BIGGER IS DIFFERENT

How to Keep Winning When Growth Changes Everything

ALECIA HUCK

BIGGER is Different.

Frustrated? Need a little help?

Need a LOT?

SCHEDULE A CALL

Talk with Alecia Huck directly. Growth can cause a lot of confusing, frustrating, expensive new problems.

Get expert advice, insights for your specific situation, and answers to your questions about working with Alecia Huck & MAVERICK.

This article is intended for organizations that have grown significantly but whose infrastructure is still mostly informal.

The ideas in Part Two will still be especially useful for a wide range of enterprises working to develop or refine their own infrastructure and are HIGHLY RECOMMENDED reading for leaders managing a merger or acquisition.

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And **follow Alecia Huck on LinkedIn**
where she posts great stuff on a regular basis.

INTRODUCTION: THE SUCCESS TRAP

A few years ago, I started noticing a pattern among certain clients. They were all smart, capable, successful leaders who had experienced major growth. They worked with more people and made more money than ever before. They also worked longer and harder—but couldn't ever seem to get caught up. They had all their old problems plus a lot of new ones. There was a lot of money coming in but also a lot of money going out and they couldn't always tell if it was being invested or wasted. **Work was more work and less fun.** The success they'd worked so hard for started to feel a little like a trap. Why?

BIGGER IS DIFFERENT

Smaller isn't always easy but it is easier. There is less to do and less to keep track of. As you grow you deal with more work, more dollars, and more people, which means more complexity and a multiplied factor of risk. Size changes things. BIGGER is different. Making dinner for 4 people is very different than making dinner for 40. Or 400.

BIGGER happens when a significant increase in workload overwhelms your existing infrastructure. Your business might look a lot like it always has, but it doesn't work the same way anymore. BIGGER isn't just a little different. It's a fundamental state change. BIGGER means you're playing a whole new game with a very different set of rules.

You can't fix infrastructure problems by working harder or hiring more people.

You need an infrastructure upgrade. You need to build efficient and effective systems, processes, and tools to manage all the people and all the work. Your managers need new skills and very different strategies to manage their own growing teams and develop new leaders beneath them. And ALL your leaders need to learn new ways to share data, make decisions, disagree, align, and execute in order to keep up without killing themselves.

You do NOT need giant rule books or a thousand hours of new, time-killing meetings. You don't need to give up your freedom or the things that make your company special.

You do need to make some changes.

And you need to make them *while* you keep doing all the work you've been doing.

It's…a lot.

THIS is your instruction manual. Your playbook to find and fix the real problems, to level-up your team, to protect what makes you special and to *keep winning.*

Get excited.
Alecia Huck

PART ONE: A DIFFERENT KIND OF PROBLEM

BIGGER happens when an organization grows beyond the amount of work that its systems and processes can handle. Fundamentally, BIGGER is an INFRASTRUCTURE problem.

Because it also deals with growth, BIGGER sometimes gets thrown in with the term SCALE. But they are two different problems.

Scaling a business means growing revenue faster than costs and/or resources. If a company can add a whole bunch of new customers without proportionately increasing its costs, it is scalable. SCALE is a broad term that can include considerations from market dynamics to process automation to cash management. It's about all the external and internal elements needed to grow a business and profit without growing costs.

BIGGER has a narrower focus. Specifically BIGGER is what happens internally when a company makes more money and grows the total volume of work they do without growing the systems, processes, tools, and skills they need to manage the volume. It's that volume, and the internal infrastructure that is needed but missing, that define BIGGER.

BIGGER is a very big, very common problem.

Most people have never heard of it.

If you don't know what to look for, BIGGER is easy to get miss or misdiagnose. In fact, it can be hard to see at all. Once you do learn what to look for however, BIGGER becomes incredibly easy to spot.

BIGGER is hard, in part, because it is...sneaky. It's not necessarily a simple or straightforward problem to recognize. There is no single event or growth marker that can tell you you're there. Companies don't become BIGGER when they have a certain amount of total revenue or number of employees or locations. It happens to big companies and small ones, start-ups, and companies four generations strong. And like the old fable about a frog that ends up in boiling water, BIGGER happens progressively over time. Which means you can be in hot water a long time and not even know it.

BIGGER is also often misdiagnosed. People will talk about how a company "got too big" or "grew too fast." But there are many companies that successfully manage to get very big, or grow very fast, sometimes simultaneously. The problem is not size or speed. The problem is that companies don't have the INFRASTRUCTURE they need to manage the amount of work there is to do.

Three inches of snow in Chicago is no big deal. Three inches of snow in Atlanta can shut down the city for days. **The problem is not the snow**. The problem for Atlanta is that they don't have snowplows and salt. Their people don't have snow tires, and most aren't trained or experienced in driving on ice and snow. Snow is a problem in Atlanta because Atlanta doesn't have the INFRASTRUCTURE it needs to manage the snow.

Your infrastructure is the network of systems, processes, tools, standards, and skills you use to get your work done.

Unfortunately, if you are not trained in INFRASTRUCTURE, you probably don't recognize your infrastructure problems. Your experience and training will have you focus on the work you need to get done and the problems you need to solve. As you grow, you have more work to do and more problems to solve. So you work longer and harder, while the problems pile up and get worse, never realizing that the real problem is the infrastructure you are missing.

