in the experience of the authors, find it difficult to secure such commitment at the outset of an executive coaching engagement.

**STRUCTURING THE DEERE ENGAGEMENT**

From the start, the Deere managers had planned for a “top-down” coaching initiative that would begin with the Chief Executive Officer and his leadership. HR leaders and the Leadership Governance Council approved a contract that stipulated an initial three-to-six month pilot phase whose implementation would target eight senior leaders, including CEO Bob Lane. The supplier would present a cadre of four coaches, each of whom had experience working with senior corporate executives. The executives, in turn, would be offered a choice of two coaches from the cadre, and would be able to review their resumes – and, if they so chose, to interview each coach – before making a final selection. No one would be required to choose a coach. If and when
a selection was made, the initial phase would include a 360 assessment and development of an action plan based on the feedback. Each executive would then determine whether to continue meeting with his coach, or to disengage. While not formal metrics for success, how many executives initially engaged with a coach – and how many decided to continue after agreeing to an action plan – would be closely watched by both the supplier and Deere.

CEO Lane had met with program team members in the earliest planning stages, and had agreed that in order to meet the strategic objective of establishing a sustainable leadership development culture, it would be necessary for Lane and his colleagues to model engagement and the behaviors expected to come from such engagement (i.e., openness to development and to feedback, accountability for taking the actions that would be outlined in individual action plans prepared in concert with their coaches). He would be the first to select a coach, it was decided, and arranged to interview the candidate chosen by the Deere managers – an experienced C-Suite coach and the supplier’s ‘Lead Coach’ (coaching project manager) for the Deere initiative.

During the initial interview, the CEO, the coach and Deere’s Chief HR Officer discussed whether, as a best practice, a Chief Executive should commit to a coach before the other members of his team had determined if they would engage. The Lead Coach’s experience has shown that CEO engagement – or lack thereof – can directly affect the outcome and sustainability of a coaching initiative (Kumata, 2007). The Deere CEO’s decision – and how it would be communicated -- would possibly, perhaps significantly, factor into the level of engagement and commitment by the other seniors who were targeted to be coached for the pilot phase. By the meeting’s end, what had begun as an interview designed to determine whether there was a “fit” and level of comfort between the coach and potential coachee had evolved into an open conversation about strategic outcomes. Deere’s Chief Executive had concluded he would announce the selection publicly at Deere’s bi-annual worldwide leadership meeting, to an audience of 250. In September 2006, CEO Lane stood before his global managers and said, “I have met with my coach.”

As the Chief Executive moved forward, the contract that would drive the supplier-client coaching collaboration took shape. The contracting vehicle was a bare-bones framework, specifying hours and costs, and the delivery timeframe. The delivery of the coaching – the “how” and to whom – was a more fluid dynamic. It was modified and influenced by the input of Deere’s senior leadership and the program team. The scope of the contract, and the phased-in approach for which it called, was designed by Deere and the external coaches to ensure, in part, implementation of what CEO Lane had envisioned as “self-determined coaching”. Coaching was requested and selected by the coachee—who also determined the duration of the coaching engagement. One aspect of Lane’s vision would be that whoever received coaching – whether a
Senior in the pilot Phase One or a Senior’s direct report in Phase Two – would experience a “360-degree debriefing”.

The contract did not delineate the process for the 360, but the framework’s flexibility allowed the supplier and the Deere program manager to collaborate in the process development. They established a structured interview protocol, and directed each coachee to select a limited number of interviewees (the coachees were helped in this by their coaches, and by each coachee’s supervisor). Each interview was conducted by the coach of the subject coachee. He or she would capture the feedback in a standard format with rich verbatim comments categorized by rater group (i.e., the coachee’s boss, a direct report, or a peer). All input remained confidential, shared only with the coachee and his or her superior. The feedback was organized into themes, and integrated with other feedback collected through an online questionnaire based upon the supplier’s standard leadership competencies model, amended to include the Deere competency of “global perspective”. Whereas the “live” interviews were limited in number, there were no restrictions on the number who could be invited to offer feedback on the Web. Once collected and integrated, coaches presented the feedback to their coachees in a debriefing session. They followed this session with an action planning session. A final action planning follow-up session concluded each first-phase and second-phase intervention.

