



Season 3, Episode 1, “Taking Ownership,” August 16, 2022

Lauren Herring: My fear going into the business was that I would always be in the shadow of my mother because she is just this dynamic, larger-than-life entrepreneur that was so tenacious in building a successful business. And I wanted to not necessarily live my life, you know, under that microscope.

Kurt Greenbaum: From Olin Business School at Washington University in St. Louis, I'm Kurt Greenbaum and this is On Principle. Welcome to the first episode in season three of On Principle, where we tell stories about business leaders who confront pivotal moments in their work. What happened? How do they move past it? And what can we learn? In today's episode, I'd like you to meet a WashU alumna who's the CEO of a global business. It's a business she didn't start. In fact, it's a business she didn't expect to be running at all. But when that passion sparked, she had to take another important step. How does a young, newly minted leader confront market forces that demand a change in direction for the company, when the founder is watching from the wings? How does she make the business her own?

Lauren Herring: I am Lauren Herring, CEO of IMPACT Group. IMPACT Group was founded in 1988 by my mother, Laura Herring, and she founded the company on a vision of being able to make a positive difference. And actually her history professionally before starting the company was that she was a therapist. So she was a psychologist and worked with people going through, you know, all sorts of transitions. And she discovered a theme actually in her work with people where she was seeing people that had gone through a relocation and struggled with the aftermath of that. So she founded IMPACT Group to support the families of people going through a corporate relocation to help them settle into the new location. And from there, we have grown into career and leadership development. So we do anything around career coaching, leadership coaching, executive coaching and, you know, here we are over 30 years later doing this work globally.

Kurt Greenbaum: In our conversation, Lauren reminisced about being raised in a faith-based home that taught the importance of service, including the impossibly early mornings in middle and high school, when the family would cook breakfast at a local shelter for unhoused individuals. Later, after graduating from college, Lauren spent a year in Puerto Rico as a program manager for an economic development nonprofit. That's where she got an early introduction to providing service in a business environment. In that role, she counseled people as they applied for microloans to start small businesses. As you'll hear, that's helped inform her feelings about guiding people through their career journey at IMPACT Group.

Lauren Herring: I feel blessed to do that work every day that touches people on a very intimate basis, where we get to help people with finding jobs or developing in their career. And one of the things that I'm really passionate about is, in the Gallup research, they do a survey on happiness every year. And one of the findings that's come out is the number one driver of happiness worldwide is a good job. So the fact that I'm able to have a career built around helping people build a great career, and it's not only that in the last few years, people want to do meaningful work. People have wanted to do meaningful work for a long time, and so our company has been in a position where we're able to draw a very direct connection and that's been a fantastic experience for me personally but also for our team members as well.

Kurt Greenbaum: You didn't join your mother's company right away. What was your path that led up to that?

Lauren Herring: When I returned from Puerto Rico, it was 2001, so it was right as the dot-com bubble was happening. And I thought I would have some great career opportunities. And I was frustrated to learn that, "Oh, it's going to be a little harder to find a job than I thought." And here I was. This is my first job opportunity. My parents sat me down and shared with me that my mom had just been diagnosed with breast cancer. That was a devastating diagnosis, especially not understanding what that meant. And so what I made the decision at that time was to stay in St. Louis. I would be with family, I'd focus on family, and I would help out at the family business, IMPACT Group, at that time, and I would figure out my own career later.

Kurt Greenbaum: In those first few years at IMPACT Group, the year she expected to figure out her own career, Lauren started climbing the organization from the bottom of the ladder. First, she worked as an account manager on some of the company's smaller accounts. Soon she rose to lead teams and research and then marketing for the firm. But by 2005, it seemed that Lauren had definitely figured out the next step for her own career. Because at that point, IMPACT Group was about to launch a global expansion of its business.

Lauren Herring: I just raised my hand and I said, "I have a passion for international work." And I said, "I want to grow and explore how I can help the company in this way." So from that point on, I spent the next number of years doing both sales and operational development of our company, where historically we had been working with global companies, and they might be moving someone from, let's say, New York to London, and then we would be supporting them from St. Louis with our services. It got to a point where people are like, "Well, how are you actually going to help me from St. Louis?" So this is when we realized we really needed to expand our footprint. So we started out by having coaches in the UK, Switzerland, Shanghai, Singapore, Tokyo, and then just figuring out where do we go from here? So it was a lot of trial and error.

Kurt Greenbaum: So again, we'll skip ahead to a few years later when IMPACT Group's international business is up and running. We're in the period just before the

mortgage crisis has sparked the Great Recession. It's late 2007, early 2008, and the company has been through some explosive growth. That was the opportunity for Lauren's parents to think about their next step. And as far as her father was concerned, he was absolutely ready to retire.

