

Perpetual:

Empowering talent. Fueling brands.



leadership team acceleration

thoughts for leaders

leadership team acceleration

1. Introduction

Like all teams, the Leadership Team needs to invest time and energy to come together as a collective and get onto the plane of high performance, and will need to navigate through the Forming, Storming, Norming and Performing journey identified by Bruce Tuckman as far back as 1965.

Increasingly, there is a short time runway for this to happen as the business operating environment becomes increasingly disrupted via innovation and entrepreneurial start-ups looking to transform traditional markets. There is also a regular turnover of senior executives as leaders move on to new opportunities, and therefore the rapid establishment of a high-performing executive team is paramount for the success of any CEO's tenure. Indeed, it

can be argued that once such a culture has been established at the Leadership Team level, that any new team member can easily fit into this environment where rituals of everyday high-performance working are evident and easily followed.

Another reason why this is an important area of focus for a chief executive is that it establishes a cultural benchmark for the remainder of the enterprise to emulate: other leaders in the business will witness the behavioral norms exemplified by the Leadership Team and will naturally want to follow, thereby creating a strong movement within the company to upskill in these areas. A rising tide lifts all boats.



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As mentioned previously, members of the Leadership Team are typically experts in their own domain yet will need additional skills and often a different mindset to what has made them successful in the past. The lack of individual or team skills in this area is not always obvious until highlighted via investigation and a carefully facilitated journey with experienced guides, who are able to support the team on their unique pathway to high performance. There is much thought leadership in this area and our premise is that outside support will be invaluable to promote the challenging debate and accelerate the journey from Forming to (high) Performing.

The ideas shared in this paper are based on many years of experience working with Leadership Teams, be that C-suite, brand teams or cross-functional teams brought together to solve distinct business challenges. We hope that the ideas shared below promote introspection and optimism that focused work in a small number of critical areas can make a substantial difference to the performance of any Leadership Team and the business they are leading, while also being an enjoyable growth journey for all involved. Or, as Craig Sloan EVP at Home Team Sports put it in a recent video testimonial, "How could we build out a model to make sure that we were going to thrive no matter what the marketplace conditions."

2. Who are these people?

Who should be in the Leadership Team? Well, the general idea is the smallest number of people who can bring the necessary skills and experiences to the table and are able to make the best possible decisions. There is often a 'next tier' of leaders who do not quite meet this requirement but are key to the implementation of the decisions made at the strategic level. This extra team is often called the Extended Leadership Team (ELT) and should have its own mandate, being called upon by the actual Leadership Team as and when required. Good examples of such an interaction would be for the LT

to introduce ideas in order to gain additional insight and perhaps early buy-in before making any important decisions – after all it will be the ELT that will have to implement the upcoming directive, as they are often where the "rubber hits the road."

But back to the Leadership Team itself. Typically, it is made up of 6-10 people representing the heads of the key functions in any business. They should have been recruited for their competence but also their depth of character -- something that we call "The Right Stuff" -- and their personality profile should complement the remainder of the team and ideally reflect the strategic intent of the business. There are many psychometric tools that can be used to better understand the thinking styles or personality profiles of the Leadership Team members. Key is to understand "who" is in the team, how they show up, where their blind spots are, and where the likely friction points might be. Therefore, the opportunity is not only to take some form of personality or thinking style assessment, but also to have a playback and discussion from someone who is trained in this field and who can promote the necessary conversations that encourage an increased understanding of the team make-up. Done successfully, the team will have a greater level of understanding of each other, and an improved awareness of how they can work better together as a team and also in one-to-one interactions.

