

Cover Story

Getting engaged

How Rick Milenthal turned a problem into an opportunity at Engauge

By Mark Scott

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Rick Milenthal could see the potential that was out there for his business and he could hardly contain his excitement.

Instead of just being another marketing agency, the rapid growth and development of social technology was making it possible for [Engauge](#) to be “a total engagement company,” says Milenthal, the 275-employee company’s CEO. The opportunities to reach people had stretched way beyond a traditional 30-second spot on TV or a paid advertisement in the newspaper.



But going after this goal would require employees to step out of their comfort zone and pursue options that rarely came with a guarantee of success.

“As soon as you say, ‘We have it. The answers are inside these walls,’ you’re toast,” Milenthal says. “Within a few months, someone else will have the answer and they’ll beat you. You need to be out there championing new creative ideas and bringing them in to be exposed to your clients and your people.”

In short, Milenthal needed his people to join with him and take a leap of faith.

“The biggest challenge and opportunity for a leader today is to celebrate and embrace change,” Milenthal says. “Change is something that can build anxiety, but change is usually opportunity. The empowerment of the individual consumer has brought a lot of anxiety to other marketing agencies around the country. But for us, it’s been something we’ve been excited about.”

So Milenthal had to convey that the journey might take the \$127 million company through some unpredictable twists and turns. But at the same time, he needed to give them a sense that there was a plan and that there was a goal that everyone would be working to achieve.

Here’s how he did it.

Define the truth

When change is occurring in the marketplace, your employees look to you to figure out what the future looks like. You need to show them that you’re aware of what’s going on in your world.

“The first thing that is absolutely critical to a leader is to define the truth,” Milenthal says. “A strong leader understands and communicates the truth about our situation. Where are we in the marketplace? Are we competitive? Do we have the right people? Do we have the right capital structure? Are we executing on our mission? That leader must guide the organization to be better in all of these areas.

“What truly builds anxiety in your organization is if they think the leader and leadership does not understand the change and the situation at hand. That builds more anxiety than the actual change. If leadership appears to understand that change and is working through it to get us to our destination, that builds confidence. If we appear to be clueless or in denial because we want to protect how we’ve done things in the past, that’s when your team gets nervous and anxious and you’re going to lose your best people through those changes.”

The first thing you need to do when you sense a major change in the air is get out and get your mind wrapped around what is happening.

“Your first step is a deep amount of curiosity,” Milenthal says. “You need to get out and talk with your people who are interacting with the marketplace and interacting with your customers.”

Talk to clients and people who influence your industry and figure out what they are seeing in your line of business. Put yourself in a strong position to assess the new environment and figure out what the best plan of action is for your company to succeed in it.

“Free your time to think about the future and think about the marketplace and have personal knowledge of what’s happening in the marketplace,” Milenthal says.

Report back to your leadership team and your employees about what you learn while in the field.

“Our leadership will go on a two-day retreat every quarter,” Milenthal says. “Almost all of that time is spent discussing where the marketplace is today and how we can take advantage of the situation and build opportunity for our people. ... The main thing is to make sure your leaders understand where you’re going and make sure you’re setting a vision but also that you are not living in any sort of denial regarding that change. You can’t spend too much time with your leadership team defining both the opportunities and challenges at hand so they can do so with your people.”

Use your people and get them involved in plotting your company’s future.

“The idea that a CEO is doing anything other than thinking about the future, the vision and the direction of the company is a mistake,” Milenthal says. “It’s a mistake that many of us make. They feel there are a number of things that are only their portfolio. There are actually very few things that are only the CEO’s portfolio. You must be about the future, and you must get a team that can execute the present.”

You’re the leader of the company and your people are looking to you for direction in periods of change. So do your best to get all of the information you need to report back to them with a plan for how your company will respond to this change.

“You’re not looking to free yourself of your contact with your executives,” Milenthal says. “Generally, you would enhance the contact you have with your executives and the time to form the priorities and direction of the company to really be on the same page as to where the company is going. It’s like an investment. You have to first invest a good deal of time with those executives and really understand if you have the right team.