Lauren Herring: My mom was kind of on the edge. I think she probably would have liked to stay working longer, but they decided they wanted to retire together. And so we had been planning this for a few years. When the whole process came about, they asked me, "What do you want?" And at the time I was maybe 26, 27, and it was difficult for me to explore what do I really want? I, at that time, had a really difficult time even using the letters CEO in conjunction with, you know, the first person in ... with me. It was a very difficult initial experience, but what I would say is that I eventually grew into it where I became comfortable with the concept of me taking over leadership of the organization, because the alternative was they could sell it, or I could carry on the legacy. If I'm going to make this successful, I'll need to make it my own.

Kurt Greenbaum: Now, here's the funny thing about IMPACT Group's business model at the time. The company had two main pillars for its business. One centered on the relocation services for the families of transplanted workers. The other focused on outplacement services for workers who were laid off. And that part of the business is countercyclical. When the economy is weak, when it's all bad news for workers, outplacement services boom. And that's when Lauren rose to head the company after her parents retired. At the end of 2008, she becomes CEO. Business is great, but it's not very long before the fortunes shift, before Lauren starts to think IMPACT Group may have a long-term problem to address.

Lauren Herring: We had a gap there between 2010, 11, 12, where there wasn't anybody left to fire and companies still weren't hiring because of the way that the recovery took place. It was that just really slow recovery. That made me stop and think, you know, hey, it's awesome that I'm taking over this company that's on a high. But I had to think very quickly about what's our next few years going to be like? Because what we just experienced was almost a once in a lifetime kind of situation for us. That's when we looked deep in who we are as an organization, what are our core competencies? And at our core, we are a coaching company. And that's where I came up with the idea and with my team. We had the vision of scaling, coaching, no matter the purpose. And then we branched out into leadership development, executive coaching and bringing the experience that we had in scaling coaching into a new market.

Kurt Greenbaum: Was this something that you just sort of said, "No, this is something we need to do. Go let's ... let's figure it out and do it." Or was that ... were there a lot of conversations that happened within your organization around that?

Lauren Herring: There were a lot of conversations in terms of what are we going to do to fill the revenue gap. There were a lot of conversations about, "Hey, there's this

trend that we see. It's got like big red blinking lights on it. So, hey, there might be something here." So it was a little bit of a blend of talking it out with the team members, talking it out with my mom, with her experience, and then also just saying, "You know what? This is important for us. This is where we need to go."

Kurt Greenbaum: Can you talk a little bit about what you learned at IMPACT Group about how you had to get into the ... into that line of business and how you had to gain clients in that area?

Lauren Herring: It was a lot harder to start essentially a brand-new business. And we had a ... we had an existing ... a strong client base. We had great customers, Fortune 500, kind of blue-chip customers, but they didn't know us in this new area. And so it was a lot more difficult than I anticipated. We learned a lot over the first couple of years in terms of what additional training we needed to give our sales team. And I started down that path to make it happen and bringing some additional resources externally because there were some new skills that we didn't really have in the organization that I needed to make sure that if we're going to do this, we need to do it right. Now that we have the relocation services, we have the outplacement services, and then we have the leadership development.

All three of those clients are different. So we're selling three different products or solutions to three different HR buyers in an organization. And so we didn't necessarily have the existing client network in terms of the people that we were currently working with unless we went higher in the organization. And so to the extent that we could get higher in the organization, we did that. We learned about what kind of reporting was important to this client. So it was learning by doing. Failing forward, if you will. It was also interesting because we, early on, if a client said, "Hey, we have this need." OK, well, we'll do it. And "We have this need." And so, you know, there's a lot of different ways that you can coach or train or develop employees. And we early on started to do a lot of them. And ... and so then we had a very unfocused offering, which meant that we were not being very efficient in our work either. So it took a couple of years where we were able to really refine our area of focus. We know we're really good at scaling coaching no matter the level, and then we're really good at, you know, building leadership competencies. Those are the areas that we've decided, hey, we're going to stake our claim here and then we're not going to do things too far outside of that.

Markus Baer: When you work with organizations, they say we need to do something differently, right? We need to innovate in X, Y and Z. And what you quickly realize is that they don't understand the problem that they're trying to solve very well. So to have a solution in mind, right? Innovation really is about finding new solutions to existing or novel problems. And we try to understand why is it that individuals and groups of individuals and organizations tend to be so bad about understanding the problems that they're facing. So they come up with really ill-fitting or suboptimal solutions to them.

Kurt Greenbaum: That's Markus Baer, my colleague at WashU Olin Business School. He's a professor of organizational behavior and his research centers on areas such as how organizations promote and foster innovation, leadership development and organizational change. He's had the opportunity to share his work with organizations as diverse as the Brookings Institution, NASA, the Office of Naval Intelligence, the CIA and universities, including Harvard and London business schools. I wanted to talk to Markus about the process of making organizational change and then, in the context of Lauren's story, how that happens when a young leader takes over an organization, and how does she make it her own and respond to market trends?