3. Why bother having a Leadership Team?

"How many people are in your 'First Team?'" The question is deliberately ambiguous, and we ask this question of executives often. Responses vary from "375" (the full company), "54" (the marketing team that I lead) to "17" (the important project team that I am leading). In our view, the correct answer is 8 (or however many people sit on the Leadership Team) and often this realization is a game-changer for leaders. When a leadership team comes together, they should do

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so as the First Team that is working together to accelerate the business performance of the company, not as a collective of department heads who are ready to fight for scarce resources for their function. One might be surprised how often the latter mindset is the prevailing behavior. The former is known as the "First Team Mindset" which, once understood, can step-change the performance of any leadership team.

Imagine a scenario where an important decision has to be made that will have implications for the business as a whole and the resources allocated to each of the department heads. For less developed Leadership Teams, the picture can rapidly disintegrate into a "fight to the death," with each department head battling for the most resources for their area, with associated negative impact on the business as a whole. Conversely, a team that is further along in the maturity model will focus its discussion on what is the best outcome for the enterprise which will then dictate what are the appropriate resource needs for the Legal, Innovation and Commercial teams, as an example. In reality there is always a pull between the competing needs of the business and the functions, and well-trained and experienced teams can navigate these waters with a First Team mindset that helps deliver the right outcome.

4. Where are we going?

Most leaders accept that having a plan is a distinct advantage

over not having one! Some have complex strategies while others are increasingly experimenting with agile planning, where the desired outcome is clearly defined yet the route to achieving it is accepted as being a winding path that may head in directions unforeseen at the time the plan is constructed. Either way, the key is having the plan distilled into a format that can be meaningfully cascaded throughout the enterprise, that employees can rally behind, and where actions can be prioritized to deliver success and bring joy to people's lives as they work to implement it.

There are some fundamental building blocks that are required to enable any strategy to come to life. Key is a Vision* that is both time-bound (so that we can measure progress toward achieving it via meaningful KPIs) and inspirational (such that it will drive engagement throughout the company), with a set of strategic initiatives that will bring the overarching strategic intent to life. With a suitable coach/facilitator, Leadership Teams can put such a plan together in a matter of days, not weeks/months, and then spend some time to think of the implications for individual functions before coming back together to refine the plan and get it ready to be communicated. Other elements that need to be articulated at the strategic level are a Purpose Statement that answers the question, "Why do we get out of bed in the mornings inspired to work to work here," and a set of values that let everyone know what behaviors we hold dear in our working environment.



The successful communication of the strategy is of paramount importance. Historically, there have been many companies with wonderful strategies that gather dust on shelves, while everyone inside the organization went on with what they were doing before. In today's environment, this is a recipe for being disrupted by competitors and becoming obsolete very quickly. Strategy launch conferences are an ideal way to engage teams behind the strategic intent, and well-thought-out agendas for these important events is critical to ensure their success, as they are after all expensive in time and resources to put on. A good conference enables everyone to digest the strategic intent and have time to iterate on their understanding of that via discourse and sensemaking. Done correctly, such meetings have the power to create alignment and engagement behind the strategy and the prospect of an exciting journey ahead for all.

*Different companies use different terminologies to describe these elements with Mission and Vision being used to articulate the same idea.

5. Who can bring this to life?

As mentioned above, more people than those represented in the Leadership Team will be required to bring the strategy to life. But how to align all of these worker bees with their different motivations, aspirations, personalities and capabilities? Well, two things are typically required that need focus from the Leadership Team: Alignment and Empowerment.

First, Alignment. Strategy will need to be communicated widely throughout the company, via the Strategy Launch Conference initially, but then through an ongoing, consistent stream of messaging and day-to-day actions that inspire belief that this is not a fad. For example, checking in on a quarterly basis against the strategic plan and publicly measuring progress towards



'The Big 5' - Getting these strategic enablers in place is fundamental to the success of any Leadership Team and will set the direction and the tone for the journey to come.



its realization is important, just as it is for the Leadership Team to discuss the plan and its implications at every opportunity as they interact with their teams. The strategy needs to be felt as something at the heart of the organization that drives performance, not as an abstract entity that gets reviewed occasionally because the process dictates this.

