

## 2. Clean Summary of the Conversation

The conversation is between you (Speaker A) and Walaa (Speaker B), who works in L&D at an R&D arm (Aska / R&D arm separated from El Sewedy Electrometer) with around 210 employees. They split from the factory about three years ago and are now trying to define their own identity: vision, mission, values, culture, structure, and processes.

They recently did a vision/mission/strategy exercise and held an All Hands meeting to announce it. However, Walaa feels:

- The exercise was done too fast.
- Many managers are not bought in and see it as “nice statements” rather than something real.
- The current strategic statements are not truly reflected in the objectives and projects on the ground.

The new CEO (around 6 months in role) has a strong vision and wants a bottom-up, customized approach to objectives:

Product Managers should define objectives for their teams and cascade them down to engineers.

Walaa is concerned this is:

- Very challenging for managers (lack of skill, no training).
- Hard to make “fair,” given the current structure.
- At risk of failure without clarifying strategy, structure and culture first.

### Structural & Operating Model Issues

Walaa describes a messy structure:

- Each product “cell” (e.g., flowmeter) has all functions under it: firmware, hardware, testing, mechanical, etc.
- Engineers may effectively be reporting to multiple people (up to 5 managers in some examples).
- Software is in a separate unit that operates almost like another company (different location, different culture).
- Teams use different methods and tools:
- Some work agile, some waterfall, some hybrid.
- Some use Trello, some WhatsApp, some Teams, etc.
- There are no clear policies, no governance framework, and many violations / ad-hoc practices.

You point out repeatedly that this is a structure and governance issue, not a people issue.

### Performance Management & MBO Challenge

Historically:

- Performance evaluation was tied to money (bonus). People were “kind” to each other, so everyone got good ratings.
- When money stopped being tied to evaluation, performance reviews almost stopped happening.
- In some cases, managers used evaluation aggressively to threaten people (“we’ll fire you”).

Currently:

- There is no real performance management system (process, cadence, calibration).
- No 360, no structured self-assessment/manager-assessment with calibration.
- Different teams are using different practices (if any).

The CEO wants Product Managers to:

- Set customized objectives for their teams.
- Cascade them down to the lowest level.
- Tie them to evaluation.

Walaa sees this as a huge challenge and knows managers would need training, support, and a clear system.

You warn her clearly: if you just run a “cascading objectives workshop” on top of unclear strategy and broken structure, it will fail and people will later say “the training didn’t work”.

### Your Positioning in the Call

You:

- Emphasize honesty and long-term impact over doing a cosmetic training.
- Make it clear you care about your reputation and don’t want to deliver a workshop that produces no real value.
- Explain that effective performance management and MBO must sit on top of:
- A clear, signed-off strategy and corporate objectives.
- At least minimal structural clarity and governance.
- Some understanding of culture challenges (legacy vs new blood).

You propose that, ideally, the company should:

1. Get the strategy right and aligned at the top (CEO + top management).
2. Clarify structure / reporting / governance at least at a minimum viable level.
3. Then, design and roll out MBO / performance management in a way that is realistic and fair.

### What Walaa Asks You For

Walaa is under pressure and wants something she can take back internally. She asks you to:

- Send two proposals:
  1. A proposal for a Strategic Planning / Vision & Mission / Strategic Pillars workshop (2 full days) for CEO + Product Managers + Squad Managers (around 15 people).
  2. A proposal for a Performance Management / Management by Objectives workshop to help those same leaders (and possibly ~25 people including team leaders) cascade objectives and design a performance system.

She knows that internally some people will say:

“we already did the strategy workshop” – so she wants both options ready:

- Option 1: Revisit / refine strategy and then cascade.
- Option 2: Go straight into performance management / MBO (even though you both know it’s riskier).

You also plant the idea of a bigger, separate project to address:

- Structure redesign (where people report, who decides what).
- Governance (decision rights, basic policies & frameworks).
- Culture interventions (based on survey data).

This is not yet decided but is clearly on the table. [Inference]

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### 3. Key Insights & Themes (Headline Bullets)

- R&D Arm in Identity Transition, Not Just “HR Project”

They are effectively a semi-new company (3 years separate from the factory) still defining who they are: vision, mission, culture, operating model, and structure. This is an identity and strategy challenge, not just an HR or training issue.