The feedback debriefing focused on a review of the integrated data. This review provided the coachee with the direction he would need to create a developmental action plan based upon the themed feedback. When the plan was completed and shared with the coach, the coachee could then determine for himself whether to end the relationship and address the plan on his own, or continue it for six-to-nine months and work together with the coach on development.

As noted earlier, in the pilot phase the coachees had selected their coaches, but by the second phase coaches and coachees were directly matched. The matching, which could be changed at the request of the coachee, used various criteria, including coach/coachee geography (for the logistics of scheduling meetings and calls), business unit assignment (so that the same coach could work with executives facing similar challenges), and personal information collected from each individual. What Deere hoped to achieve with the debriefing was a palatable, yet valuable experience – something manageable given the executives’ complex schedules and considerable responsibilities, but one that would give each executive enough exposure to allow him to see the benefit of continuation.

**Feedback design**

Deere felt it important to build the 360 interview process and outcomes around both quantitative and qualitative feedback. Deere looked to its supplier for assistance in developing questions that would address the qualitative aspects of behaviors and attitudes specific to the Deere business environment and culture, and to the objectives of the initiative.
The RFP requested assessment capability, but hadn’t specified the qualitative 360 approach. Nevertheless, the Deere program manager was familiar with the 360 process. She enthusiastically supported a qualitative assessment, using the process during the program design meetings after the supplier was evaluated and selected.

Questions on the coachee’s global perspective were drafted, as was a set of queries on the “climate” of the business division that the coachee headed up. The quantitative survey would be done online, while the qualitative survey would be the structure for interviews with designated feedback providers.

While both Deere and its vendor, Cambria, recognized the importance of the initial qualitative 360 process debriefing, they agreed that it — in and of itself — would not result in achievement of the initiative’s goals. Qualitative 360s do not, typically, lead directly to change; rather, they can act as a catalyst if the organization supports a process through which feedback is delivered and understood (DeNisi & Griffin, 2001; Smither et al., 2003; Lutans & Peterson, 2003). Having a coach available to deliver and interpret the feedback for each coachee was key, as were discussions of implications and translation of insights into a developmental action plan. The authors believe this resulted in the commitment of all Phase One coachees to continue work with their coaches to implement their developmental action plans.

Development of contract metrics focused on the qualitative, rather than the quantitative. As the findings of the Coaching Impact Study have shown, quantitative metrics associated with any coaching engagement remain a challenge to identify—particularly in terms of specific business results associated with revenue, profit, margin or market share (Schlosser et al., 2006). The Deere leadership recommended that qualitative targets — quicker and better decision-making, soft skill development (listening, openness) and behavioral change — become the measures of success. At the same time, the Deere project team understood that coachee commitment to the pilot program — whether or not explicitly included in the contract — would significantly impact whether a Phase Two would be launched.

Finally, there was the stipulation that the coaching cadre would not be directly assigned to the pilot phase coachees. Rather, each senior executive would choose who his coach would be from a pair of options, whose resumes and credentials would be available beforehand, and who would initially be interviewed by the potential coachee. In fact, although all had the opportunity to interview the coaches before making a choice, only one executive did so. The others felt that the availability of the coaches’ resumes and qualifications gave them sufficient information with which to make their selections.

**Selecting a coaching cadre**

From the client perspective, the ability of the vendor to deliver a coaching cadre that met certain demographic requirements was key.
Deere’s initial RFP listed 10 qualifications for an acceptable executive coach, covering not only predictable categories like education, years of experience, and familiarity with multi-rater and personality instruments, but also “willingness to learn”, “flexibility in approach”, and “able to work...to provide measurable outcomes.”