HOW TO KNOW INFRASTRUCTURE IS THE REAL PROBLEM

BIGGER has a signature. While there is no specific number of employees or amount of revenue to look for, there are clear, predictable signs that will tell you that your infrastructure is not keeping up with your growth. When you've had a big increase in your total workload AND you're dealing with some combination of the issues below, you are BIGGER, and the real problem is your infrastructure.

Do any of these sound familiar?

1. **You work more and work longer, but the work is never done, and you never seem to really get ahead.**
   When you are used to winning by working harder, working harder becomes the default solution to problems. When a company is BIGGER, you keep working hard but it's a struggle to stay on top of things. You rarely feel like you're making any real progress. You get stuck just trying to survive each day's crisis.

   It's common to find yourself having more meetings with more and more people. They last longer, take up most of your workday, but don't actually produce much.

   You may try adding another person to the executive or management team as a way to get things under control. But when the problem is missing infrastructure, adding more people, even highly skilled and well-meaning people, often actually make things *worse*. You've got one more person who needs to be filled in, another opinion that needs to be heard, but you haven't gotten any better at moving information or making decisions. The result is that important work still doesn't get done and now there is one more expensive person sitting in meetings not producing results.

2. **There are a LOT of emergencies.**
Too many emergencies are a sign that your organization lacks stability. Even in the most chaotic, fast-moving environments, there are things leaders can and should control. Size destabilizes existing systems which leads to surprises and emergencies that take time away from regular work. This leads to more emergencies, creating a vicious and exhausting cycle.

3. **Important stuff is getting missed.**
Good people missing important things they wouldn't normally miss is a good indicator that your structures are breaking down. It could be that your priorities aren't being communicated clearly or are changing too often. People may not have a way to keep track of the sheer volume of stuff they need to accomplish. There may simply be too many emergencies. But if the person isn't the problem, something in your environment is—usually the structures around those people.

4. **You can't believe people STILL don't get it.**
What you want is smart, capable, independent people who take the initiative. Instead, it feels like people need help on simple problems, wait for approval instead of handling an issue, make mistakes that "should" have been obvious, and basically just don't get "it." You see the same problems come up over and over and you can't figure out why they can't figure things out.

   A lot of leaders hire people to "help" and complete tasks instead of hiring, training, and setting them up to have clear ownership over a specific area of responsibility. The result is that the more people you have, the harder you need to work doling out tasks, double checking, redoing, answering questions and solving problems.

   And because attitude, behavior, and productivity problems are messy to deal with, you or your managers might be working around them instead of dealing with them. This causes more problems, more petty conflicts and resentment and will mean you end up playing referee and dealing with drama no matter how much you try to avoid it.

5. **Things happen way too fast, or way too slow.**
BIGGER makes it harder to stay on top of everything as a group. When teams respond by waiting until everyone can be informed and included, you must delay action and decisions. Everything slows down. When teams opt to make decisions without key people, it usually feels like everything is moving too fast (especially to the people left out of the process.) Usually it's an unpredictable, confusing, and stressful combination of the two.

These are the symptoms of structural breakdowns.

Growth puts pressure on old, informal systems. To use the "too fast/too slow" example, a group might be used to making decisions by bumping into each other or in their weekly meeting. With more people who need to be included and more decisions that need to be made it quickly becomes impossible to stay on top of it all. Teams must decide between delays or leaving people out, neither of which works.

The old systems simply can't handle the increased workload. And the old structures? The old structures can't support the number of people and the amount of work you need to do now.

BIGGER is fundamentally a structural problem. Structural problems require structural solutions. Hard work isn't enough. You have too much to do and too many problems. When a water pipe bursts, the solution is to fix the pipe, not just work harder at bailing water.

The problems are loud. You and your leaders are used to fixing things by working hard at solving problems. But once a company is BIGGER, you need to shift to thinking about building systems. You need to "fix the pipe," the infrastructure. In business, that means replacing old, informal systems and processes. It means changing how people and work are organized, how resources are assigned, how information moves between people, the tools your leaders use, and how good they are at supporting people and holding them accountable.

If leaders focus on solving problems instead of building infrastructure they will end up in a long, exhausting, losing game of Whack-a-Mole. They deal with one problem and another two (or ten) pop up somewhere else.

If you're like most leaders, you are most experienced, comfortable, and skilled at doing the work and solving the problems. It's a very big change to start to focus first on INFRASTRUCTURE. It's AS BIG of a change as switching from playing baseball to playing football. You need a lot of the same skills and abilities in order to win but the game itself is fundamentally different. You need to understand the new set of rules and develop new skills and strategies in order to keep winning and avoid big losses.

Dealing with BIGGER means shifting focus from solving problems to building structures, from effort to strategy, from working IN the business to working ON the business. **Working harder isn't enough. You have to work smarter and with a very different focus.**

WORK SMARTER: FORMAL VS. INFORMAL INFRASTRUCTURE & THE MACHINE

Every organization has infrastructure. Some of it is formal and some informal. Infrastructure is the way you get work done. It's how supplies get ordered, decisions get made, priorities get picked, work gets assigned, paychecks get written and new people get trained.

INFRASTRUCTURE is all the elements of a business that make it possible to get work done. It includes systems, processes, tools, structures, culture, training, habits, resources, and management. It's the way teams gather and communicate information, organize people and resources, plan and make decisions, track and manage work.