As mentioned earlier in this script, every company typically has a core of talent at the next level that is critical to its success, the ELT, and engaging this cohort behind the strategy definitely sits on the critical path to success. Involving the ELT early in the strategic planning

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process and checking with them to understand where the likely friction points will arise will undoubtedly create a stronger plan that is more likely to succeed. By making the ELT engaged champions of the new strategy, the Leadership Team will create advocates for change that will drive the new agenda and deliver the required cultural transformation.

Another idea highlighted by McKinsey in its 1998 "An Agenda for the Talent-First CEO" is that typically only 2% of employees make the critical decisions that drive the most value for any company. Often these individuals do not carry the fanciest titles and may not be the official decision maker, but they carry considerable influence at the mission-critical nodes where value is created or lost. By extension, identifying these influential staff, investing in their development and rewarding their outcomes will deliver disproportionate value. Ensuring they are aligned with the strategy will be of paramount importance.

Another noteworthy exercise for the Leadership Team to implement is for everyone in the organization to articulate their priorities for action in any given period and to ensure that they have clear line-of-sight to how individual contributions make a difference to the company outcomes. This simple idea will drive engagement, promote meaningful conversations and make the entire team feel like they are a valued part of the process.

Then, Empowerment. Once the strategic intent has been



established, there are two parts to empowerment that leadership teams need to be conscious of -- process and leadership behavior. Process means ensuring that everyone has clear objectives with a focus on outcomes (or effect) to be achieved, with compensation plans aligned with these priorities for action. Misalignment here will put almost any plan in jeopardy. With this in place, the next task is to be sure that everyone is clear on their "playing field" - the area in which they are free to move in order to achieve the successful outcomes that they have agreed to. Key elements here might be having resources allocated, decision rights established, and timelines agreed. If done correctly employees will flourish in the space that has been given to them, empowered by the freedom to deliver outcomes via their own personal growth journey and truly owning the outcome.

Behaviorally then, the opportunity for the Leadership Team is to give space for employees to find their own way, supporting them by removing barriers, managing the risk, and rewarding the right behaviors that inspire others to become empowered. As a warning, experience has shown that some employees will engage more rapidly with the concept of empowerment than others, yet all seem to appreciate the freedom to find their own way to achieving success. Daniel Pink's exploration of self-mastery, autonomy, and purpose as motivators provides an excellent template for leading in this area - work that is increasingly more important with the latest generations of employees entering the workforce. Empowerment is a powerful enabler and importantly frees up the senior leadership to focus on more strategic initiatives, rather than spending their time stuck in the trenches endlessly problem-solving the inevitable friction that comes with strategy implementation. Warren Pullen EVP of Central National Gottesman put it like this in a recent interview, "Perpetual has helped us to unlock the real potential of our people across the

globe ... there was a real regret that we had not started something like this earlier"

6. What will make the difference?

The final element to highlight where Leadership Teams can influence the outcome they are looking for is in creating and maintaining a culture of high performance. "Culture eats strategy for breakfast," noted Peter Drucker, the influential thinker on



