

Why This Consulting Firm Doesn't Have An Exit Strategy

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For most professional services firms, sustained growth usually involves an acquisition or a transfer of ownership. Many founders in general have their eye on their end game in today's fast-moving, milestone-driven, valuation-obsessed business environment. But for Bruce Ballengee, CEO and Co-Founder of Pariveda Solutions, Inc., a \$100 million, 500-person technology strategy and solutions consulting firm, no exit strategy was no problem. In fact, starting the company without a plan to sell it was one of his prerequisites.



Technology strategy and solutions consulting firm Pariveda Solutions, Inc. puts the priority on fostering employees' personal and professional growth. Pariveda Solutions 2018

With Pariveda, Ballengee set out to create "a sustainable enterprise [that is] incredibly value generating," he explained to me in an interview. So he designed Pariveda with an ESOP (Employee Stock Ownership Plan) which provides the company's workforce with an ownership interest in the company. Instead of "committing to suicide that's celebrated," which is how he describes built-to-sell companies, he believes a company with an ESOP, "doesn't get tired, old, greedy."

Plus, Ballengee designed and leads Pariveda as a purpose-driven platform with a mission of enabling employees to achieve their highest purpose. Company literature expounds on this notion, saying "We seek to enable the individual to self-actualize and, even more aspiringly,

self-transcend. Self-transcendent leaders are characterized by a common purpose and identify with a cause greater than themselves, which is famously articulated by Abraham Maslow, one of the world's greatest psychologists and creative thinkers."

To support this lofty aspiration, Pariveda engages in some unusual practices. In addition to no exit strategy, other "nos" at the firm include:

- No sales incentives -- they don't make sense since the company seeks long-term client relationships instead of transactions.
- No salary negotiations -- everyone in the same role earns the same salary to keep things on a level playing field.
- No outcomes-based performance evaluations -- employees are evaluated qualitatively on demonstrated behaviors, not quantitative outcomes.

Pariveda is concerned with fostering employees as whole humans. Stefanie Hill, Managing Vice President, says she was motivated to join the company because of the disconnect she perceived "between the consulting employee experience and the need for consulting firms to be ever more profitable to the point in many cases where consultants were seen simply as 'resources' to be deployed to billable roles."

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Instead, she explains, "Pariveda demonstrates a fundamental belief in addressing not just our functional needs, but our emotional and social needs as a whole human as well." As such, employees engage in a gratitude practice of starting every meeting by sharing what they're grateful for. And the company recently conducted a three month experiment in which managers practice one minute of mindfulness at the beginning of their weekly staff meeting.

The company also relies on an "expectations framework," in which clearly defined goals exist for clearly defined organizational levels and everyone in the organization -- whether a consultant, an accountant in the finance department, or a campaign manager in marketing -- is evaluated and developed according to their progression through the levels. The framework identifies five personas for different aspects of a person's career -- Professional, Architect, Leader, Coach, and Advisor -- and levels within each persona, with Professional, for example, starting at being self managing, then a team member, followed by a supervisory role, etc. Not only does the framework provide transparency, but also fairness, since employees are reviewed against the same codified set of expectations, not against other employees.

While Pariveda puts the priority on fostering employees' personal and professional growth, Ballangee is not a bleeding heart do-gooder. He's convinced his is the way for companies to be successful in an advanced knowledge economy. For a firm to provide the highest level of service to its clients, he believes, "the organization must at its core invest in and develop to their fullest potential those individuals that provide that value to the client." Compared to other

firms, which he says view doing good "as a dilemma against making profits and creating value," Pariveda treats educating and developing people and running a successful firm as "a polarity...it's 'and' not 'or.'"

"Talent," Ballangee concludes, "represents the best sustainable hope for long-term success...The more capable a person is, the more we can charge for their services, and the greater our ability to lead larger teams to solve larger problems." It really does seem like he intends for Pariveda to outlast most consulting firms. Perhaps into perpetuity.

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