<u>INFORMAL Infrastructure tends to be verbal, spontaneous, casual, ad hoc and reactive.</u>
Example*: Informal training usually looks like a more experienced person showing the new person how things work. They remember or decide in the moment what needs to be covered.*

<u>FORMAL Infrastructure is written, pre-planned, conscious, standardized and proactive.</u>
Example*: Formal training could be as simple as a basic checklist of topics that need to be covered or as elaborate as a formal training manual with testing to make sure the material is actually learned, and a record of training is created and filed.*

All organizations have both informal and formal infrastructure. One is not actually better or worse than the other. It's a mistake to be too informal. Too much shooting from the hip makes it easy to miss things or make mistakes. It's also a problem to be too formal and create so many rules and regulations and systems that the infrastructure actually gets in the way and makes it harder to get work done. The key is to find a balance between the two that fits your culture, goals, and the current needs of your organization.

When it comes to INFRASTRUCTURE, what matters is what is EFFECTIVE.

In small companies, it's possible (although not advisable) to manage mostly informally. Everyone works close to the work itself and to one another. It's easier to have conversations and make decisions and keep an eye on everything. People talk all the time. Everyone knows everyone, how things work, and what to do.

Size changes several key dynamics:

- **More front-line work** means dealing with more customers, more decisions, more potential problems, more costs, and more revenue.
- **More people to do the front-line work** means more to organize, more to train, more to manage, and more potential problems.
- **More managers add entirely new layers of complexity** to how things get done. Information needs to be relayed to them and through them, up to leadership and back down to front-line people. There are more people to involve in decision making, which takes more time.
- **More space** is often needed to house everyone. New offices or even new locations mean everyone is more spread out. It changes how often people connect informally and how easy it is to communicate.

Each new stage of growth makes it a little more complicated and a little tougher to stay on top of everything. When people manage informally, they're mostly managing by TOUCH. They check in with people to get updates, deal with issues, or make decisions. This can work in smaller organizations. It's not as efficient or profitable but with good people companies can get good work done.

As your company grows, key people have more to do over a larger number of people and a bigger geographic footprint. Your leaders aren't always able to be there to make sure things are done the way they want or help team members solve problems the way they used to. You don't have the luxury of checking in as often so they're not always sure what is happening.

If you or your leaders are not there to make sure things go right and you haven't created formal training and reporting to make sure it does, you're basically hoping people can and will figure it out without you.

To keep winning, you need new kinds of formal infrastructure, systems, processes, skills and tools to manage the increased workload and keep producing quality results.

You need to build your MACHINE.

The MACHINE is a system of formalized infrastructure; the formal meetings and documents and communication structures that allow leaders to organize people and resources, plan and make decisions, track and manage work. It's the formal systems, processes, tools, skills, planning, strategy, and training **that makes it possible for teams to get quality work done PROFITABLY.**

The MACHINE creates efficiency and stability and helps GUARD PROFIT.

BIGGER IS ALSO DANGEROUS

One of the biggest problems with BIGGER is that businesses that are BIGGER tend to be making BIGGER money. And it can be hard to believe you're in trouble when your bank statement looks so good. But the fact that it looks like you're doing well, doesn't mean you are.

A big pile of money can hide a multitude of sins.

When you don't have sufficient structures in place to monitor what is really happening, it is possible to be in major financial trouble without any indication something is wrong. The losses might be going unnoticed because you're not actually looking for them, or not looking often enough and closely enough. (I have personally seen millions of dollars vanish as inventory mistakes are found and corrected or when bulk pricing was finally analyzed enough to realize that millions of dollars of inventory had been sold *at a loss.*) You can't manage what you can't see or aren't looking for and whatever you don't actively manage tends to become a problem at some point. The real problem is that when you are BIGGER, the bad is often bigger too.

Good infrastructure gives leaders a way to know they're in trouble while they still have time to do something about it.

Even you manage to avoid a major problem, the **lack of good structures can mean missing opportunities and literally BURNING MONEY with inefficiency and repetitive or poor-quality work**. Consider the cost of insufficient infrastructure in five key areas:

1. **Man Hours**—This is the time your front-line people spend getting the work done. In many organizations, training looks like experienced people or managers showing new team members how to do it. What people see, and what they remember, can vary greatly. If you've never established even simple processes for how to do work or formalized your training enough to make sure the important stuff gets covered, you're basically asking your front-line people to make up how the work should get done. **When you don't have formal processes and systems in place you miss out on both quality and efficiency during each man-hour.** The more people you have, the more you stand to lose.

   You also waste man hours when managers don't have clear plans and good systems for delegation and leave front-line people waiting for instructions, re-doing work, or overloaded and playing catch up.

Additionally, unless you're consciously creating a strong culture where people are both held accountable and recognizably appreciated, you're unconsciously creating a culture that lets bad employees get away with too much and takes good employees for granted. This creates additional problems with hiring, retention, morale, and productivity which all eat up additional man-hours and dollars.

2. **Management Hours**—These are some of the most expensive hours in your entire organization and one of the biggest hidden sources of waste. Managers that don't prioritize their own work well, or who spend a lot of time on low-value work are wasting expensive time. Spending time on small things also means they have less time available for high value work like solving high level problems, building systems, or providing training and oversight for their teams.

   One of the biggest sources of waste is when managers spend time doing or redoing the work that should belong to the people they manage. You end up paying for the same work twice, in part with management dollars.