For Cambria, the selected vendor, the challenge was to find individuals who had not only coached at the highest organizational levels, but who were also prepared to work together as a team. They would be sharing -- in both face-to-face and virtual meetings with other coaches -- concerns, learnings, outcomes and potential best practices. At the same time, they would have to maintain strict confidentiality standards in order to retain the confidence and sense of security that their Deere clients would need to have to be able to be open and honest about their own concerns. A core team of four would kick off the pilot phase, with coaches assigned to one, two or three coachees. If and when Phase Two was launched, the cadre and the number of coachees would grow.

Cambria had been managing a global coaching network for five years, and was familiar with the resumes and work experience of more than 150 coaches worldwide. The preliminary evaluations took into account that independent coaches and those who worked for coaching firms brought both strengths and weaknesses to what could be an unusual work environment. For one, the coachees would have a great deal of control over scheduling, the choice of coach, and whether to continue or not after the initial 360 debriefing. This would require flexibility on the part of the coach, and the tools they would use. On the other hand, there would be a tightly-managed framework for the coaching, with hands-on oversight from both the client and the vendor, augmented by a web-based tracking system. The coaches would be expected to work as a team, talking with each other on a regular basis about how to move the process forward, and whether modifications to the process would be needed. The coaching sessions themselves would be loosely-structured two-hour meetings, allowing for dialogue outside the parameters of the tools commonly used for such engagements.

Such a balance, the authors recognize, is rare. Yet this combination of “the wild west” of independent coaching versus the controlled approach of a large coaching firm offered Deere both the flexibility it sought to promote executive engagement and the aligned focus on its strategic objectives that would lead to changed leadership behaviors. By late September 2006, Cambria offered Deere project team members four candidate resumes and the opportunity to interview each candidate coach. The preliminary vetting done by Cambria was validated; the four were accepted by the project team.

**Testing the approach: The pilot launch**

The Deere program manager had decided that the structure of a typical executive coaching engagement – a six-month timeline that followed a standard protocol and used a common leadership competencies inventory – needed to be both customized and accelerated.
The Deep Dive

CEO Lane suggested a three-month pilot, incorporating qualitative feedback, which would conclude with the option for each coachee to continue. When the logistics of trying to schedule the interviews for the CEO and his direct reports became daunting, Bob Lane suggested a “deep dive” option. All the Seniors would be in Moline, Illinois, for a leadership team meeting in October, he noted. Bring the coaches to Deere’s headquarters, the CEO recommended, and over the course of a day and a half, schedule 63 interviews, with the coaches moving from executive to executive in 30-minute intervals.

The “deep dive” approach had never been tested by either the client or the vendor, but in retrospect, stands as a preferred practice approach to the launch of a targeted, multi-individual executive coaching program. The authors estimate that scheduling and conducting the initial interviews could have taken from six to 12 weeks, if left to the coaches and coachees to manage. An added benefit was the opportunity for every coach involved in Phase One to have face-to-face interactions with the members of the Deere leadership team.

After collecting the peer feedback in the qualitative 360 interview process, the coaches then met over the following two days with the Seniors’ direct reports (between five and ten per executive). By December 2006, the coaches were sharing feedback with their coachees. Two more meetings with each coachee followed – to work on an action plan for development, and to discuss steps forward and communication. In conversations with the coachees, the authors were told that the feedback had been the first that the executives had received from both their peers and their direct reports, and that it had great value in providing insight around their strengths, weaknesses and developmental needs. When it came time to opt in or opt out, every coachee would choose to continue. In January 2007, the last executive to decide told his coach that he wanted to go on.

Progress in phases

While Deere was satisfied with its pilot Phase One results, the project team expanded the scope for Phase Two, extending coaching to all of the senior leaders’ direct reports, and a handful of others who worked closely with the direct reports. Coaches would be assigned, rather than selected. Continuing coaching would be an option, just as it had been in the pilot phase.

Five new coaches – selected using similar criteria to those of Phase One -- joined the cadre, and Phase Two has run in three stages to accommodate the 75 executives who enrolled. At the same time, the Deere project team began planning for Phase Three. Originally conceived as targeted to those with corporate officer potential, CEO Lane suggested a more conservative, sustainable approach – one that limited enrollment to those with top-level potential and who had recently changed jobs or been given new responsibilities. At press time, 70 executives would be
coached in Phase Three. Joining the external coaches for this phase would be an elite, specially-trained cadre of Deere’s internal coaches.