- Strategy & Vision Exist on Paper but Lack Deep Buy-in

A vision/mission/strategy exercise was done quickly and announced in an All Hands, but middle managers are not truly engaged or convinced. They see it as “nice statements,” not a real compass for decision-making and objectives.

- Structural Confusion is Undermining Fairness and Performance

Engineers report to multiple managers, functions are nested under products, and software is structurally separated. This makes performance evaluation feel unfair, complicates responsibility, and blocks clean cascading of objectives.

- Performance Management is Currently Either Cosmetic or Weaponized

When bonuses were attached, everyone got high scores. When bonuses stopped, evaluations nearly disappeared, except in some cases where managers used them as a threat. There's no stable, trusted performance system.

- CEO Wants Customized, Bottom-Up Objectives – but Managers Are Not Ready

The CEO expects Product Managers to define and cascade team objectives in a highly tailored way. Without training, tools, or a clear framework, this demand risks overwhelming managers and producing inconsistent, non-comparable objectives.

- Culture Split: Legacy “Factory Blood” vs New “Tech Blood”

There is a visible tension between long-tenure managers (15+ years) and newer people, especially in culture, mindset, and openness to new ways of working. This shows up in resistance, inconsistency, and confusion.

- Governance, Policies, and Tools Are Fragmented or Missing

No clear governance framework, policies are missing or not enforced, and teams are using different tools and methodologies. This is slowing down standardization and making any performance system shaky.

- You Position Yourself as a Strategic Partner, Not Just a Trainer

You are transparent about risk, refuse to sell a “quick fix,” and emphasize that performance management must be built on solid strategic and structural foundations. You protect your brand while genuinely trying to set them up for success.

- Two Parallel Tracks Emerge: Strategy Refresh and MBO/Performance System

The meeting converges on two possible tracks:

1. Strategic Planning & Alignment workshop.
2. Performance Management / MBO Cascading workshop.

Plus a potential third, larger track on structure and culture.

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#### 4. Critical Decisions & Open Questions

Critical Decisions (Agreed in the Call)

- You will send two proposals:
  1. Strategic Planning / Vision–Mission–Strategy Workshop
- 2 full days.
- Audience: CEO + Product Managers + Squad Managers (~15 people).
- Goal: Refine or re-do vision/mission, 2–3-year strategic pillars, company-level

objectives, and connect them to culture.

2. Performance Management / MBO Cascading Workshop

- Likely 2–3 days.
- Audience: Same leaders plus potentially team leaders (~20–25 participants).
- Goal: Teach and co-design how to cascade objectives from corporate to team &

individual, and outline a performance management system.

- Format of proposals:

Walaa asked explicitly for technical + financial proposals for both options, so she can present them internally.

- Positioning of Option 1:

It is to be framed as “strategic refresh & tuning”, not “we’re starting from zero,” to avoid resistance from people who think “we already did this.”

#### Open Questions

- Will leadership accept revisiting strategy, or will they insist “we already did this”?

This will determine whether Option 1 (strategy workshop) is approved or they push for Option 2 only. [Inference]

- How ready is the CEO to invest in structure and governance, not just training?

A serious performance system requires tackling reporting lines, decision rights, and governance frameworks. It's unclear whether they will sponsor this as a separate project. [Inference]

- What is the exact scope and depth of the Performance Management System?

Questions remain:

- Will they implement 360 feedback or only manager evaluation?
- Will performance be linked to rewards again, and when?
- How often will cycles run (annual, bi-annual, quarterly objectives)?
- What is the realistic timeline for each track?

They need to decide:

- When to run the strategy workshop.
- When to run the performance/MBO workshop.
- Whether they want to pilot with a subset of teams before full rollout.
- Will they also commission a separate Org Design / Governance / Culture project?

You hinted at a larger intervention (structure, governance, culture) that would dramatically increase impact, but no firm decision on this yet. [Inference]

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## 5. Step-by-Step Action Plan for the Client (Tailored to Their Situation)

This is a personalized action plan you can present to Walaa & the CEO as your recommended roadmap.