   Like all employees, managers also need structure, formally defined roles, training and accountability. When they don't have it, you're hoping they're doing the work that makes the biggest difference. And often you'll be wrong.

   Another big source of waste is management teams that aren't efficient as a group. Management teams that are so dysfunctional that they openly fight are fairly rare. **The bigger danger is when they're dysfunctional but polite.** It's harder to know you have a big problem. Management teams need to be able to collaborate on decisions, coordinate and share resources, and plan and troubleshoot efficiently. It is critical they be able to have honest conversations and healthy disagreements. Most people don't get the training or tools they need to do this. And most organizations pay for the dysfunction again and again in dollars wasted and opportunities lost.

3. **Physical Resources**—Without good systems to track key materials, products, and money it's EASY to over-order or miss a lot of write-offs. And when you don't have strong oversight, when you get busy and forget to check, you're also vulnerable to theft. Even when you have good people doing their best, the losses can pile up quickly. Managers that spend their time running around fighting fires are rarely as proactive as they need to be about time and resources. The inefficiencies you aren't preventing, the supplies you're wasting, can become significant or even horrifying expenses depending on your industry.

4. **Spending Money & Not Spending Money**—Spending is a problem in both directions. **Undisciplined spending** on foosball tables or fancy coffee machines that aren't tied to a goal or return, **or unmonitored/out of control expense accounts can become major problems**. (My favorite example is the business partner who bought a BATMOBILE with his company card. His unchecked spending wasn't discovered until the due diligence of a possible acquisition when it tanked their valuation and cost them millions.)

5. **Not Spending Money**—Frivolous spending doesn't work. But companies also **cost themselves significant money by not making smart investments.** They wait years too long to upgrade equipment or software even though their old, slow computers are killing productivity. They squeeze vendors and damage relationships, low-ball good candidates, and lose them. They underpay and overwork great people, refuse reasonable requests for training and resources, skimp on benefits, and cost themselves good people. (A top manager worked for 3 years on an office chair with NO BACK. He was personally responsible for tens of millions of dollars in production, a critical person to his employees and the business owners but not worth a $100 investment toward appreciating him and making sure he could work comfortably.)

Failing to hire and engage good advisors is another common money mistake. Every stage of growth brings new challenges. Advisors help you fill in technical gaps, avoid expensive mistakes and spot opportunities you may not know are there.

- You need **accounting people who can provide analysis,** not just statements and totals. If you're too small to hire a full-time CFO, fractional CFO's can be a great investment to supplement your existing team and do the analysis you likely don't have the time or expertise to do.

- **Attorneys** can help you modify existing processes and paperwork to minimize risk, especially around employment law. (At a certain number of employees, it's not *will* you get sued, it's *when* and how ugly will things get.)

- **The right HR partner** can help you make sure you have, not just the right structures, but the right **strategies** in place. In some cases, the right partner can offer you better quality *and* lower costs to take over some functions completely. They can also help you efficiently navigate the complex maze of employment laws that change from state to state. (One company I know got a completely avoidable seven-figure fine for giving people the right breaks… at the wrong time.)

- Depending on your industry you may need significant help around **insurance, benefits, and safety**.

- If your company has a lot of dollars invested in **commercial real estate,** it's worth getting expert analysis to make sure you are leveraging each square foot while preparing for future growth and without cramping your people or sitting on too much empty space. (Some firms will do this analysis for free or at cost for clients.)

- There are **technical consultants with specialized expertise** in almost any category. Be clear about what a win will look like and how you'll quantify the potential return on investment. (My standard is to create options that are likely to produce a 10x return within three years. Typically, clients beat that number, often by a lot, in the very first year after we work together.) Remember that unless you're hiring them for their expertise in a specific methodology, be cautious about any that are overly dependent on a single tool or method. They often lack the ability (or incentive) to see where a different approach is needed.

- **Coaches** can help you quickly develop new leaders, break out of old mental patterns, hold you accountable for doing the work that matters most, and help you have a life. They can help you navigate tricky situations, be an appropriate outlet for the stress of leading, and help you build new skills to meet the ever-changing set of challenges of leading people and building a business. The right coach can help you significantly multiply your own impact within your organization and the investment you're already making on your leaders and managers.

- **Coaching for executive teams** can create huge returns. While it makes intuitive sense that all athletic teams have a coach, most executive teams do not. High performing teams do not happen by accident. I work almost exclusively with executive teams, helping individual members AND building a stronger, more cohesive, more skilled, leadership team. Teams learn how to eliminate expensive internal conflict, get better at creative problem solving, speed up meetings, improve quality, and decrease waste. Plus, good executive habits and culture become contagious, impacting the next level of leadership.

- **Therapists** are a surprising recommendation that I make frequently. Leadership is hard. You have to deal with hard problems and often, difficult people. It can drive up complex emotions that aren't always easy to navigate gracefully. In addition, a lot of high performers have some level of negativity, dysfunction, or even trauma in their past–the coping mechanisms they develop to overcome those issues often are the same "strengths" that make them high performers. But every strength has a dark side that will get in the way of the results they want to produce and the kind of leader they want to be. Therapy is a smart investment to handle a stressful position and heal/level up.

