

Top Team Alignment & Accountability

An Indispensable Precondition for Successful Enterprise Change

Your Problem: *Top team alignment and accountability is critical to implementing major change. Does your senior team have both the will and the skill required to lead enterprise change?*

By top team alignment and accountability, I am referring to the possibility of all members of the senior team understanding, buying into and feeling responsible to communicating and executing the strategic agenda in a clear and consistent way.

Among senior executives, common wisdom holds that “business is 1% strategy and 99% execution!” What this means is that CEOs and their teams find it relatively straightforward to come up with big, innovative change ideas but difficult to mobilize the organization to execute and sustain them – and it doesn’t matter whether the change involves processes, structures, operating models, enterprise risk models, mergers or acquisitions. Yet there is a surprisingly simple response to this dilemma: identify those factors that are key to an effective change effort and use them to develop a disciplined course of action for implementing the corporate strategy.

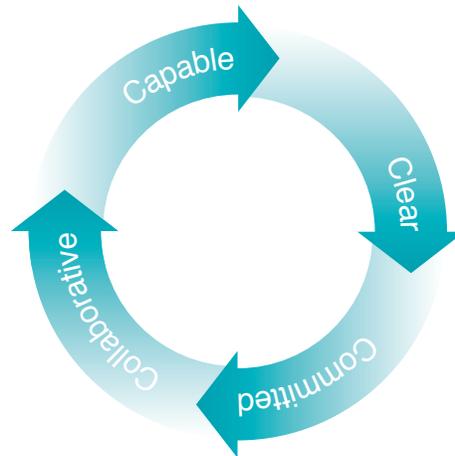
Some of these factors would include setting up a Project Management Office with project leaders and teams accountable for designing and developing the detail for the implementation of each strategic priority or change initiative. Another factor would be having a strategic communication plan for how to communicate with and engage the various stakeholders with the new strategic direction.

Of these factors, one of the most critical and primary – and most often neglected – is “top team alignment and accountability”. But while executive teams seem able to take responsibility for running the business within the budget year, they are less able to design and carry out a plan that will simultaneously transform the business in the longer term.

Our Approach: Take an Uncompromising Look at Your Senior Team

Based on our 25 years of experience working with CEOs and their senior teams, we believe there are 4 essential areas for evaluating senior team alignment and accountability: capability, clarity, commitment and collaboration. And within that framework, there are 10 questions that CEOs must answer with brutal honesty in deciding whether the top team is ready, willing and able to lead successful, sustained execution of major change. Our view would be, that every CEO, having established the change agenda or new strategic direction, needs to look around the executive table and ask: are all the members of my team clear on what needs to be done, committed to the agenda, and capable of leading it, as well as having the capacity and desire to work effectively as a team to see the strategy through to execution?

Aligning the Senior Team



Capable?

- 1. Do you have the right top team for the future?* The first and perhaps most difficult question to answer is this: Do you have the right executives to effectively lead the future state you envision? The irony here is that the team that got the organization to where it is today often is not the right team to take it in new directions – some members may be unwilling and some unable to make the necessary transition. As CEO, you will need to assess which members are up to the task (and what further development they may need), and which ones should be reconsidered for other roles.
- 2. Does each member of your team have sufficient intellectual horsepower to lead enterprise-wide initiatives?* It's not enough for people to truly like and respect each other. If there is too great a divergence in their intellectual horsepower or ability to process information, they will find it difficult to operate as a team – because they will view and articulate a situation or issue from contradictory perspectives. For example, if some members continually get lost in the details and can't get themselves "out of the weeds," they will not be able to join their colleagues "on the balcony," who look at matters in a holistic and systemic fashion. They will be speaking two different languages, with the result that impatience and frustration will reign and little will be achieved.
- 3. Does each member of your team have the emotional intelligence to recognize, adapt and utilize the emotional content of the team dynamics for the greater overall good?* It takes a large measure of self-awareness and personal mastery to truly understand, engage with and appreciate others. It also takes empathy to build the trust that is crucial to effective engagement and collaboration on complex, large-scale change. Are the team members able to actively listen and learn from each other so the "assembly bonus" is greater than the effort of working as a team?
- 4. Within your senior team, is there sufficient mix and diversity to sustain appropriate "point of view" tension and enable you to lead from a full enterprise perspective?*

“Group think” is most likely to occur when all members of a team share similar backgrounds and perspectives – and while it can lead to fast decisions and quick action, it can also be disastrous. A certain amount of diversity (with respect to gender, age, point of view, tenure, technical background) on a team is likely to engender the kind of healthy debate that leads to innovation and ensures potential downside risk has been identified, assessed, and mitigated. As CEO, you will need to bring out this diversity and turn it into a constructive discussion inside the room, ultimately moving it toward resolution and common ground.

