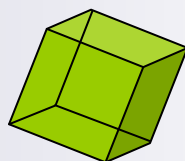




Night Light Series

Wood and the Arrow

Aligning the Executive Team



Stratexos, LLC

Strategy Execution Solutions

The Situation

Mounted in a glass case above the mahogany credenza of a CEO we know is something made at scout camp by one of his kids. It's a whittled tree branch, about a foot and a half long, as thick as an index finger, with stiff, reddish-brown bird feathers at the notched end, and a pointed slate-gray rock lashed to the other. It's there to remind him of a business mantra borrowed from a counterpart in another industry: "Put all the wood behind the arrow."

The CEO had great confidence in the company strategy, but had been frustrated by management's inability to successfully execute it. He expected the recently completed redesign of the organization's top three levels to remedy that. The change resulted in an executive team now consisting of a few high-performers previously on the team, but in different positions, and a number of newly selected members. The CEO was looking forward to working with them to focus all the company's thinking and resources in a single direction. The question was: How best to begin?

A Perspective on Solutions

Teamwork is tricky. Even a non-fan can appreciate that the teamwork in soccer is not the teamwork in doubles tennis. The teamwork of baseball is not that of a relay team in track. Each team is defined by the special demands of its sport and succeeds to the degree that it utilizes the unique talents of its players. This is also true of an organization's executive team. To be effective, the team must understand the game it's playing, commit to the rules it will play by, and act on those rules where and when it counts. This is what's meant by executive

team alignment.

An Approach to Executive Team Alignment

Step 1: Understanding the Strategic Context

The executive team does not work in a vacuum. There is an organization vision and strategy to pursue. There are expectations to meet coming from the Board, shareholders, government regulators, stock analysts, and news media. There are also pressures from inside the organization where executives, staff, and employees are looking for direction, support, resources, and information. These are some of the key elements forming the strategic context in which the executive team operates. As highlighted in Figure 1, the first step in executive team alignment is understanding the strategic context. That is, what is the organization's vision and what is its strategy for achieving it? Who are the team's key constituencies inside and outside the organization? What do they expect? What is an open-eyed, non-sugar-coated assessment of the organization's strengths and weaknesses?

Step 2: Committing to an Approach to Teamwork

The most effective executive teams value "the explicit" over "the implicit." The former leads to clarity, the latter tempts confusion. Therefore, this second step involves vigorous discussion leading to explicit commitments in five broad areas. (See Figure 2.)

- *Goals.* With the team's common understanding of its strategic context, it begins to consider implications. Team goals is the first area. Commitments made here ground the conversation of the remaining four areas. Questions to consider include: What do the goals and priorities of this team need to be? Which can we



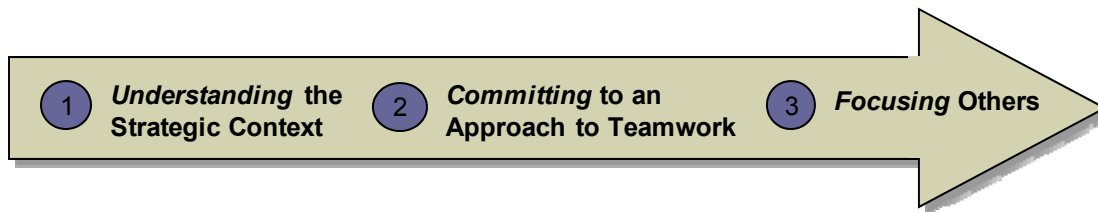


Figure 1: Aligning the Executive Team

reasonably commit to accomplishing?
In what timeframe?

- *Roles.* As a group, the executive team's role in strategy execution is clear. However, the role of individuals is often less so. Therefore, it is important to identify: who is responsible for what, areas of overlap (therefore opportunities for conflict or cooperation), who has authority for key decisions (including who should be included before these decisions are made and who should be informed afterward), who speaks for the team to the media, the board, management, etc. and whether those communications follow the "one voice" rule or one in which the sharing of dissenting opinions is sanctioned.
- *Procedures.* The most effective executive teams develop ways for getting their work done that are efficient, yet respect the culture of their organizations. The discussion in this area should result in commitments regarding the answers to such questions as:
 - How do we want to define "timely response"? What are the best avenues of communication to ensure we get this from each other? Are there special avenues or restrictions regarding the sharing of information that is deemed "highly sensitive" or "confidential"? (Everyone on the team should know which avenues of communication are accessed by executive team members only and which can be accessed by their administrative assistants.)
 - Who sets and manages the agenda for our team meetings? Who is responsible for documentation and communication?
 - Of the various ways a team can make decisions, which will we use? Under what conditions?
 - How will we evaluate our effectiveness as a team? Against what criteria? At what intervals?
- *Interpersonal Environment.* By virtue of their positions in the organizational hierarchy, members of the executive team are powerful people with unique responsibility for the fate of the organization. They have pressure to bear, targets to hit, and confidences to keep. To be successful, they must create a working environment for themselves that is as unique as they are. Important commitments result from discussing such questions as: What do we value? What kind of interpersonal environment will support us doing our best work? What are the specific requirements? What specific working agreements will ensure we have such an environment?