If you have a big risk or are spending big money but do not have a big experience or expertise, hiring someone who does can be one of your best investments. **Not having the perspective or information you need to make good decisions can easily lead to making very bad, very expensive ones.**

Together these five areas represent a lot of potential dollars lost. No business runs at 100% efficiency, and it is reasonable that you will make sacrifices just trying to keep up when they're growing—especially if you're growing fast. But over time the amount lost can be significant. And those dollars lost are dollars that could have been banked for a rainy day or reinvested in strengthening or growing your company. **If you don't know how much you are losing, either because you can't see or aren't looking, you are in very dangerous territory.**

Some companies will become BIGGER and manage to avoid any major mistakes and muddle through. Some will simply shrink back down to a more manageable size for the structures they've got. Some will find themselves dealing with losses that are so significant, make one or two mistakes that are so big, that they simply cannot recover and will have to close their doors.

All of these are expensive, painful, and largely avoidable options.

It's time to start building your MACHINE.

Part Two: BUILDING THE MACHINE

Your MACHINE is a complex system of different elements that work together. To understand it, you have to think about the individual elements and the way they interact with each other.

Traffic is also a complex system. You can't understand it by focusing on a single car or road.

Traffic is influenced by multiple factors like the condition of the roads, how many lanes are available, and how well designed those roads are. Roads covered in rocks or snow slow down traffic. So do roads with curves that are too sharp or that are missing turning lanes.

Traffic is also influenced by the kind of vehicles that travel on those roads and how fast or slowly they move. Someone driving a golf cart on a busy highway can quickly create huge backups.

And traffic is also influenced by the skill and behavior of the drivers themselves. Drivers breaking the rules of traffic can confuse and frustrate the drivers around them, causing everyone to slow down. Even small accidents and emergencies have the power to disrupt the entire system.

Similarly, your MACHINE is made up of the underlying structures, individual components, and the skills and behaviors of individual people and teams.

Building your MACHINE is a process of upgrading the elements in each category to create a system that can handle the current, BIGGER volume of people and work. While there are plenty of potential projects to work on in any growing organization, building the MACHINE is specifically about building the underlying structures (systems and processes,) individual components (tools,) and the skills and behaviors of your people (how to manage people, how to track and manage work, how to build infrastructure, how to operate as an effective leadership team.)

The process will look very different from organization to organization. It is hard work, challenging both mentally and emotionally. It almost always requires making major changes to both infrastructure and culture, changes that teams have to both invent and execute during a time when they are already busier than ever. **Building your MACHINE can feel like driving a train down the tracks at 100 mph *while laying down the tracks.***

Building the MACHINE is a process of going from:

- **Informal** to **Formal**
- **Verbal** to **Written**
- **Effort** to **Strategy**
  (Working Harder to Working Smarter)
- **Reactive** to **Proactive**

- **Firefighting & Firestarting** to **Real Leadership**
- **Unconscious** to **Conscious Decision Making**
- **Tribal/Institutional Knowledge** to **Formal Training**
- **Being a Family** to **Running a Business** (AND still caring about and taking great care of team members)
- **Solving Problems** to **Building Systems**

It's a big job that comes with big questions. How do you figure out what to work on and what not to work on? Where should you start? How do you turn all that valuable informal, tribal knowledge–the things people just *know*, into formal tools that can be used over and over?

How do you know how much detail is enough and how much is too much? How do you keep the good things you love about your company? How do you protect the unique qualities of your culture even as you grow and change? How do you create the good structures without drowning your people in rules and red tape?

It's a lot to think about. But while it's true that building your MACHINE is a big job that involves a lot of people and choices, it's not an impossible one. **The key to winning any game is understanding and getting good at its fundamentals.**

THE FUNDAMENTALS OF MACHINE BUILDING

There are principles that make good sense for businesses of any size but are especially important when you are building or refining the MACHINE. **The FUNDAMENTALS are those principles. They are your short cuts, keys to how to think and what to focus on in order to build or upgrade critical infrastructure. They are specific openings, practical ways to access, define, and impact big, complicated issues.**

The fundamentals below are not the only things to think about of course. But these are categories of priorities that have a disproportionately large impact on stability and results in BIGGER companies. They are what to focus on and where to start, important problems that are also major opportunities.

In basketball, the fundamentals are dribbling, passing, and shooting. In football it's blocking and tackling. **In MACHINE building the FUNDAMENTALS are:**

FUNDAMENTAL #1: DATA

Information is the lifeblood of a business. Size changes how information moves. To succeed at being BIGGER, it's essential you know what you need to know. To do that, you need to identify the data that matters and build the processes and tools to efficiently gather and share that information in a timely, actionable way.

FUNDAMENTAL #2: FIREFIGHTING, FIRESTARTING, & LEADING
As your business grows, you and your leaders need to make the shift from reactively solving problems to proactively building the business. The majority of your time should be spent on the business, being proactive, and setting clear priorities and making plans that keep people focused and making progress on the right kinds of work. It's also important leaders spend less and less time fighting fires and firestarting (causing chaos and confusion by jumping rapidly from idea to idea without completing them or communicating changed priorities.)

FUNDAMENTAL #3: ACCOUNTABILITY
As your organization grows, your work culture is determined less by the strength of people's relationships to key leaders and more by the standards managers hold each other, and their people accountable to. High performing organizations create cultures of accountability, supported by good structures and skilled managers. A small amount of simple, straightforward, basic accountability today can prevent a thousand frustrating, expensive, soul-killing problems in the future.

