



## GREAT LEADERSHIP FOR GREAT TEAMS

**Question** – You are establishing a unique Professional Services firm out of Australia – you have the idea, the brand and are putting together a team of talented, focussed individuals with great potential. What strategies and skills must you employ to make the most of this potential? What is the best way to lead a crop of great people?

“By assembling a great team, you've already put yourself ahead of the game. Rather than jump-starting the company on your own, you'll have the easiest time, the most fun, and probably the most success by developing the team and letting the team develop the business. You just have to organize them and point them in the right direction.

Have you ever worked in a really high-functioning team? In great teams, each member brings their best to the party. They only do the things they're best at, and they do them superbly. The work gets divided to play to each person's strengths.

### ***Identify your team's strengths***

Get the team together and explore each other's backgrounds, expertise, likes, and dislikes. Match your discoveries to the work, so tasks go to whoever is most likely to finish them well and quickly.

Does a team member have contacts, industry experience, or experience in specific companies that will be valuable to the group? Put them on related tasks. Experience in a functional area or two can make a resident expert in those areas. Those with great people skills should be doing people work, while those who prefer to work behind the scenes can do research and build infrastructure.

**Mental traits become great strengths when matched with the right challenge.**

Don't limit yourself to obvious business strengths. Mental traits can be even more valuable over time: long-term thinking, short-term thinking, idea orientation, data orientation, comfort with stress, technological comfort, people skills, strategic thinking, ability to challenge assumptions. There are hundreds of ways to slice

mental traits, but whatever your framework, know that mental traits become great strengths when matched with the right challenge.

For example, some people prefer to follow established procedures. The business press worships "innovation," "disruption," and "destroying old paradigms." Well, guess what? "Out-of-the-box" disruption is great for occasional big conceptual leaps, but it's the established procedures that drive a successful business. And when boarding a plane, who really wants a disruptive, out-of-the-box pilot, anyway? Give me a pilot who loves completing their sixty-point safety checklist today with the same precision and care they used the first time they went through it.

A strength is nothing more—and nothing less—than a skill so well matched to a task that the results are stellar. Know your team's skills, and you can all begin turning those skills into strengths.

## ***Use your team to hone direction***

Once you have the right "who," the team can pool resources to choose the "what." You've chosen a business, and your team can hone the strategy and tactics you'll use to make it successful. In the book *Good to Great*, Jim Collins suggests that a team choose a single concept—your "hedgehog concept"—to unite the business. The hedgehog does only one thing: roll into an ironclad ball. But the strategy works so well that it's invincible on its own turf. Your hedgehog concept comes from a brew of your individual values, skills, competencies, and a healthy dose of business sense.

## ***Passion***

Rally your company around something you can be passionate about. If you're all deeply devoted to children, youngsters, and family, for goodness sake, don't concentrate on publishing HTML reference manuals. Publish books for teens, young adults, and families. Choose a strategy that unleashes your collective inspiration!

## ***Being the best***

Your hedgehog concept should be something at which you can be the best in the world. It doesn't mean you *are* the best, just that you can *become* the best. This can be trickier than it seems. Your team members and their skills will contribute to deciding where you can excel. Competition can also affect your choices. Even if you have the perfect team, existing players may have locked up areas of opportunity. If I were starting a grocery store, for instance, I'd be careful about hedgehog concepts that put me head-to-head with Wal-Mart. "Huge stores with great service" is a concept that's taken. Even a superb team probably couldn't be best in a world dominated by Wal-Mart.

## ***Economic viability***

Your hedgehog concept should make money. You should also be able to identify your economic drivers in the form of a measurable "profit-per-x." Often, the "x" is not obvious. For your strategy to make sense, you may choose a subtle "x." Collins relates the story of a company whose strategy was to cluster stores in one geographic area to be most convenient for customers. Rather than measuring profit per store, the company realized that profit per neighbourhood was the key to driving operations, compensation systems, and organizational learning in pursuit of convenience for their customers.

## ***Monitor the commitments your team makes***

As you begin implementing your strategy, pay close attention to the commitments you make. Commitments provide flexibility and focus, but can also bind you to a long-term course of action. Since your venture is quite young, you don't have a lot of operating knowledge to choose commitments wisely. So keep yourself as flexible as possible until you're fairly sure of your course of action.

Commitments come in all shapes and sizes, but some of the most powerful are the agreements you make on how to frame the world. Your beliefs about what customers want and how they behave, if propagated throughout your company, are a very powerful frame. Ken Olsen, founder of Digital Equipment Corporation, was famous for rejecting IBM's frame that computers meant room-sized boxes that were only useful to large corporations. He built DEC and revolutionized the industry by inventing the minicomputer. Unfortunately, he got caught in his frame of the minicomputer being The Answer. Oops. In the late 1990s, his once-leading company was acquired by upstart PC maker Compaq.

Supplier and distributor relationships can become commitments. Decisions to vertically integrate (or not) can become commitments. Deeply held cultural values can become commitments. Large capital expenditures can become commitments. One entrepreneur recently told me his company had perfected the ability to open a new market and quickly achieve a 25 percent-plus profit margin.

Unfortunately, while going up their learning curve, they built factories several times their optimal size. The company's survival is still touch-and-go—not because it's a bad business, but because early commitments have saddled the company with unproductive, expensive assets.

### ***Become a leader, not a manager***

Finally, spend regular time leading rather than managing. You've got a good team, and you've jointly chosen a direction. Now your job is keeping the company on track. Keep your team working well together, and make sure you're building a company where everyone plays to their strengths. Know your hedgehog concept, discuss it regularly, and make sure it guides the company's daily decisions. Spend time thinking strategically with your management team. Have them project the hedgehog concept out one, three, or five years into the future, and steer the company and its commitments towards that reality.

**Know your team's skills, and you can all begin turning those skills into strengths.**

Your job is creating an environment where *your employees* can do their best. Give them all the credit. Recognize and celebrate their accomplishments. When they screw up, lead an "after action review" to help them learn. Remember that you're building a culture that brings out and amplifies everyone's *strengths*, so use

mistakes as an opportunity to re-examine the strengths of the team and change your tactics, your assumptions, or your organization.

**For now, focus on getting your company off the ground. You've hired the crew; together you've charted the course. Now stand back and let them bring the dream to fruition.”**