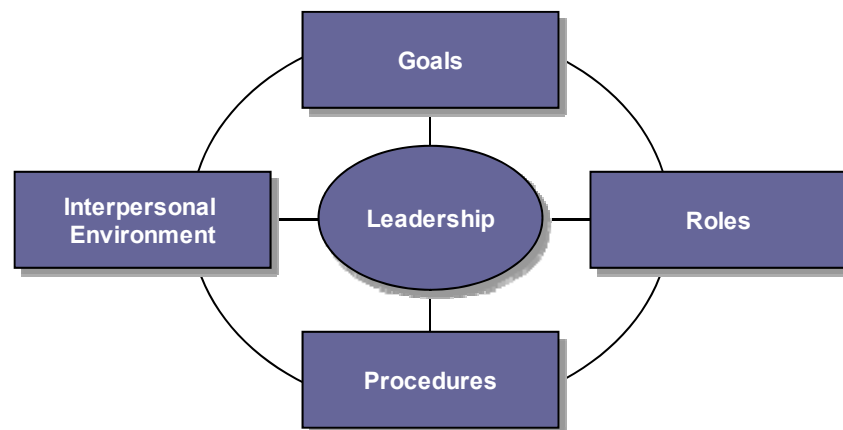


Figure 2: An Approach to Teamwork

By way of example: The executive team of a high-tech company has as one of its characteristics “healthy competition,” and as a working agreement “Vigorous challenging of ideas.” The executive team of a healthcare organization lists “Respect for the individual” as one of its characteristics and “Treat each other like family” as a working agreement.

- **Leadership.** The CEO’s job is to envision, inspire, involve, enable, and ensure accomplishment of the organization’s strategic goals. By extension, executive team members have the same job. They need each other to succeed. The most effective executive teams have explicit discussions about this interdependence. The topics of conversation and commitment include: What, specifically, is expected of the CEO? What, specifically, does the CEO expect from each of her/his team members? What working agreements are needed to ensure that these expectations are met?

Step 3: Focusing Others

The previous discussions are of limited value if they do not produce action. That action is directed toward focusing others in the organization toward the accomplishment of the strategic goals. This step involves following through on the commitments made about roles and interaction with identified constituencies. Each team member uses his or her unique set of skills to inspire, involve, and enable others under their charge. An insurance company COO meets monthly with a select group of high-potential executives tasked with developing programs and incentives for ensuring consistency between the company’s values and its actions. His counterpart in a professional services firm holds quarterly offsite meetings with his direct reports to discuss progress on strategic initiatives, coordinate action, resolve conflicts, and develop leadership skills.

Final Thoughts

The approach described above has been effectively used with “new” executive teams, such as those created when a new CEO has

been selected and brings a different set of players into the chief executive suite. It has been effectively used with “teams in trouble” where there is serious evidence that “the left hand doesn’t know what the right hand is doing and doesn’t care” as with an executive team whose Q & A session before a group of the company’s senior managers exposed their internal competitiveness and lack of common vision. It has been used where there has been a change in the organization’s strategic direction and therefore a need to reexamine the working of its top team. And, it has been used as the basis for an “executive team check-up” conducted to assess the team’s effectiveness.

The theme running through these scenarios is the absolute necessity of the executive team being aligned in its thinking and in its actions. This alignment is key to success—whether you think of it as “singing from the same song sheet,” “being on the same page,” or “putting all the wood behind the arrow.”

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About Stratexos

Stratexos, LLC helps senior executives create, execute, and evaluate solutions to the leadership and organizational issues keeping them up at night. Areas of expertise include:

- Chief Executive Transition
- Executive Team Performance
- Sharpening Organizational Strategy
- Designing Organizational Structures
- Aligning Organizational Culture
- Orchestrating Effective Change

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