FUNDAMENTAL #4: MANAGING PEOPLE
Managers play an incredibly important role in every company but most never actually get trained. (YOU might never have been trained.) Developing a common set of core management skills throughout your management team is a game changer for retaining talent, reliably delivering quality to clients, controlling costs and maintaining profit margins. Failing to do so means guessing and hoping managers are adding value and not inadvertently making things worse.

The FUNDAMENTALS are designed to help you take a fresh look at your organization, to see it differently, through these four lenses. From there, you need to identify and prioritize individual projects according to your needs, people, goals, and culture. MACHINE building is a process that needs to be personal and customized for each organization.

Each FUNDAMENTAL is explained in detail below and comes with a list of CRITICAL PROJECTS. These are suggested projects. Each one represents a common problem in companies that have gotten BIGGER. They are high-value targets, projects that tend to have a disproportionately large impact on the business compared to the time and energy required to complete them. They make very smart starting points if you are not sure where to begin or can't choose between projects.

Each FUNDAMENTAL also has KEY QUESTIONS at the end of its section. These will help you think more deeply about how that FUNDAMENTAL is or isn't showing up in your business. These questions point to gaps and opportunities where building better infrastructure can help you solve problems or avoid them altogether.

Remember that there is no perfect formula, no perfect path forward. It is normal to want to pick the “right” projects and create the smartest plan. But MACHINE building is best thought of as a messy, imperfect, sometimes confusing process. **The win comes not from having a perfect plan, fixing every single thing, or committing to five hundred projects. The win comes from consistently making real, tangible progress.**

FUNDAMENTAL #1: DATA

You can't manage what you can't see.

DATA is one of the first things that breaks as an organization grows. Remember that a lot of smaller organizations manage by TOUCH, informally gathering information and giving directions as they bump into people. In this kind of informal system, most reporting and data sharing is verbal. People rely on their memories and a large stack of notebooks to keep track of things.

No matter how smart or dedicated you, or your people are, growth will eventually cause breakdowns wherever you are managing critical DATA informally. (When you hear people say they have "communication problems," they usually mean important information wasn't shared, wasn't tracked, wasn't remembered, or was corrupted by faulty memories or biased perspectives.)

When you don't have reliable, formal structures to move and manage data, you have to do more running around, work longer and harder to try and keep track of everything. Growth breaks the old system. **You don't have the same information or insights about your people or problems. There are misunderstandings. Things get forgotten. Things get missed. You don't have the data you need, and you end up FLYING BLIND.** Your decisions aren't as timely and aren't as good. There's a lack of clarity and an abundance of confusion.

You can't manage what you can't see.

And you can't make good decisions with bad DATA.

DATA is the lifeblood of your business. It needs a home, attention, clear pathways, and caretakers. You can't manage what you can't see, can't remember, can't track, and can't know. This includes anything you have to spend a lot of time trying to find or gather. You don't need to spend hundreds of hours writing reports no one will read. But you definitely do need visibility into key areas.

The goal therefore is not to try and document everything. The work that makes a real difference is to **understand how to think about data**, to **know which numbers matter most** and to **make sure people have the tools and structures they need to know key numbers and take action** when they need to.

When your company is small, DATA moves easily and naturally between your small group of people. You don't have to think too hard about DATA. You get used to figuring things out in your own mind, with the help of one or two trusted people. With more work and more people, BIGGER means you need new tools to make sure the right people are working with the right information to make good decisions themselves. It means you need to invent new tools and processes, or formalize and refine old ones so they can support the increased workload.

CRITICAL PROJECT AREAS

1/10/100%

One of the DATA problems that shows up over and over is the 100% Trap. It happened a few years ago with an engineering firm that became one of my favorite clients.

They started their firm with three guys in a garage. They wanted to do better work for their clients and be a better boss for their employees. They worked hard. Clients were happy. Employees were too. After a few years they found themselves running a large business with close to a hundred employees.

The growth caused a lot of new, confusing, expensive problems. They still had good people who worked hard, but projects took longer and longer, and they couldn't figure out why. The work was essentially the same, but team members were more and more frustrated. Morale and retention suffered. So they worked harder, hired more people, hired more leaders, and spent more money but nothing seemed to make any difference.

I asked how they were managing projects. "How do you figure out which ones are on track and which ones aren't?"

"We open them up and look at them," they replied.

At this point they were averaging around 70 active projects at any given time, and spending hundreds of hours a quarter just trying to figure out what was happening. All of which left them with a lot of ugly surprises and very little time to do the work that needed to get done.

This is a perfect example of the 100% Trap. Most managers mistakenly view management as an extension of their old job. They do good work, get praised and rewarded with a management job and assume their new job is also about doing good work, *just more of it.*

There are managers in almost every company in the world making this mistake *right now.* There are managers in YOUR company making this mistake right now…maybe even you.

So the first recommended DATA project for them, and for you, is to apply the 1/10/100% Rule.

Look for any place where it takes longer than it should to get work done, where a lot of rework is happening, or where good people are missing things they shouldn't. Design a simple reporting tool that makes it easier to see what work is on track and off, so people can focus on solving problems instead of spending so much time just trying to find them.

- **100% (Front-line):** The person on the front-line who is doing most of the actual work should know 100% of what is happening with their work.

- **10% Report:** The person front-line people report to should know about 10%, an overview of what is happening. Done well, a 10% report is a simple, powerful dashboard that helps this leader understand *where they need more DATA.* The point is not to give them all the information they need to fix a problem–it's to tell them where the problem is.