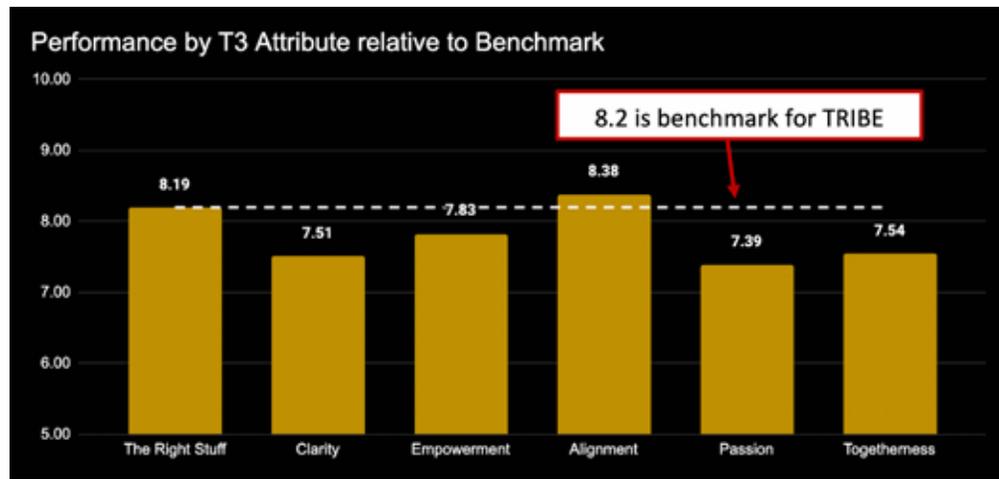
business performance, and this adage has been proved right many times in every sector of business. The Leadership Team has to set a public "gold standard" as far as high-performing team behaviors are concerned. There should be a constant fascination of developing a high-performance culture, knowing that it is a journey and not a destination and that ongoing curiosity, training, and exploration in this area is vital for the organizational health of any company.

The stated company values should form a bedrock for this culture, and proactive Leadership Teams move values from being a checkbox exercise that shows up on the corporate website to sit at the heart of an active discussion on "how things are done around here." Values should be used in everyday aspects of business and good examples include: checking in against them at the start of business meetings, the use of values awards to celebrate where the values have shown up and made a difference, and on the front page

of sales decks to show external stakeholders what the company stands for. Good companies usually have a set of values; great companies leverage their values to find competitive advantage and speak to what matters at the heart of the enterprise, therefore, values are a strategic enabler and Leadership Teams should seize every opportunity to bring them to life throughout the company and with external stakeholders.

Leadership Team skills development is also a very important contributor to successful outcomes. Thematic areas such as critical thinking, team decision making, collaborative problem solving, etc. can be trained for, and coaching can help individual leaders to grow into their roles, identifying their blind spots and building leadership competencies. The real breakthrough comes when teams can harness their collective intelligence, putting aside politics and personal agendas to deliver outcomes that have impact for the company as a whole. Focusing training effort in these areas always delivers a return on investment, promoting ongoing dialogue and drawing the Leadership Team closer together such that they become a formidable entity that can take on any challenge that comes their way.

Measuring progress in Leadership Team development is possible by taking an appropriate survey at the start of a team journey and then again at some point in the



The t3 diagnostic provides a snapshot of organizational health based on the 6 Attributes of High Performance. It is used to identify areas of strength and opportunity for any business and over time can measure the ROI of any intervention by the Leadership Team.

future - perhaps 6-9 months down the line. The Perpetual t3 diagnostic measures the six attributes of high performance pertinent to business execution excellence and helps to identify gaps that the Leadership Team can focus on to deliver the performance outcomes. We call this the Team to Tribe journey - finding that sweet spot between the laser-like focus on business outcomes and an equal and unwavering dedication to building a vibrant, caring and engaged culture.

7. Who can help?

There are many good reasons why leadership teams should look for outside support when considering such a journey and investing in a strong facilitation team is paramount to successful outcomes. Often

leadership team members believe that they can lead the process themselves, but this misses a major point - that they are part of the leadership team with several key roles to play in that regard: they need to be fully immersed in the discussion and the building of the team dynamics - not jumping in-and-out of it to juggle the multiple roles of facilitator and participant.

There are several other areas where a good outside facilitator can add considerable value. First is that they bring experience and ideas from other companies and sectors that have been gleaned through previous work with other clients. They also keep themselves up to date with latest thinking in the areas of team development and business execution and can immediately introduce these concepts to challenge the existing thinking that will inevitably prevail in any company. By ensuring that the discussion is not derailed by the inevitable tendency to go down the proverbial "rabbit hole", great facilitators keep the conversation at the strategic level, ensuring that all points of view are aired and ensure that all voices are heard.

