



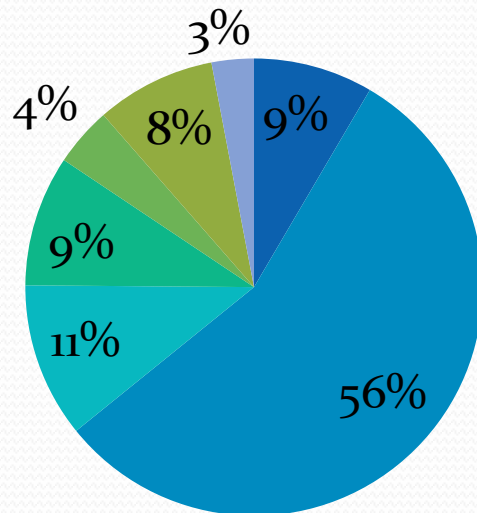
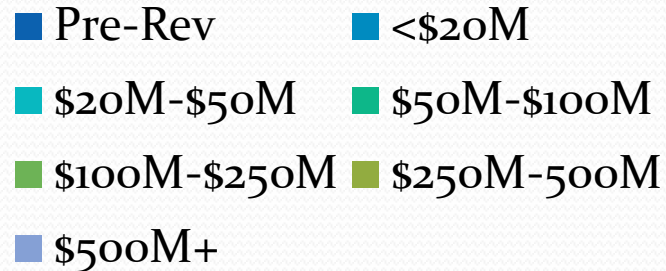
## Building Great Top Teams

Some collective wisdom  
from 126 Alliance Member companies.