Phase Two has also given a richer context for the initial coachees – the Seniors – to discuss their development plans and progress in team meetings facilitated by their lead coach. With their direct reports now having shared the coaching experience, and having plans of their own, the conversations and exchanges have been more open and honest. They serve to reinforce the concept that development is not a negative. At the same time, Phase One coaches have transitioned into lead or “master” roles, meeting among themselves once every three weeks, and conferencing just as frequently with the new coaches who are working with the direct reports to the lead coaches’ Phase One coachees. The impact on the culture has created an appetite for ongoing coaching. Not surprisingly, Deere’s Chief Executive was once again the champion. “We’ve inoculated everyone,” Bob Lane commented to the authors last year. “Can we sustain this with booster shots?”

The result? The Deere program manager decided to amend the master agreement Statement of Work, and to collaborate with the supplier to design a new phase that would respond to significant coachee interest. Although the original contract remained flexible enough to not require such documentation, both the supplier and the Deere manager felt it beneficial to codify the new option’s design.

Last spring, “Reinforcement Cycle” coaching at a lower intensity was introduced. It’s a qualitative 360 provided by the coachee’s original coach, engaging a limited number of feedback providers once a year, like a checkup. Two years into its executive coaching investment, Deere and Company is feeling pretty good.

**DEERE ENGAGEMENT INSIGHTS: KEYS TO SUSTAINABILITY**

Early last year, the authors had an opportunity to discuss, in one-on-one meetings with Deere’s senior officers, their current perspectives on executive coaching. We heard that the value did not lie in ROI and cost savings because no one believed that those could be quantified. But the leaders could see a clear subjective value in better relationships with staff, greater staff capacity as a result, and positive role-modeling.

The consensus reflected in their perspectives was that executive coaching served as customized development and a way to access expertise on building soft skills and implementing behavioral changes. The coaching, in their views, seemed to close a gap in terms of their lack of access to ongoing development programs that would meet the needs of their current roles and responsibilities. Several revealed that they had a sense they could do more with their development, but that they hadn’t known what was possible.

Communications that focus on sharing their planned actions and their developmental progress with peers and direct reports was cited as a key...
driver of changed behaviors. Prior to the coaching, many stated that they felt as though they lacked colleagues at their level with whom they could talk and share concerns and challenges. To be able to have those conversations with someone with no vested interest in the business, most said, delivered value to them.

From those conversations, and from our observations of the Deere executive coaching program over the past two years, we have developed a set of learnings around the planning, contracting and implementation that we believe contribute to the sustainability of such a program. The learnings, or insights, include:

• Leadership endorsement and engagement is the backbone of an effective contract. At Deere, CEO Bob Lane not only championed the executive coaching from the beginning. He became the first executive to announce that he had selected a coach, and – so as not to unduly influence his leadership team – the last to say that he would continue his coaching. Lane had been exposed to the value of external executive coaching through his board membership at other companies, and had encouraged the continuing development of an internal coaching capability. Recognizing the potential of coaching as a catalyst for change, the CEO assumed responsibility for both modeling and communicating its value proposition, and in so doing, brought his leadership team to a higher level of awareness.

• Top-down accelerates change. Engaging the Chief Executive’s senior team in coaching at the same time – regardless of the number of different levels – allows for and promotes group discussions that are more productive. The result will be the formation of a leadership mindset that welcomes the opportunity to share concerns, insights and knowledge – one that grows comfortable with open communications.

• Build in flexibility for both design and planning. Cookie-cutter contracts ignore the fact that organizations often have unique cultures, challenges and structures. Build flexibility into scheduling, coach selection, tool and instrument usage. Use a phased approach in contracting for adjustments and modifications based on resource availability and results. Even with an element as relatively inconsequential as scheduling, there’s a chance to build engagement and buy-in. There’s variability in personas and schedules, which affects coaching in a different way than, say, succession planning. Personal preferences will drive differences in how one engages with one’s coach. One can underestimate the impact of scheduling – it can feel too fast or too slow, depending upon the individual. Some are fully engaged at the beginning, some are not.
Some jump right in, others are protective, because they’ve
never been out there. At Deere, one division president
switched responsibilities in the middle of the engagement
and wanted to start over. As the program has grown,
Deere has taken a more fluid approach with the growth
of its coaching program. What one does with flexibility
is create ownership. Coachees see their input reflected in
program design and become proponents.

