



How To Deal With The Holdout In Your Office

September 2011
Volume 10 Issue 9



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Business leaders often engage in a group evaluation of a new idea, approach or venture only to find one key executive is dead set against it. The leader, who dearly wants this concept to move to the next step but does not want to be autocratic about it, is left with a dilemma of possibly seeing a pet project not come to fruition. The question is: How do you deal with the one holdout?

Often the person who protests is a key Vice President, who everyone respects or a new VP just brought on to shore up some weakness in the company, so as a leader, your position is even more tenuous.

You cannot hope that given enough time, the person will see the 'error of their ways' and thus, come onto your side. That simply will not happen. And, you cannot wait around; you need to get the person onside if you want to progress because you must bring closure to the situation.

Of course the question is: why should you even try to get the single holdout person onside? We can cite four reasons. Let us start with: (i) because the refusal to move ahead on new ideas will be de-motivators to all the other executives who are voting in the 'yes' direction. (ii) Secondly you will appear, in their eyes, not to be a progressive leader if new ideas are rejected. (iii) Failure to progress on a majority idea is not good for team spirit and negativism may pervade your company, likely hard feeling towards the holdout individual and perhaps resentment to you who appear to be favoring that executive. (iv) Last but most importantly, in our opinion, is

that, as CEO, this is really is your company to run and it should move in the direction you see as being essential – unless someone can convince you otherwise. You have the responsibility for the whole company, its future, its performance overall and, most likely you have the largest financial stake in the company – far greater than the hold-out who, frankly, may just have a job.

The answer to the question of why you should get the holdout individual on side is that if you want that issue to be addressed and most other executives do too, you must move forward with it. You cannot allow the tail to wag the dog.

Here is what we feel you should do.

(1) Realize that the holdout may be 'right'; so an important step is to ensure that the holdout is not 'wrong'. Unfortunately, when you are considering a new move, because it is new or speculative, it may be impossible to say who is 'right' or 'wrong'. However what you can do is assess the risk and determine if the progress is worth the risk or if you 'can afford to lose'. Do this yourself first. Then, give this same assignment to the holdout person with a clear date of providing



your group the answer. "If we do not have that information by March 15th, I have no choice but to follow the lead of the rest of the executive team and move forward with this proposal."

(2) Create an open forum for a discussion with all your team members so that all the yea's and nay's can be presented. This not only gives the nay-sayer a chance to be fully heard, it also provides a range of alternative ideas. Importantly, it stops the war between you and the holdout from appearing as a personal one. We strongly urge you to use all the techniques we recommend for satisfactory meetings: a facilitator who is not you, a referee to keep order and a secretary to document the outcome so it is clearly in black and white.

Recently one of my overseas client CEOs had a dream to expand his company by building a new plant in an industrial park in the suburbs of the city. He was presented with the decision to buy some ideal land at an ideal price at an ideal time (the current long-term lease was expiring in six months). It was thought that his company would build a plant twice as large as the current rented space.

The dilemma was that the business was in a downturn with the recent loss of its largest client, yet all executives but one, were supportive of the land purchase – even though it would strain resources incredibly. The number 2 person in the company, the Executive VP, was not only dead-set against the idea, but she was the spouse of the CEO.

The loss of the major client was a strategic move initiated by the company, because, although this largest client had been developed and nurtured over ten years, it was proving to be a money loser. With the company focus now on margin, rather than sales volume, this losing situation had become agonizingly clear. Even though the CEO had rationalized that the de-

cision to 'fire' this client was the right decision, it nevertheless connected to the land issue. The initial consideration was that any expenditure, (especially one as large as a land purchase), could severely strain the reduced cash income at this point in time. Another factor for consideration was that the opportunity of the land at this price was now and was not likely to repeat itself. Thirdly, the CEO realized that he had to stand behind the executives who were supportive of him regarding this issue.

Therefore, the CEO put it to the group and encouraged the discussion around the table to proceed with pros and cons, allowing full voice for the nay-sayer. Four things happened: (i) the nay-sayer was no longer in a me-against-you situation with the CEO but a me-against-the-group situation, relieving the CEO of appearing to be autocratic or personally controlling. (ii) Secondly the CEO asked the nay-sayer to clearly demonstrate the risk in numbers to show the group what would be the folly of the decision; the nay-sayer was unable to be clear about it. (iii) The 'fired' client came back to negotiate new contracts with specific sub-projects all earning the level of margin the company needed. (iv) During the decision time, the staff was amazed that despite the drop in sales volume, the company ended the quarter with double the previous quarter's profits. The decision for 'yes' to the land purchase was carried.

The down payment on the land was made a short time ago. Time will tell us if it will prove to be the right move. I think it will.

Good luck

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