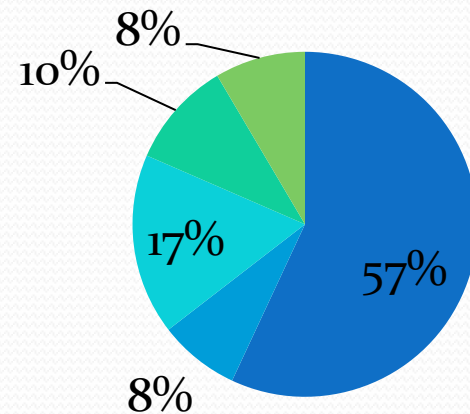
By Robert Sher – Feb 2012

# About the survey

## Revenues



## Ownership

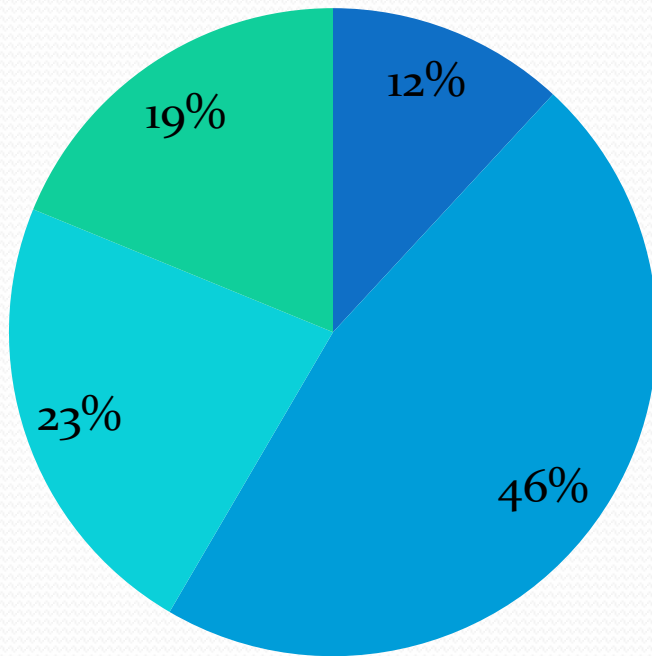


112 CEOs & 17 Top Team Members Responded: 126 Companies

# About the survey

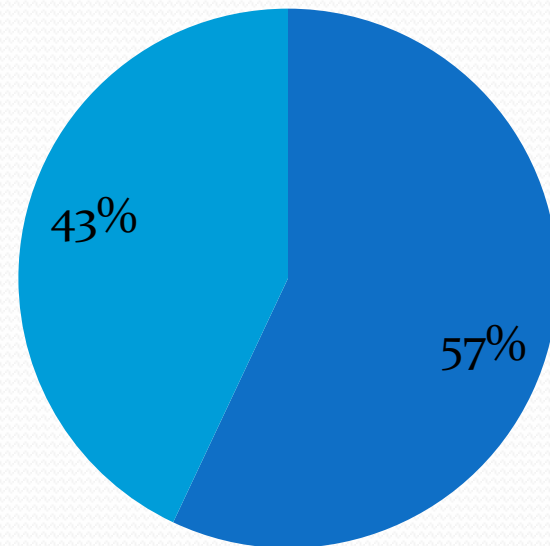
## Average Tenure

■ 0-2 ■ 3-5 ■ 6-10 ■ Over 10



## Team Location

■ In one office  
■ More than 1 location



# Most Important to Success of the Company

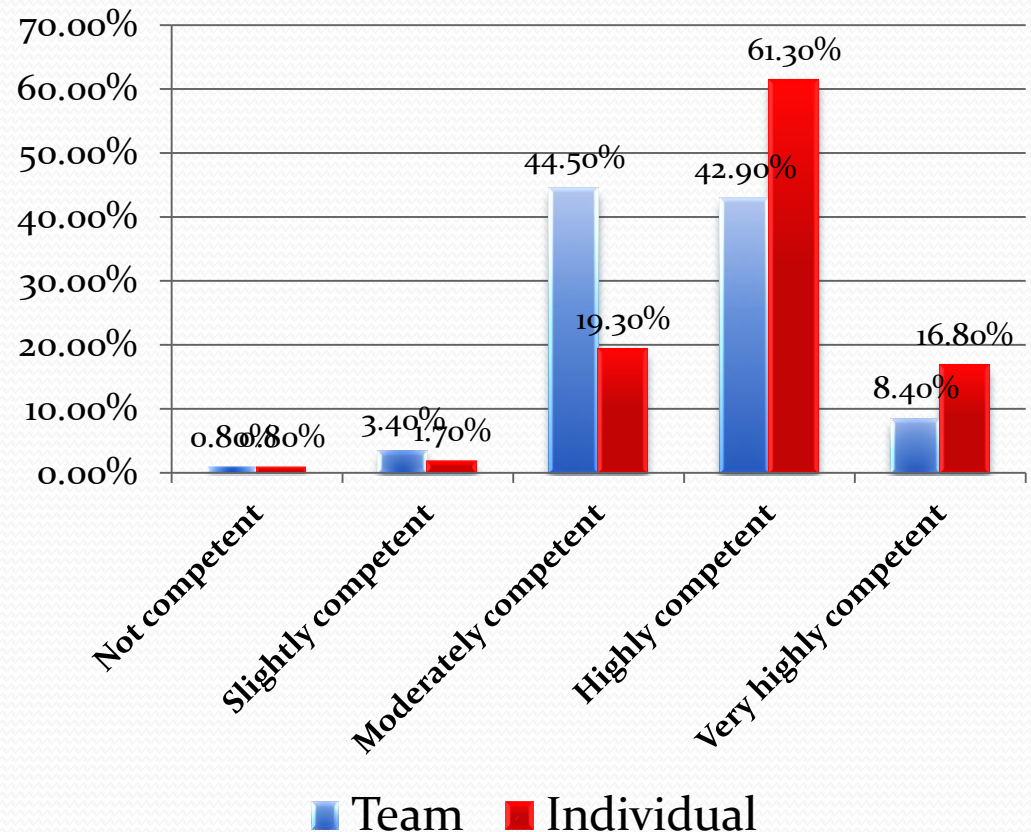
Factor	All Companies	Externally Funded	\$20M+ Revenues	\$100M+ Revenues
Solid Growth Strategy	#1	#1	#1	#1
Top Team Working Together	2	3	2	2
Dedicated Workforce	3	4	3	4
Market with sound economics	4	2	4	3
Technological Leadership	5	5	5	5
Strong Brand Name	6	6	7	10
Adequate Financing	7	9	6	9
Well Regarded Product/Service	8	8	8	8
Efficient Business Processes	9	7	9	6
Quality IT/Info Systems	10	10	10	7

If these are the important things, how well are you executing them?

# Team Competency vs. Individual Competency

*teaming well is much harder*

- Given our belief that the top team working well together is the #1 success factor, why are only 51% of our teams highly competent or better at teaming?
- Our executives are much better at doing their job (individual competency), with 78% scoring highly competent or better.



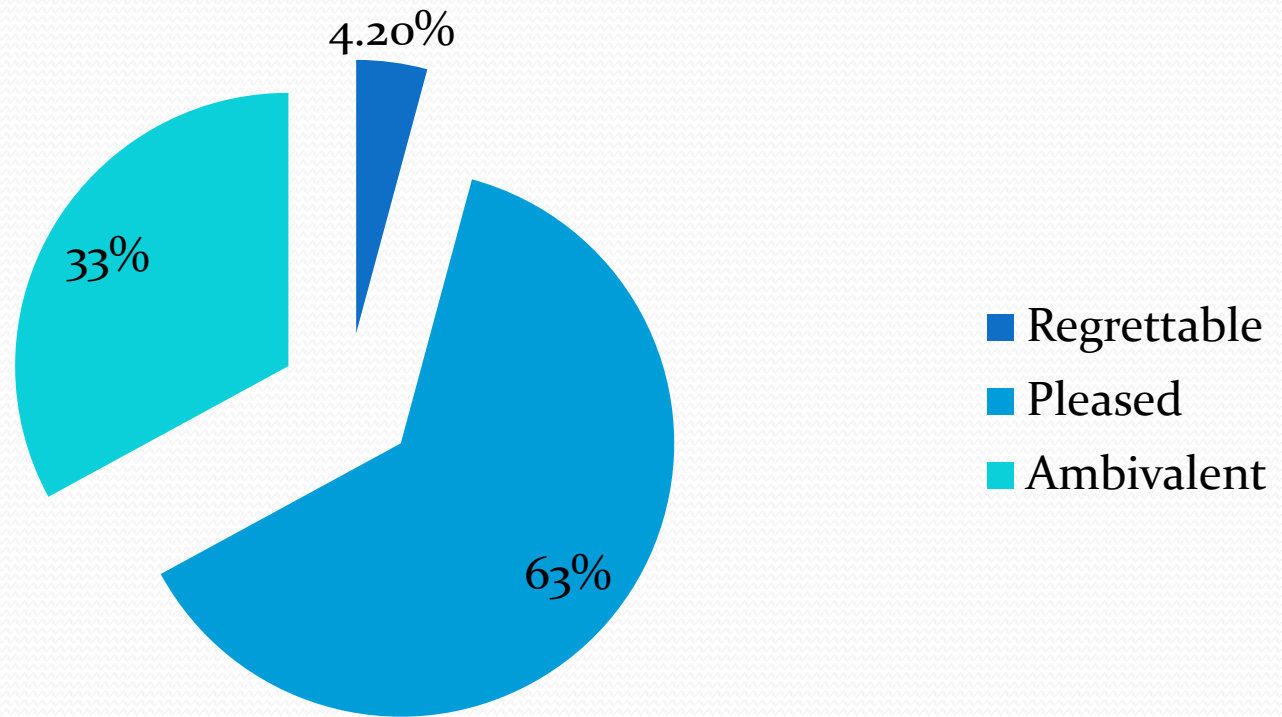
What might you do to improve your top executive's teaming competency?