### Phase 1 – Confirm Strategic Foundations (0–1 month)

1. Validate existing Vision/Mission & Strategic Direction
    - CEO + small core team (CEO, HR, 2–3 Product/Squad Managers).
    - Short working session (half-day or 1 day) to:
      - Review current statements.
      - Test them against reality: markets, products, smart cities focus, long-term R&D vision.
    - Agree: “Are we keeping these as-is, tuning them, or rewriting key parts?”
  2. Clarify 2–3 Year Strategic Pillars and Outcomes
    - Translate the long-term vision into 2–3 year strategic pillars (e.g., “Smart Cities Solutions Leadership,” “Operating Model & Governance”, “Product Excellence & Reliability”).
    - Define clear company-level objectives under each pillar (not just projects):  
e.g., “Stabilize product X in Spain within 24 months with <X% defects” vs just “deliver project to Spain”.
  3. Document & Sign Off
    - Capture the vision, mission, pillars and 2–3-year objectives in a simple one–two page strategy map.
    - Ensure the CEO clearly signs off and commits to communicating this as the North Star.
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### Phase 2 – Minimum Viable Structure & Governance (1–3 months)

4. Map the Current Structure & Reporting Lines
  - Visualize how engineers currently report (who reports to whom, per product & function).
  - Identify overlaps (people reporting to 3–5 managers) and critical pain points.
5. Design a “Good Enough for Now” Structure
  - Without a massive re-org, define a minimum viable structure:
  - Clarify who is the “home manager” for each engineer (performance, development, evaluation).
  - Decide how product vs functional accountability works (e.g., matrix with clarified decision rights).
6. Establish Basic Governance and Policies
  - Define who decides what (e.g., simple RACI or similar model).
  - Set a minimal, standard toolset (e.g., “We use Teams + one PM tool”).
  - Draft 2–3 critical policies:
    - Performance management & feedback.
    - Project & work allocation.
    - Ways of working (e.g., agile / hybrid approach by default).

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### Phase 3 – Strategic Workshop (Option 1) (2 days)

7. Run a 2-Day Strategic Planning & Alignment Workshop
  - Participants: CEO, Product Managers, Squad Managers (~15 people).
  - Outcomes:
    - Re-confirm or tune vision & mission (no fluffy statements).
    - Align on 2–3-year strategic pillars and high-level objectives.
    - Translate strategy into clear company-level objectives.
    - Identify critical culture shifts needed (e.g., from firefighting to structured project management; from “factory mindset” to “solutions & innovation mindset”).
8. Plan Communication to the Wider Organization
  - Use a Town Hall to:
    - Share the vision/mission and strategic pillars in plain language.
    - Explain what will change for teams and why.
    - Announce that each manager will later attend a performance & objectives workshop and will involve their teams in setting meaningful objectives.

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### Phase 4 – Design the Performance Management / MBO System (1–2 months)

9. Design the MBO / Performance Management Framework
  - Define:
    - Levels of objectives (Company → Product/Team → Individual).
    - Types of KPIs (delivery, quality, learning, culture/behavior).
    - Cycle (e.g., annual objectives, reviewed quarterly).
    - Roles & responsibilities (who sets, who reviews, who calibrates).
    - Decide whether to decouple performance ratings from money in the first year, to build trust.
10. Create Simple, Practical Tools
  - Objective-setting templates (team & individual).
  - Excel-based or simple tool for performance reviews (self + manager).
  - Calibration meeting format (how managers meet to discuss fairness).

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### Phase 5 – Performance / MBO Workshop (Option 2) (2–3 days)

11. Run a 2–3 Day Performance Management & MBO Cascading Workshop
  - Participants: CEO, Product Managers, Squad Managers, key Team Leaders (~20–25 people).
  - Focus:
    - Principles of fair and effective performance management.
    - How to translate company objectives into team and individual ones.
    - Practice writing SMART, non-project-only objectives tied to the vision, not just delivery.
    - How to run performance conversations and feedback without making it a weapon.
12. Co-Create Real Draft Objectives in the Workshop
  - Each manager leaves with:
    - Draft team-level objectives for the next 12 months.
    - A first cut of how these will cascade to individuals.
    - An initial performance cycle plan (checkpoints, feedback sessions, calibration meeting).