- **1% Report:** The person at the top of the DATA food chain should get a 1% report. This is the equivalent of the check engine light on your car. Its purpose is to alert you that there is a potential issue. From there you can get more information from the 10% report or manager, or directly from your front-line people.

At each level you need to figure out what the most important points are to track and report up. Remember, the goal is not to send all the information or even most of it up the chain. The goal is to create a type of signal that invites more action.

A thoughtfully designed little system, the check engine light doesn't fix anything, and it doesn't tell drivers all the information the system has about the car or even the problem. The genius of the check engine light is that it does one thing, remarkably well and quickly. It alerts the driver that they need to get more information.

You don't need to pay attention to ALL the information. You need a reliable way to know when you need to pay more attention.

And the engineering firm in the example above? They went to work. First, we identified critical data points that front-line people would feed up to their managers—were projects on time, which phase of completion were they in, etc. Eventually they decided on seven pieces of information they felt were critical for managers to know on any given project. This limited data set became their 10% Report.

Then they adapted a simple template I use with almost every team to build their 10% and 1% Reports. Their 10% Report included one final element, a status for the project as a whole. Green projects were ON TRACK, Yellow were IN DANGER, and Red projects were ON FIRE, off track, and in need of immediate help.

Once a week, project managers would meet with front-line people and fill out the 10% Report. This gave them a fast, efficient way to quickly understand which projects and teams were on track and which needed additional help.

The Red, Yellow, or Green status assessments were then compiled by the managers into a 1% Report that was went to the executive team.

Now they could see all their projects, and the status of each one, in one simple document. With the simplified reporting, managers and leaders spent far less time gathering DATA which freed them up to focus the majority of their attention on how to support the people and projects that most needed it.

The simple system radically changed their meetings. Accountability increased. People got more support and guidance. Meetings became more efficient, more effective, AND shorter. Projects started to move faster. Quality improved. This change to DATA, along with other changes we worked on together, led to huge improvements in morale.

Reports have a bad reputation. People don't want to waste precious time creating them or sit through boring meetings reviewing them—especially when there is so much work that needs to get done.

But when you get them right, reports can be an extraordinarily powerful tool.

- **Keep it simple**. Reports that are too detailed waste too much time being written, and too much being read. Remember that the goal of any reporting tool is not to share ALL the data. The goal is to share the right data—usually just enough to alert leaders to big problems or opportunities. When the work required to gather information outweighs the value of the information itself, even a good report becomes a bad idea.

- **Create a structure**, a regular meeting where the right people pay attention to the report and take action. Even great reports are a bad idea if no one reviews them. Reports are TOOLS. They are supposed to help facilitate conversations and invite decisions and action. Think about who should be looking at the data. How often? At what point during the week or month?

  Whether it's expense reports or status updates on critical projects or sales numbers, teams need to figure out what data they need and how and when and who will review it. The more critical the data, the more frequently it should be reviewed.

- **Make it visual**. It makes a significant difference to use colors, graphs, and other visual cues to make reports easier to read. Human beings are visual creatures. It is significantly easier for us to understand and remember information presented visually than a black and white list of numbers.

> A simple report that you can read from across the table is a powerful weapon against confusion, frustration, distraction, and forgetting. Create them. Use them. And win with them.

While all this can sound overwhelming, remember it doesn't all have to be done at once. It takes very little time to review a report that is designed well and focused on critical data. It takes a lot of time to chase down people and information. You can make a lot of progress by starting with what matters most and keeping things simple.

KNOW THE MONEY AND THE MARGINS

One of the biggest mistakes companies make as they grow is also one of the most avoidable—keeping real track of their money and their margins.

It's never good to not REALLY be on top of what is happening with cash or profit, even for small companies. But in small companies it's easier to maintain a fairly accurate sense of how things are really going. You're closer to the cash, the spending, the customers, and the profit. When you get BIGGER, you're not as hands on. You don't have the same feel for what is happening. Plus, there's more money coming in, and a lot more going out. You have less time to monitor and advise your people and it's easier for waste or fraud to creep in.

Complexity makes it harder to understand what is really happening with your cash and expenses. Experts are experts because they understand that complexity. They know how to spot the patterns. They can identify problems earlier and help you create smart solutions. They can also help you build protections and controls, make smarter investments, and give you important insights into your industry and geography.

Most businesses need more expertise, much earlier than they get it. The analysis a good full or fractional CFO can provide will usually pay for itself many times over. The controls and processes they put in place can save even small companies millions of wasted dollars. **When in doubt, hire experts.**

In addition to putting professional finance and accounting people in place, teams should pick some key #'s to ALWAYS know, and some to spot check at regular intervals. At minimum it is critical you know and manage the margins for your best-selling products and your biggest profit and cost centers. Without accurate, timely data, you will be forced to guess as you make important decisions. You'll miss small problems when they're easiest to solve and it will be easy for a major threat to grow without anyone even noticing… until it's too late.

No one goes to space just hoping they have enough oxygen. Likewise, you can't rely on hope when it comes to cash. You have to know.

DATA FOR PEOPLE: TARGETS, SCOREBOARDS, GOALS, & KPI'S

When she was first learning soccer, my tiny cousin Melissa participated in a league where they didn't keep track of the score. Or rather she participated in a league where they *pretended* not to keep track of the score.