# Effective approaches to building highly effective teams

- Very Highly Effective: None, but Hiring for Team Fit and 1:1 Meetings to discuss performance problems get honorable mention
- Highly Effective: Offsites, Quick replacement of problem leaders, Hiring for team fit and 1:1 Meetings to discuss performance.
- Moderately Effective: Making equity available, changing reporting relationships, training and development, group meetings to discuss group performance problems
- Slightly Effective: Adjusting compensation levels

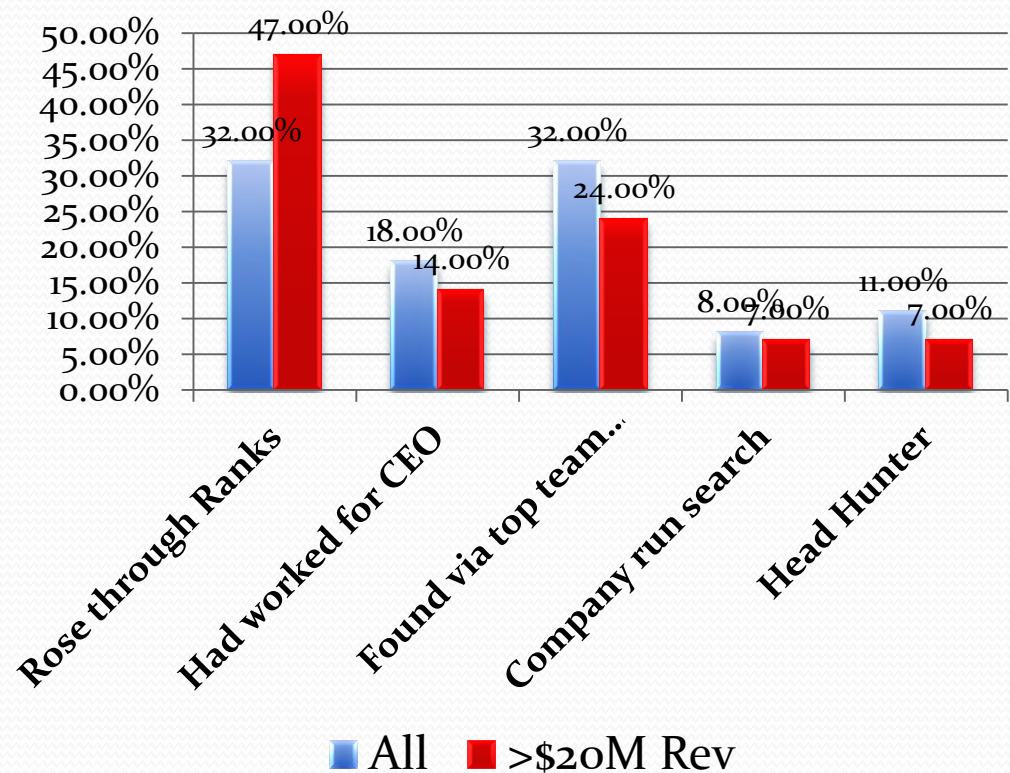
Which of these might you be under-utilizing?

How do you view the last three departures of executives that reported to the CEO? (two of the three were:)



# We hire from who we know or are connected to

- 84% of the time we hire from those we are connected to.
- Does this yield the best results?
- How much effort do we devote to maintaining and growing our network?



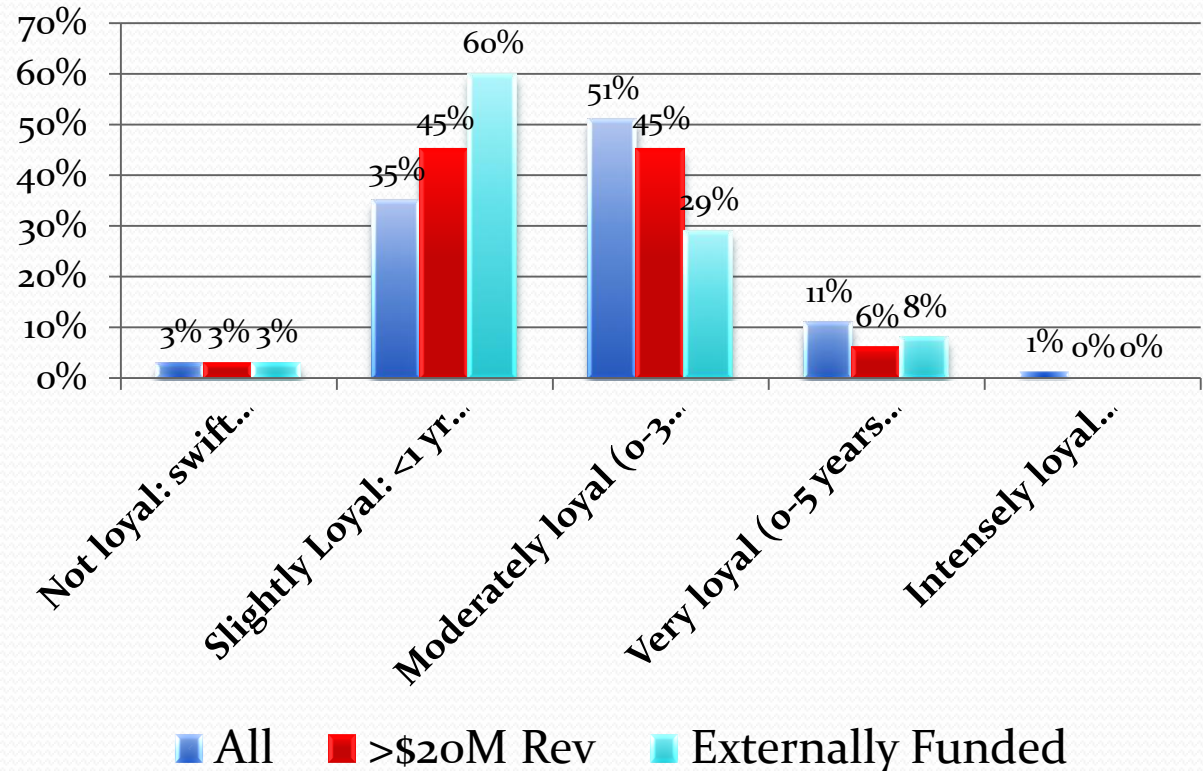


# Does CEO loyalty degrade the top team's performance?

*CEOs picture themselves as moderately tough to firm on performance.*

Larger firms state they are tougher than our average.