- Have a “loose/tight” model embedded in the contract. Set
well-defined parameters and milestones, but allow for the
coaching process to be able to be modified and to evolve.

- Allow coaching to sell itself. Working with external
coaches, you need to trust their experience and knowledge.
At Deere, every coachee had to agree to coaching, and
after the first three months, opt to continue it. The develop-
ment and the skills being strengthened by the process
were personal, and the progress had to be recognized
by the coachee. As people started to talk to coaches, the
Deere team gained insights about how conscientious the
coaches would be. Coaches build confidence. The senior
officers wanted to talk about issues, and had to learn to
trust the coaches. As coaching went down into the organi-
zation, the Phase One “master” coaches – the first few
began working with the cadre as lead coaches. Deere
knew someone was in control. Management needs to let
that happen.

- The contract should emphasize active management
of the coaching program. While allowing coaches to
manage their approach, companies should be active in
their engagement with the program. It’s not unusual for
companies to contract with a coaching firm to both supply
coaches and manage the engagement. Deere instead took
a hands-on management approach, assigning a full-time
manager with coaching experience to oversee the design
of the program, the selection of the vendor, and the
assessment of performance. That allowed for ongoing
dialogue between the vendor and client, created real-time
awareness of problems and issues, and shared account-
ability for outcomes and strategic re-planning.

- Keep the cadre small. The fewer the coaches, the less
likely the team will lose its focus.

- Take advantage of technology. The management of
the Deere engagement was augmented by a web-based
tracking system, online surveys and online reports that
facilitated the interactions, and helped management
measure progress and efficiency.

ABOUT THE AUTHOR

Rick McAnally, B.S.

Phone: (309) 765-5922
Email: McAnallyRichardN@JohnDeere.com
Website: www.johndeere.com

Richard McAnally is John Deere &
Company’s Director of Compensation, Benefits and Integration.
Prior to that role, Rick served
as the company’s Global Talent
Management leader and oversaw
Enterprise Staffing and Recruiting,
John Deere Learning, Employee
Engagement, Leadership Develop-
ment, Coaching, Succession
Planning, Career Development
and Performance Management.
Rick has been with John Deere
& Company for over 30 years in
assignments in Manufacturing,
Industrial Relations and Human
Resources. Previous to his current
role, he also served as the HR
Director for the Agricultural
Equipment Division. Rick is a
graduate of Iowa State University
with B.S. degrees in Marketing and
Psychology.
Choose your success metrics carefully. Deere’s senior officers told the authors that the value of their executive coaching did not lie in ROI and cost savings because they did not believe that those could be quantified. But the leaders could see a clear subjective value in better relationships with staff, greater staff capacity as a result, and positive role-modeling. Nevertheless, no company wants the cost of coaching to run amok. Deere, for example, needs the boundaries of cost controls and a strong business case. That said, the initial investment is four times larger than any single previous leadership development investment – in the Deere culture, that’s a strong stamp of approval.

REFERENCES


ABOUT THE AUTHOR

Melinda Pearson, B.S.

Phone: (309) 748-1759
Email: PearsonMelindaJ@JohnDeere.com
Website: www.johndeere.com

Melinda Pearson manages John Deere & Company’s Executive Coaching Practice which includes both external coaches and 70 internal coaches. Melinda also supports Succession Planning and Talent Management. She has spent her entire career with John Deere, primarily in a variety of HR roles in manufacturing facilities. Melinda has been a coach for fifteen years and has done training and consulting in personal/group effectiveness and leadership development for a variety of professional and client groups with Deere. She has a B.S. degree in Psychology from the University of Illinois.

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