5. *Does each member of your executive team have the requisite leadership skills and tools to align the organization and mobilize change?* Have they been taught the fundamentals of change leadership? Do they know how to mobilize their direct reports to work effectively to collaborate in taking the organization in new directions? Have they been taught how to build a case for change, manage resistance and provide ongoing guidance to their team and each other as they move in a new direction? It is one thing to accept the need for change and another to be capable of meeting it successfully.

Clear?

6. *Have you made clear to the members of your team their individual and collective accountabilities?* Has the new direction been translated into clear performance targets and measures for each member of the senior team? Do leaders understand not only the concrete change-the-business outcomes they’re expected to deliver, but also how they’re expected to deliver – the way they’re expected to behave as leaders? While each team member will likely negotiate his or her performance targets directly with you as CEO, it’s also important that these be shared and discussed with the team as a whole. Change is too often constrained by horizontal misalignment – conflicting and/or competing metrics among the individual accountabilities of top team members – or vertical misalignment – conflicts with what’s being measured and rewarded at other management levels. You should ensure that all goals and performance objectives relate in some way to your objectives as CEO.

Committed?

7. *Are all members of your top team passionate about and committed to the future direction?* Once you’ve decided that you have the right individuals on the team and they have a clear and common understanding of expectations, you will want to have confidence that each member is fully committed to the change. It’s not enough to have the “head” engaged – to have their intellectual acceptance of the future vision – you need the “heart” and the “guts” as well, their emotional commitment and their courage to drive change forward. Many factors are at play here, the most critical of which we explore in questions 8 through 10.

Collaborative?

8. *Does the team value collaboration and also know how to make effective use of creative tension?* Do the senior team members value the work of enterprise-wide team leadership and cross-unit collaboration? Or do they pay it lip service, while their real commitment is to the success of their individual units? Does every member know how to balance unit goals with what's best for the enterprise as a whole? We have noticed that many members of top teams don't know how to wear two hats simultaneously: the enterprise hat and their unit hat. And not only that – they often can't or won't accept input and challenge or make trade-offs with each other. They are uncomfortable with conflict. But to operate as a high-performing team, leaders need to learn the power of creative tension, building skills in sustaining that tension and using its energy to mobilize each other and the organization.
9. *Does the incentive system encourage leaders to appropriately balance their unit goals with the enterprise-wide goals and with your objectives?* An improperly designed or outdated incentive system can be a major barrier for an executive working on both short-term operational objectives and longer term change objectives. And it doesn't matter how capable of supporting, clear in understanding and committed to executing the change they may be. If the incentive system largely supports the status quo by rewarding shorter term, operational, unit-specific outcomes rather than longer term, renewal-oriented, enterprise goals, then the implementation will be compromised.
10. *Are the values of the senior team members congruent rather than competing?* Markedly different values make it extremely difficult for people to work together productively. Conflicts may arise between opposing personal values (team-oriented versus lone ranger) or organizational values (growth versus profit maximization). And while diversity of perspective and creative tension are healthy, top teams polarized at the level of fundamental values are rarely able to engage in constructive dialogue and solve problems collectively. At best, they tend to avoid each other; at worst, they attack each other. Inevitably, otherwise high performers often need to be moved out of the top team because they hold values that are making it dysfunctional.

How Entheos Consulting Can Help

As CEO, can you answer a confident and resounding “yes!” to each of these 10 critical questions about your senior team? If so, you have created the preconditions for successful implementation of your change agenda. If your answers tend more toward “somewhat” and “no”, then we urge you to make the upfront investment in building top team alignment and accountability.

Brian Brittain and his team, at Entheos Consulting, can help you maximize such an effort. Our consultants will work with you to pose the 10 questions so as to elicit meaningful,

actionable answers. We will collaborate in using those answers to create a winning, forward-looking senior team, which will pay off in faster, better execution of your change strategy.

More specifically, we can help you by:

- performing a diagnosis of your senior team through interviews and quantitative surveys, in order to measure both the effectiveness of the team as a whole and the contribution of each individual member to that effectiveness
- generating a comprehensive report on team and team member issues, and making recommendations to align and focus the team on the longer term strategic agenda
- facilitating an executive offsite to help the team become aware of existing issues as well as opportunities, and to promote their commitment to specific actions for improving top team effectiveness at leading strategic change
- doing follow-up assessment and coaching with each team member to help them realize their potential as senior team leaders

As You Move Forward

To reiterate, all the questions raised should lead you to one conclusion – that real change is a function of real alignment and accountability among senior team executives. With that in mind, before you undertake any major change effort, make sure that your leaders are...

- the right leaders for the task at hand
- clear about what's expected of them, individually and collectively, to take the organization in the desired new direction
- committed to what's best for the whole enterprise, not just their units
- able to work together to successfully manage and monitor strategy execution because they have the necessary skills and tools
- capable of facilitating cross-unit interaction and cooperation
- collectively a diverse but collaborative cross-section of individuals
- being incented to stay the course and sustain the change, not to sacrifice the long-term goal for short-term results

And if your leaders are all of the above, you can be confident that they are the right senior team to head up a successful enterprise change.

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