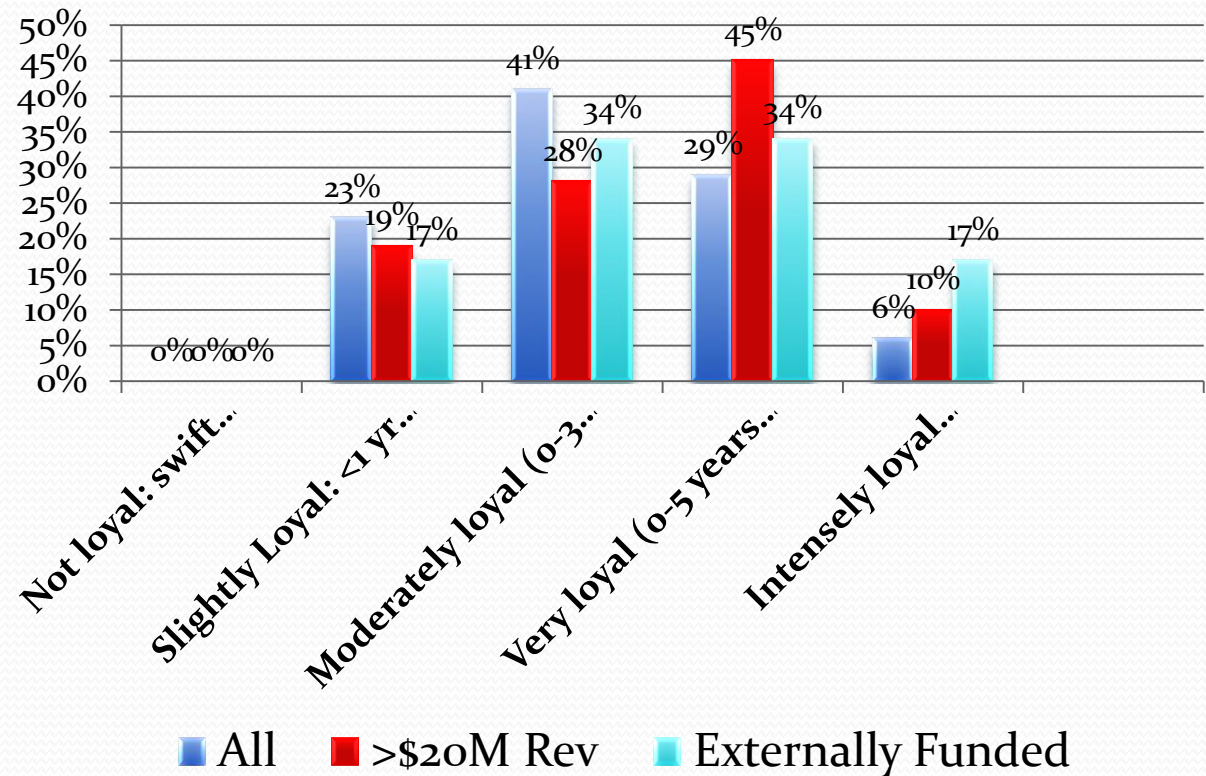
Externally funded firms state they are much tougher even than our larger firms.



Does your loyalty to your team hurt performance?  
Does it matter to you?

# *Top Team Members Speak: Does CEO loyalty degrade the top team's performance?*

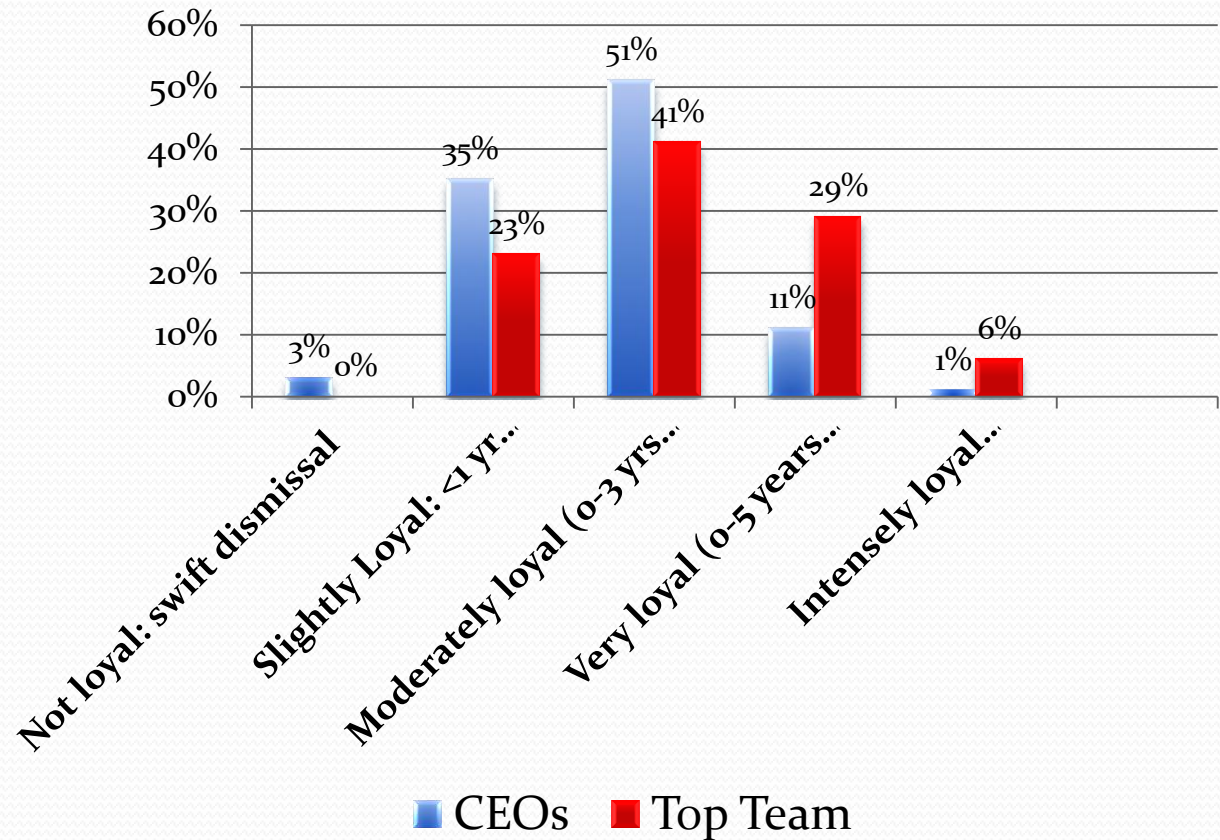
*Respondents working for the CEO think the CEO is much more loyal to underperformers, and tolerates them for much longer.*