“A broad vision needs to be crafted with your team, but there is no substitute for the leader defining the ultimate destination and a realistic assessment of where we stand today to meet that destination. Being a leader is not necessarily about being a manager. It’s about defining the pillars of our vision and guiding the group to embrace that vision.”

Narrow your options

The most important business decisions you’ll probably make are the things that you’ll say no to, not the things to which you say yes.

“If you have a vibrant organization, there is a great deal of opportunity,” Milenthal says. “Narrowing it down is a team sport. Generally, the process of having your team approve of your priorities and buy off on moving those priorities forward, that process itself helps to winnow down the number of priorities. The team is only going to want to be accountable for what really can be achieved over this period of time. The key is really pushing for that and really holding each other accountable for success on priorities. That in itself will bring it down to three or four priorities or tasks.”

The vetting process is critical to helping you make those judgment calls effectively.

“All opportunities aren’t right for you as a business,” Milenthal says. “You might want to be exposed to it. But be careful that what you invest in and bring into your company is true to your culture and that it can make you better.”

You need to make sure there is direction behind the vision you have or a point behind what you’re doing to be certain it aligns with where you want to go as a company. What areas are you looking to improve, and how will they be improved by this opportunity you are considering?

“Focus on your direction in the context of the vision,” Milenthal says. “We intend to be the total engagement agency that really brings together the right brain and the left brain, the creativity and technology together. We intend to be the best agency in our industry. We begin to define that by the kinds of clients we intend to have. We are also very prescriptive of where we intend to be financially.”

By taking the broader ideas that you have and placing them into more concrete goals, you give your people something to latch on to and something they can see themselves contributing to.

“With change is opportunity and usually there is opportunity for your people,” Milenthal says. “Many people who embrace what is going on can actually use a changing marketplace as a great time to build their careers and build their lives and actually build quite a bit more confidence and optimism about their future.”

Use quarterly benchmarks to add a time element to initiatives and hold yourself and your people accountable to make them happen.

“If you have an energetic group like we do, the problem is you have too many tasks and too many initiatives,” Milenthal says. “But by the second or third quarter, you get pretty good at getting to really achievable tasks and goals that can be accretive to the value of your company.”

Dispel fear

Despite your best efforts, when change is afoot, some of your employees will still bring fear to the workplace and not believe that you and your company can get them through it.

“The most important thing is to tell the truth and tell it clearly,” Milenthal says. “What people worry about most is that they are not getting the truth. They worry about that more than even if the truth has some negative implications.”

The problem can often be tied back to a leader who wants to avoid rocking the boat at all costs but instead creates more fear.

“Most people do not want to confront the tough problem and confront the conflict and the tough situation,” Milenthal says. “They let it fester. My best advice is that’s a huge mistake. Where your people will begin to trust their jobs going forward is not just if you’re always happy about everyone’s job. It’s also that they know that when a change needs to be made, that it’s made quickly and honestly and with truth. You can feel safe that you know what your situation is.”

Get as much information as you can out to your people and encourage your direct reports to do the same.

“If you respond to questions truthfully and candidly, it’s a cue to the rest of your leadership to do the same,” Milenthal says. “There is a natural interest in your top leaders answering key questions about the future of the company for there to be a belief and confidence that they are getting an accurate answer and not just a packaged answer about where we’re moving.”

You need to promote courage in making decisions too and not being fearful of negative consequences when trying new things.

“Do not define making a mistake in an initiative you might invest in as being a failure,” Milenthal says. “It’s not a failure. It’s a mistake. Get out and move on and don’t get too emotionally involved.”

The issue with people is not about making the mistake.

“The issue is not whether they do it right the first, the second or the third time,” Milenthal says. “It’s whether they will take responsibility for it. ... Making the wrong decision is not a big problem. We are all going to make numerous wrong decisions. Not having the confidence to take responsibility for your wrong decisions is a real problem.”

If you can’t build that confidence in your people, the odds are pretty good that you’re not going to succeed. You need to get them going so you can continue focusing on the big picture.

“Many times, the best thing you can do is nothing,” Milenthal says. “Just step back and let your people do things. If you find an area that you find you are involving yourself in all the time, you either have to look at your own behavior or you need to find a way to rectify the situation.”

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