Markus Baer: What I see oftentimes is that there is this rush when in an organization you try to do things new. You try to do things differently. And oftentimes, understanding the problem really well before you do any of that doesn't happen. It's not as sexy simply to talk about problems as it is to talk about new solutions, being innovative. Along with other pieces, the biggest impact, perhaps, in this world of problem formulation, it is so important to the process of innovation. It's the initial step where you start to understand what you're trying to address, the problem that you're trying to solve.

Kurt Greenbaum: I want to see if we can kind of tie some of what we've just been talking about into the story that we're ... that we've gathered here to discuss her transition into the leadership role of her mother's company and then kind of taking the company in a new direction. I wonder what you saw in that story that relates to some of what we're talking about here.

Markus Baer: The reason why she had to change the organization or change the strategy was partly because she realized that there are limits to the existing strategies, particularly during the downturn of '08 and '09. And so they added the idea of coaching. So I thought about that. So it was not only the fact that she wanted to make the organization her own, put her own stamp on this organization, but it was also a strategic necessity perhaps. And it struck me that what she was doing is trying to create ownership, right? You are inheriting an organization and there's three different routes by which people develop feelings of ownership.

One is you spend time with an organization. That means you insert yourself. The second one is getting to know a place, meaning you understand what you're trying to do. Getting to know the business. And she did that. The third one is exerting control. So you develop more ownership over things that you know well, that you have spent time with and that you get to exert control over.

Kurt Greenbaum: She's going to these clients that she already has who are good clients, but look at her to say, "Well, what is there in your experience that would convince me that you can do this?" And so now she has to build not only the ... the competency, but the confidence in the competency and the skill in her sales team, for example, to be able to make those relationships and build that market.

Markus Baer: And it started it was very reactive, right? She was confronted with an issue, came back and said, "Oh, this doesn't really fit with what we're trying to do. And do we have really competencies in that domain? How do we respond?" And there was this process of figuring things out, which is really an experimental process. And I think during that time, the leadership style needs to change, essentially. It doesn't make you a less decisive leader. It's just that the environment doesn't allow you to be as decisive because you don't know, and your team may not know.

This new initiative, the leadership coaching part of the business, I think that is where she exerted her control to make the business her own. And I think that is a very human experience. Not only if you were to inherit it from a family member, but from anyone else, right, as you step into an organization. From an ownership perspective, what we discussed earlier, I thought, well, that's her learning the business, right? And that's one way to feel I'm making this my own. I get to know it better. And so my hunch is she was already contemplating perhaps that at one point in time, she may have to take over or want to take over the firm. The other one is that should you essentially the question is, should you raise your hand for things that you're not fully prepared?

The answer to that is probably yes because there is growth during that time. You grow to some extent with the challenges that you're facing. But one caveat is that she had a support system, and a support system is her mom primarily. This is a wise move, if you have a support system. In the absence of such a support system, I think you have to be a little bit more careful, because you may not get the counseling you need, right? There are probably certain things you don't understand. You might feel overwhelmed. So there has to be something that catches you in these times of feeling overwhelmed. And it struck me that this was the case. Maybe within the firm, but also around the firm, where you can imagine she can run ideas by or think about her leadership approach, right? How should I think about developing this new line of business? I think that is where ... where research would suggest you need to have that support system.

Kurt Greenbaum: As you said earlier, you sort of raised your hand when the ... when the opportunity came up to have this global expansion and said, "Hey, mom, I'd like to do this." How ... may I ask how old you were at the time? What ... what is it that made you ...

Lauren Herring: I was probably about 25. I was grossly underqualified, but, you know, we didn't have anybody else in the company that had any better experience. So it was either me or we go out and try and find someone who understands our business, who's willing to walk in and do this crazy stuff. And for me, yeah, I had a lot of passion around it, so it was fun. It was exciting. I loved the work. We were able to really grow the business substantially. So that was exciting. And the thing that I would highlight just for anyone listening, thinking about, you know, how they manage their career, you know, raising your hand when there's an opportunity, even if you're

not really qualified for it, is a perfect way, if nothing else, to get the conversation started about your career. But you never know. You might be the perfect person for an opportunity. And especially in a small company, you know, small companies are looking for people to take initiative, and that's what I did at that time.

Kurt Greenbaum: Did your mother prepare you for this? You know, did you observe her as the woman running the business and sort of learn how to be a CEO from that? Or did you have mentors? How did you get prepared?