Does your team think you're soft on low performance? If so, what is the consequence?

# *CEO Loyalty: Entire Survey Population: A difference of opinion*

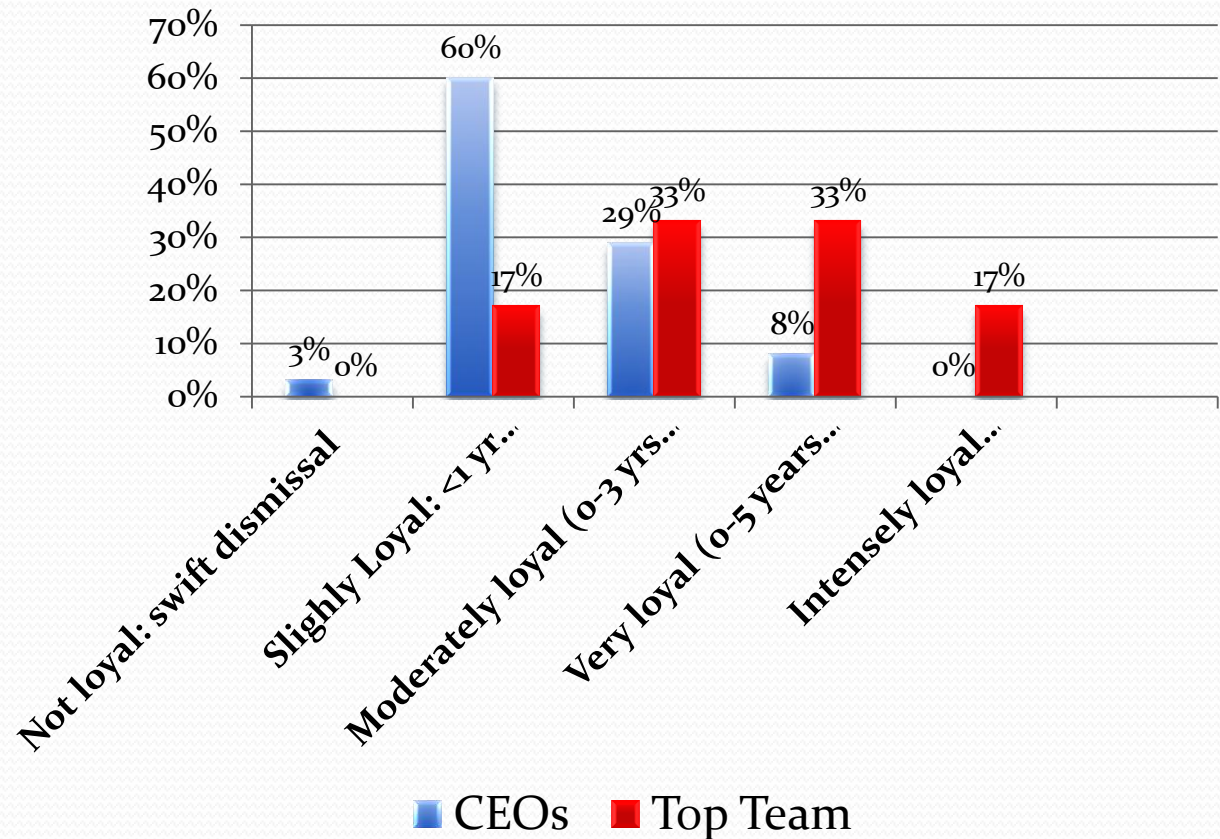
*CEOs think they are tougher on performance than their top teams perceive.*