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### Phase 6 – Pilot, Learn, Improve (3–6 months)

13. Pilot the System with 1–2 Squads / Product Areas
  - Choose a mix of “legacy” and “new blood” teams to test the process.
  - Run one full cycle (e.g., one quarter) with:

- Objectives in place.
- Regular check-ins.
- End-of-cycle review and calibration.
- 14. Refine & Roll Out
- Collect feedback from managers & employees.
- Adjust templates, KPIs, and processes based on lessons.
- Roll out to the rest of the organization, with L&D support and clear communication.

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## 6. Draft Follow-Up Proposal Email (For Your Review – Not to Be Sent Yet)

You can edit this and send via email or LinkedIn/WhatsApp message.

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Subject: Next Steps – Strategy & Performance Management Workshops for Aska R&D

Hi Walaa,

Thank you again for the deep and honest conversation. I really appreciate how transparent you were about what's working and what isn't – especially around structure, culture, and performance.

Let me quickly reflect back the core of what I heard, so we're sure we're aligned:

- You're effectively building a young R&D company that split from the factory about three years ago, and you're still shaping your own vision, mission, culture, structure and processes.
- A vision/mission/strategy exercise has already taken place and was communicated in an All Hands, but many of the middle managers still see it as "nice statements" more than a real compass.
- At the same time, the new CEO is asking for a customized, bottom-up approach to objectives: Product Managers should set objectives for their teams and cascade them down – but they don't yet have a clear performance system, governance, or structure that supports this.
- You're feeling the impact of structural issues (multiple reporting lines, different ways of working, no unified tools) and cultural tension between long-tenure "factory" leaders and newer "tech" people.

Because of all this, you're understandably worried that if we jump straight into a "cascading objectives workshop" without fixing the basics, it will end up as another training that people say "didn't work" – and I completely agree with you.

Based on our discussion, I suggest we keep two clear tracks on the table, plus a possible third for later:

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### Option 1 – Strategic Planning & Alignment (2 Days)

Audience: CEO + Product Managers + Squad Managers (~15 people)

Format: 2 full days, highly working and practical

Purpose:

- Refine or "tune" the existing Vision & Mission (not start from zero, unless you choose to).
- Translate the CEO's direction into 2–3 year strategic pillars and clear company-level objectives.
- Connect strategy to a few concrete culture shifts you want to see (e.g., from firefighting to governed execution, from "factory mindset" to "solutions & innovation mindset").

Key Outcomes:

- A concise strategy map (Vision, Mission, Pillars, 2–3 year objectives).
- Clear language you can confidently communicate in Town Halls and with managers.
- A solid foundation on which we can later build MBO and performance management without guessing.

I will prepare a technical proposal for this workshop (agenda, flow, methods, expected outputs), plus a separate financial offer so you can present it internally.

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#### Option 2 – Performance Management & MBO Cascading Workshop (2–3 Days)

Audience: CEO, Product Managers, Squad Managers, and key Team Leaders (~20–25 people)

Format: 2–3 days (depending on the final group size and depth you want)

##### Purpose:

- Build a simple, fair and realistic performance management model that matches your current maturity level.
- Teach leaders how to translate company objectives into team and individual objectives (MBO / OKR style) without turning everything into “just projects”.
- Start building a common language and cadence around performance (objective setting, check-ins, reviews, calibration).

##### Key Outcomes:

- A clear MBO / performance framework: levels of objectives, cycle, roles and responsibilities.
- Practical templates (team objectives sheet, individual objectives sheet, review forms) that you can start with in Excel before any system automation.
- Draft real objectives created during the workshop by your leaders – not theory.

Again, I will send you a technical proposal for this option, and a financial proposal based on the final agreed duration and number of participants.

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#### Longer-Term: Structure, Governance & Culture [Inference]

Separately from these two workshop options, there is a much bigger conversation around:

- Structure & reporting lines (e.g., engineers reporting to several managers at once).
- Governance & policies (who decides what, using which tools, based on which standards).
- Culture interventions to bridge the gap between long-tenure leaders and newer tech profiles.

If you and your Head of HR/CEO decide to open a project in this area, I'd be very happy to support you in designing a focused Org Design & Governance intervention, but I suggest we keep that as a parallel track that you can activate when ready.