The last area of note is that a seasoned facilitator is experienced in the whole journey of Leadership Team development and is therefore uniquely positioned to take the long-term view, adjusting the program

our values

never settle

We seek always to meet our clients' requirements or die trying. We seek to provide service excellence but have the humility to know we will never quite get there. There is always something to improve. Always something new to learn.

look up

Probably our most off-pronounced value. It talks to the bigger picture. Wellness, kindness and respect for the wider Perpetual family and the community in which we live. When we look after each other, everyone wins. Look up.

happy days

We seek to take our profession very seriously but not ourselves. Life is too short not to have some fun on route. Delivery comes first. A close second is maintaining a smile and perspective in all that we do.

dare + share

We have got where we are as a result of collaborative entrepreneurship. We know our future success will require perpetual innovation and audacity. Together anything is possible. We love working with clients and brands that share this value.

20/20

In everything we do, we aim for transparent integrity. We do what we say and we say what we think. This dictates how we work with our clients and how our team are involved in all aspects of our company's development.

t3 Diagnostic
Understand the baseline and identify opportunities for team development and business performance

Basecamp
Come together as First Team and commit to the journey with the right behaviors and rituals in place

Team to Tribe Journey
Bespoke journey based on the needs outlined by the t3 Diagnostic in the areas such as strategy, alignment, values, empowerment, etc

Measure Outcomes and ROI
Retake t3 Diagnostic post program to understand uplift, measure ROI and identify gaps

Maintain Momentum
Continue to use the techniques and rituals implemented to create a sustainable platform

A well curated and facilitated leadership team accelerator journey will translate into powerful outcomes that will deliver high-performance outcomes for the team and the business as a whole.

to support the emerging needs of the team as it discovers more about itself. A great example of this is some recent work undertaken with Home Team Sports, at the time a division of Fox Media who were beginning to discuss their mission priorities for the coming year when the COVID-19 pandemic hit, significantly impacting their business model. Immediately, the Perpetual facilitation team was able to help HTS executives to pivot, to war game some scenarios and to put contingency plans in place – whilst building confidence and developing skills like resilience and adaptability.

8. First Steps

Hopefully the information above has been food for thought and has inspired a desire to learn more about these ideas and perhaps begin a transformational journey with your Leadership Team. Often in these initial moments, executives feel like they are in the “we don’t know what we don’t know” quadrant and this is natural. Therefore, our recommendation would be to find a partner to explore some ideas and in particular to take stock of where the team currently sits on its journey to high performance: this is where Perpetual’s t3 Diagnostic comes in useful to understand the start point. Based on the learning from the diagnostic a course can then be charted focusing in on the areas of need that will enable the desired outcomes for the Leadership Team and the business.

9. In summary

This white paper aimed to highlight the importance of Leadership Team development and some of the key areas where a high-functioning leadership team can make a notable difference in the outcomes of any business endeavor. The very best teams establish a set of rituals that help drive their performance, creating sustainable and elevated ways-of-working that deliver results. Our considerable experience in this field, working globally with hundreds of brand and executive leadership teams, has led us to the following conclusions that were highlighted above:

- a) In order to become effective, Leadership Teams need to invest time to explore how they operate together and where their opportunities for improvement lie.
- b) This investment should start as soon as possible and be sustained over time in order to maximize the return on investment.
- c) The ROI of such a program is measurable via the t3 diagnostic tool which focuses on the Six Attributes of High Performance.
- d) There are several key areas that LTs should focus on that will make a difference to both business outcomes and the engagement of their employees, including strategic planning and communication of the plan, alignment, empowerment, and building a high-performance culture.

e) A strategic consulting partner/ business coach can help to facilitate the journey, working with the LT to challenge their thinking and grow their capabilities.

We also know that every Leadership Team is unique in its composition and is typically somewhere on the journey already. Wherever your team finds itself, we would love the opportunity to hear your story and share our ongoing experiences and insights in this important field.

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