# CEO Loyalty: Externally Funded Firms-Maximum performance pressure.

*What a dramatic difference in perception. What is reality?*

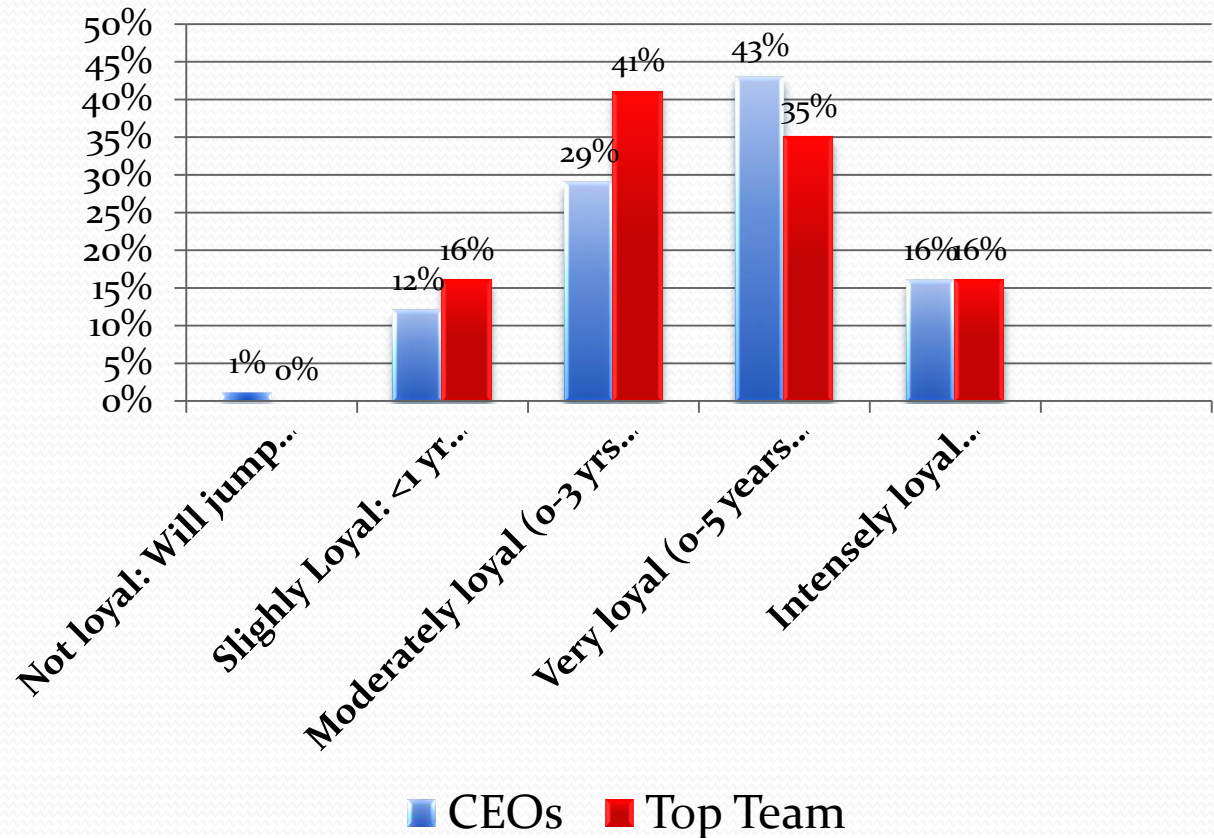
*If the top team thinks the CEO is soft on performance, what effect will that have on top performers?  
Moderate performers?*



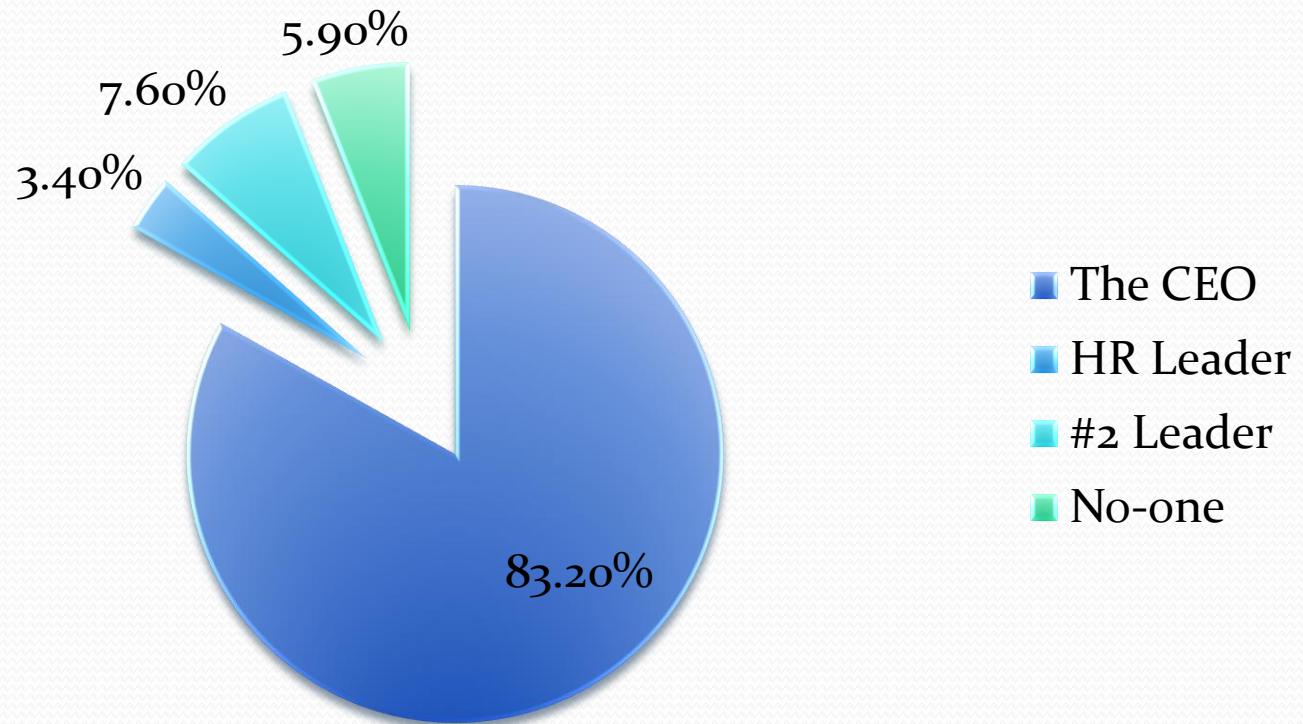
# Top team loyalty: How long will they tolerate a poor work environment?

