# Big Shoes to Fill

## Q. What should Stephanie do: institute a basic reorganization, or re-create the Jack Donally model of strong leadership?

Stephanie should repeat the Jack Donally’s leadership formula. She should create her own senior team, pick a product and be forceful in moving it through to conclusion, even if that means more top-down management than is typically her style. This verdict is supported by number of reasons detailed below.

1. Teddy Adler, her executive coach had an honest meetup with her in which he says that there is no way that she can win doing a wholesale reorganization because she doesn’t have people to make it work fast. It will take minimum five years.
2. According to PK Henderson’s report, a reorganization was needed. Motivation was needed more than innovation. Employees and workers wanted incentives to make ideas work. The company got too dependent on Jack’s ideas. Jack had charismatic personality though. He somewhat or somewhere was not fully succeeded in development of capability to renovate.
3. Jack Donally may have already done a reorganization if it was needed. Jack focused on creative ideas to bring innovation in *Innostat.* The board wanted new and innovative products, and they were not worried about how they get them. They made Stephanie CEO because they thought that she can give them as she is MIT graduate and ten years marketing experience.
4. If Board of Directors wanted to do any reorganization, they would have hired some reorg expert instead of Stephanie because they think that her strong suits are technology and marketing. That makes her best person to spot new products that will work. Products that she can drive through the organization.
5. Frank Timoshotsky, head of production department said that Jack was personally involved in product ideas and production as CEO should not do that. He was rarely engaging *Innostat’s* senior team in discussion of these ideas and how they fit in to the company’s broader strategy. Consequently, marketing never developed as a strong function and R&D, though technology sophisticated, never developed marketing savvy. On the other hand, sales had reached more than $2 billion, with the company employing more than 5,000 people of even different nationality.
6. Under Jack’s leadership, Innostat built a reputation for technological innovation and manufacturing quality. That was, on the face of it, surprising, since Jack had majored in history at the University of Massachusetts and liked to say that he had no head for “science talk”. But the truth was, he loved to spend time talking to surgeons and researchers. He had that special skill that merged an interest in technology with an understanding of what customers needed and wanted. He typically came back from his travels full of ideas for new products. He would go straight to the head of R&D and get him started on a project.
7. The consultants suggested that the team leaders and members be measured on the timeliness and profitability of new products and that all incentives be monetary and based on performance. They recommended hiring an organizational developer consultant to work with HR on designing the new system before it is actually implemented on *Innostat*.