Lauren Herring: Well, I've had no greater mentor than my mom in my whole career. And she continues to, you know, be a great source of advice on a regular basis. I think in some ways there's not a whole lot that can prepare you ultimately for the actual weight of leading an organization at the helm. But we certainly followed a lot of steps to make sure that I was as prepared as possible. So we had worked with some consultants and some coaches externally as well to first of all assess, you know, what are some things that I need to be aware of? What are some things that I need to work on? What are some things that we need to be aware of that might be challenging during this transition? And so we definitely went through a process leading up to my parents' retirement.

And then when they did retire, they actually took a fair amount of time where they physically removed themselves. So in some ways, that forced me to do a little bit more on my own. And in retrospect, my mom and I both agree that we wish we had a little bit more of a communication cadence on a regular basis to ensure that we were regularly communicating, not catch as catch can. And so that's something that, looking back, we really recognized was something that was missing and that we would recommend other people to be intentional about making sure that you have those ongoing communications. Am I meeting your expectations? Am I not meeting your expectations? And those are maybe a couple areas where we found our way. But there were some bumpy times.

Kurt Greenbaum: Meanwhile, during that early period as she's navigating that conversation with her mother, the company's founder, she's also a young CEO, learning how to foster open communication with the people in the organization. On one hand, she obviously knows she needs input and buy-in from her people while she leads the company. But at the end of the day, the buck stops with her. She makes the decisions. You also said something like, "There were also times when I wish I'd trusted my gut more." Can you talk a little bit about that or share an example of where that manifested?

Lauren Herring: I wish I had asked more questions of my team. It's not that I wasn't open to their input or their counsel. I wish I had more proactively asked questions during the transition to make sure that I had a more nuanced approach to the go-forward strategy. I had this vision early on of how do we unleash the power of coaching to the masses. So the area where I wish I had trusted my gut more was to double down on that more. And you know, how do we continue to push that out with

such confidence and exuberance over what it can do? And it's exciting where we are now as even not only a company but as a society, because now the world of coaching is exploding, and it's exciting that we're a part of that.

Kurt Greenbaum: When did you start to realize you ... your ... you were turning a corner in that sense, you had successfully created this new business?

Lauren Herring: We had officially started with new clients doing this work in about 2010, 2011 timeframe. So we've done some product development. And then we launched with a few clients testing out what was working. And the beauty of what we had put together with our first coaching programs was that we were able to tie direct ROI, so a direct return on investment into a middle manager coaching program. And that was really exciting and I think really innovative at the time, too, because one of the things, especially when you're spending a decent amount of money on one-on-one coaching, is people want to say, "Well, what am I going to get out of it?" And so not only were we working on helping to stretch leaders and build skills and build competencies, but we were actually able to tie that back to a specific return on investment through the particular program that we launched. And that's still today is one of our marquee programs that we do. We call it high-impact coaching.

Kurt Greenbaum: So how would you characterize where IMPACT Group is now?

Lauren Herring: The future is unlimited. I mean, we are continuing to invest in all three lines of business. Coaching has really, truly become something that's part of the masses. You know, our relocation business is evolving, interestingly, because even in remote work, you know, people are questioning, do I want to stay with my job even if I can work remotely? Maybe I want to look for a different job anyway. Or do I want to really be 100% full-time remote? Is that for me? And the other piece that's interesting that's emerged is over the last few years, the focus on well-being and how our well-being of our employees and their families is affected so dramatically during a relocation. We have a pretty significant focus on how to support the entire family through that process as well as the employee. So you're really thinking holistically about how we can support employees going through any kind of transition, whether it's a career transition or, you know, developing in their careers. I am passionate about this work. I love what we're doing and I want to continue it. A successful business changes and evolves, and if all I do is just do what she did, then it's not going to be successful forever because the world is going to pass us by.

Kurt Greenbaum: And that's our episode of On Principle kicking off season three. I want to thank Lauren Herring for her candor and storytelling as she walked us through this situation. And as a quick aside, I asked Lauren about her mom when we talked. At that time, Lauren said her mom, Laura Herring, was doing great, which Lauren credited to the care of WashU doctors. You can hear more from Lauren in a series of podcast episodes she hosted called "Take Control of Your Career." We'll link to those stories and some other related resources in the show notes for today's

episode of On Principle. I'd also like to thank Markus Baer for spending time with us and giving us some input and perspective on the situation. If you enjoyed today's episode and want to hear more, please visit our website at onprinciplepodcast.com. You'll find more info and you can listen to previous episodes, plus you'll find links to On Principle in your favorite podcasting app so you can subscribe and get updates when new episodes drop. And as usual, if you have any comments, questions or episode ideas, send an email to Olin podcast at W-U-S-T-L dot E-D-U. That's olinpodcast@wustl.edu.

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