*Top team members seem more likely than CEOs think to stick it out for up to 3 years.*

*No significant variation between larger firms or externally funded firms.*



# Who drives and is responsible for the “care and feeding” of the team that reports to the CEO?



Firms over \$20M revenues still reported 83% of CEOs drive this process.

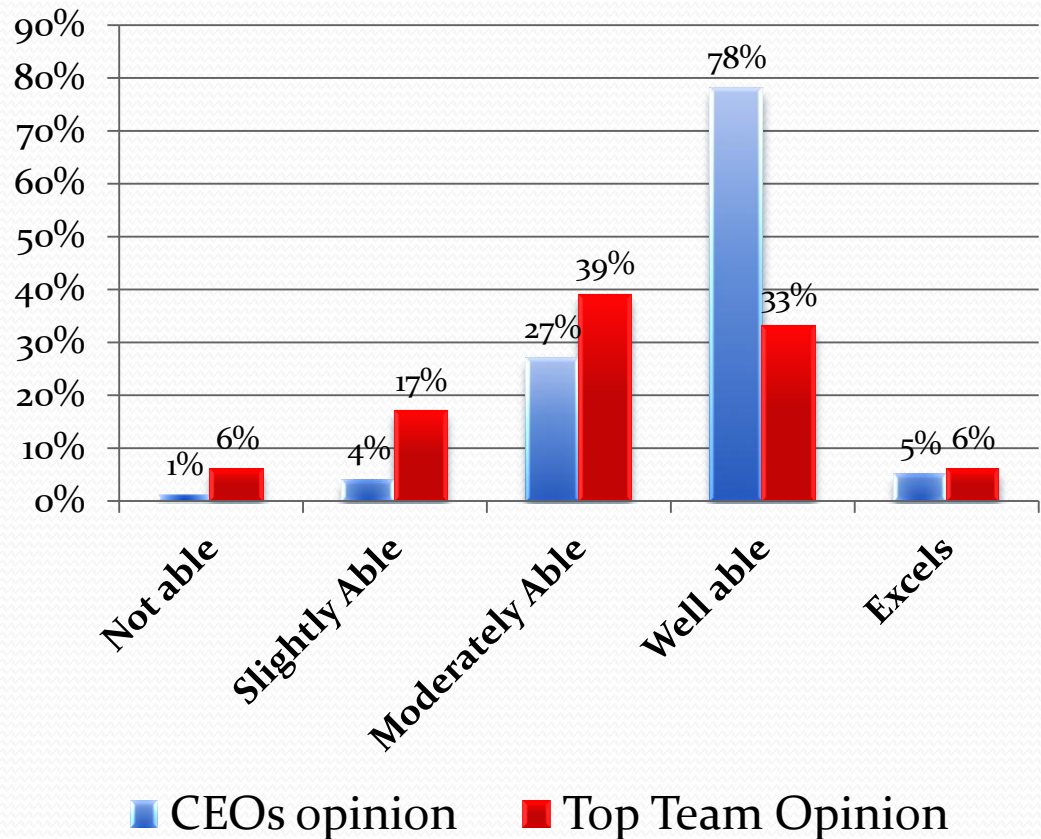
# How able is the CEO to find, select and lead an excellent leadership team? *The tale of two perspectives.*

*Top team members have less confidence in their CEO's ability to lead than the CEOs themselves.*

*Right or wrong, what effect on performance does this perception have?*

*Do CEOs want to know how their teams feel they should improve?*

*How can CEOs elicit real feedback?*

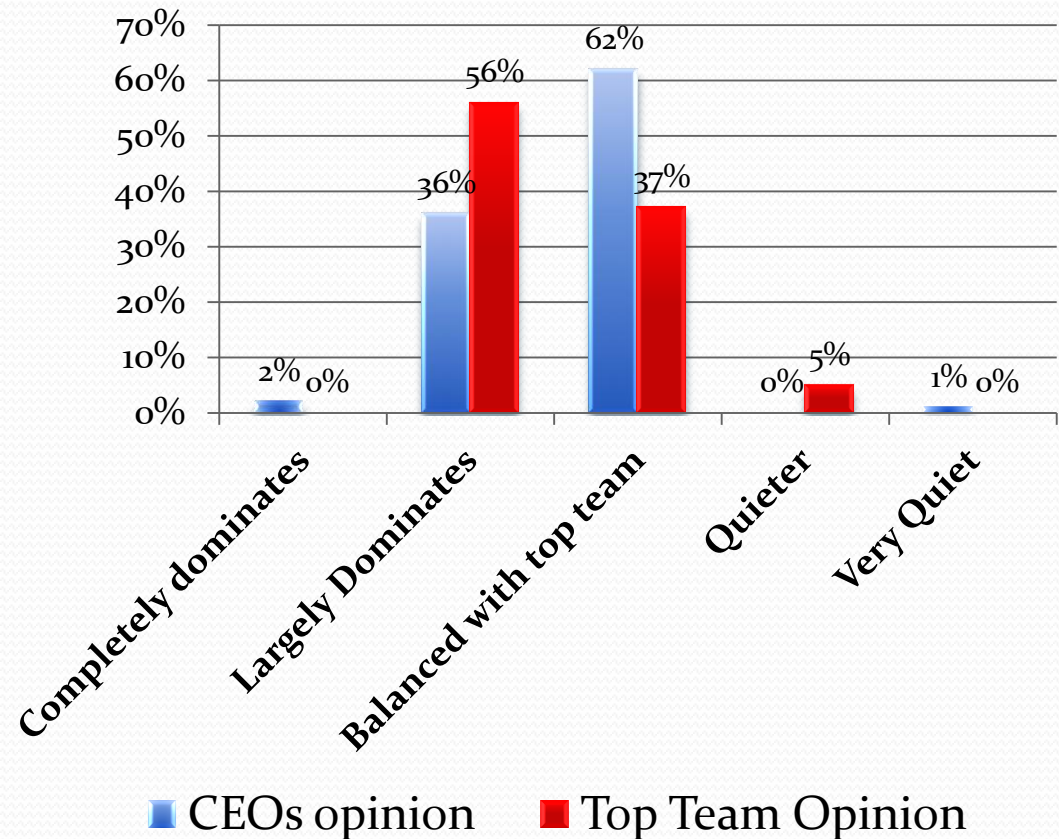


# Does the CEO's voice drown out their leadership teams? *The tale of two perspectives.*

*The CEOs voice is perceived as louder and stronger by their teams than they realize.*

*What affect does this have on fostering real leaders under the CEO?*

*Does the truth matter, or is perception everything?*



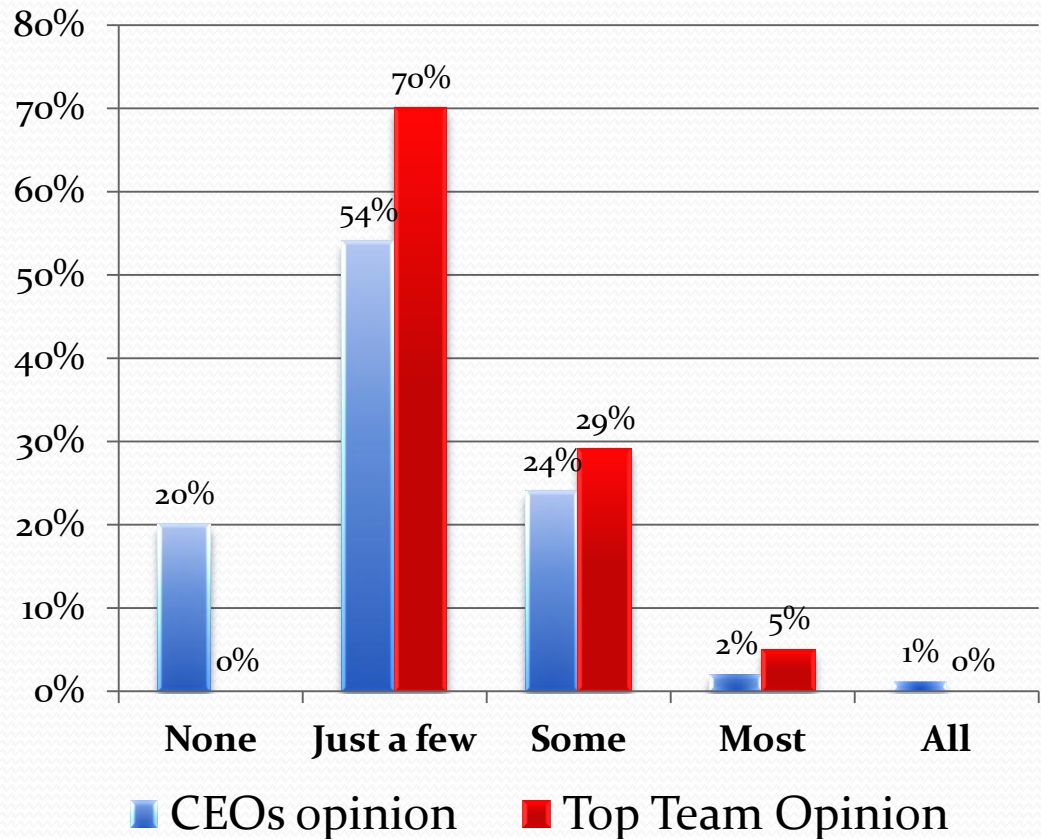


# What percent of the top team members demonstrate leadership skills approaching or exceeding the CEO's?

*Top team members seem to feel that they and/or their peers have a higher level of leadership skills than CEOs give them credit for.*

*Both parties perceive a lack of leaders capable of leading an organization of a similar scale to the one where they work.*

*Why?*





## A lot of data and a lot of questions. So where are the takeaways? *(on the following pages)*

1. Work your case studies at your tables.
2. After each case study, come to consensus on the key takeaway.
3. The Director of the table will write it down and send it to me.
4. I'll circulate the slides, and the key takeaways in a few days.

# Some key takeaways from table discussions

Issue 1: (High growth company may be outstripping some on current team.)

- Make changes quickly once you realize you have a weak player.
- Help your strong leaders learn and grow, and keep them pulling together.
- For high growth companies, the CEO must come to terms with whether he/she has the will/interest/ability to be the CEO for the next growth phase.
- Envision the leadership team/org chart of the future, and map the path from your current team to the future team—being realistic.

Issue 2: (Exec reacts badly to new talent added to the team)

- When an executive starts playing politics and games, and is using power-plays to attempt to control outcomes, fire them immediately.
- Be cautious about “shiny-object” solutions, and vet them and prioritize them before implementing them.
- When you have a lot riding on one executive, consider modifying the org chart to reduce dependency and to reduce overload on that person.
- Consultants should be temporary, like scaffolding. They help in a pinch, or to build internal people grow. L/T solutions should be with F/T executives.

# Some key takeaways from table discussions

## Issue 3: (Managing remote leadership teams)

- Teams should use the phone and video liberally, not so much e-mail.
- There must be rigidly enforced standing meetings to keep the team connected. More important than in one-location situations.
- Video is a really powerful tool, and high quality video should be a priority, and should be used often.
- CFO have a powerful role to play in keeping teams connected. They are more consistent than CFOs, and can pull together facts and figures, and keep teams teaming.
- Make sure that the leader at a remote site has been “indoctrinated” in the home office culture.

## Issue 4: (Sales Management)

- Understand for a sales management role how much “salesperson” you need versus how much sales manager/leader you need. These may require different skill sets.
- Prove scalability in young sales efforts before scaling!