Human beings are social creatures who care very much about the scoreboards around them. This can be a negative thing, leading people to spend money on houses, cars, and clothes they can't afford. It can also be a positive thing, having people get healthy together in workout groups.

When companies are small everyone is closer to the numbers that matter. Once your organization is BIGGER, you need to create new tools, processes, habits, you need to be more intentional to make DATA work for you.

One of the most powerful ways to leverage DATA is to use it to create CONTEXT and invite ACTION. Targets, scoreboards, goals and KPI's are all different ways to focus attention and align effort. Without those targets, when the goals are not shared or unclear, it's easy for people and teams to work in different directions or even work against the efforts of the other.

Sharing a clear focus and scoreboard doesn't guarantee aligned effort or synergy, but not having one does guarantee waste and confusion.

You don't necessarily need an expensive week-long retreat to create a 75-page document outlining all their goals in every department for the next five years. But **you and leaders both need to understand what the game is and how you plan to win. And you need to track progress, know how it's going, so you can adjust and make sure you win.**

You, and your leaders, should take the time to set and communicate meaningful targets for performance. You want to provide teams with a way to measure their progress. And you definitely should make it a priority to clearly communicate changes and celebrate wins.

In every organization, some numbers are simply more important. Part of the job of leadership is to identify the numbers that are the most meaningful and to create structures around knowing, sharing, and improving those numbers. Some organizations have performance targets, some set goals. Some use large public scoreboards. Some focus on KPI's (Key Performance Indicators.) Some systems are simple, some are fancy. Some teams use Excel, and some buy expensive software. What matters most is that you have goals and plans, that you share them and hold people accountable for the work to hit them, and rally people around them. Whatever structure you choose, here are a few things to keep in mind:

1. **Electronic tracking and sharing is preferred** because it's easier to track, compile, and move information. Electronic DATA is also easier to compare over time, between regions or products, making it easier to spot and leverage patterns.

2. **It's better to start simple and cheap**. Half of the challenge with DATA is HOW to gather and track and review it. It's easy to get caught up in trying to find the best, most perfect tools to manage the HOW. But the other half of the challenge is the WHOs–the people involved in the process. Lots of smart, expensive tools never get used because no one managed the WHOs. When you're trying to ingrain new habits it's often smarter to start small and inexpensively and focus on the WHOs–helping them build familiarity and good habits with a simple tool. Once they have traction with the right behaviors you can focus on finding and investing in better, fancier tools.
3. **Leverage the social dynamics of teams with SCOREBOARDS**. People care about SCOREBOARDS. They're competitive. They play harder when they can see they're close to winning. SCOREBOARDS can be permanent displays or a new display on the screen at your weekly meeting. Keep things simple. Use color.
4. **Consistency is a game changer.** Attention is what makes the scoreboard useful. Regular attention is what makes it powerful.
5. **Use public displays.** Human beings perform better when someone is watching. Pull up numbers. Show everyone the scoreboard. Do it regularly and praise good work LOUDLY, publicly, and enthusiastically.

Push yourself to find your organization's critical numbers, set goals, track progress, scoreboard results, and leverage data to help people work harder, work smarter, and WIN.

CRITICAL QUESTIONS: DATA

- Where are managers still trying to get or work from 100% of the data? Where are you sharing too much detail too far up the food chain?
- Long meetings usually become necessary when you don't have a more efficient way to share information. Which areas of your business do you spend a lot of time meeting about?
- Where are you seeing a lot of delays or rework? Do you have good tools for getting and sharing data about that work?
- Which meetings do people hate the most? Can some of the work of that meeting be done with a report?
- Which areas of your business are you wishing you knew more about or had better insights into?
- Where are you (or someone on the team) using notebooks, or just trying to remember?
- Where do you get verbal reports only, with very little or no written reporting to verify?
- What do you sell the most of? When you factor in your overhead and administrative costs do you know how profitable that product or line is?
- What profit margin are you aiming for? How close are you to that goal?

- What are your largest expenses? Who owns them? How would you know if there were a problem?
- Do you have similar departments or locations within your system? (These are good candidates for some kind of standardized reporting.)
- How would you know something was wrong in a particular area of your business, without actually being there? Are there certain numbers that would make you feel confident? Nervous?
- Do you have different people, departments or divisions where you'd like to be able to compare progress, costs or results?
- Where are you flying blind, without good, regular, solid data about how things are really going?
- Where do you assume things are going well, assume someone is working hard, assume the work will get done on time…but don't actually KNOW?
- Which areas of your business make you nervous?
- Do you have any people whose results are unclear? They seem to be doing o.k. but something tells you they might not be. (If you don't KNOW how it's going, you have a VISIBILITY problem and need better DATA.)
- What is the product or area of your business that you can't afford to have fail? Do you <u>know</u> what's happening there?
- What's the goal for this year? How would you know it was a good quarter? Do your people know those #'s? How do you share progress with the people responsible for the results?
- KPI's tie the work of individuals to numbers that can be tracked and measured. Who in your organization is working without a clear target that ties to a real number? What would a good KPI be for that role?

FUNDAMENTAL #2: FIREFIGHTING, FIRESTARTING, & LEADING

Super Man and Wonder Woman can both write more parking tickets, faster than anyone on the planet. But that's not a good use of a superhero.

The kind of people who tend to start and succeed in fast-growing companies are usually smart, determined, high energy people. They're creative, passionate visionaries with a higher-than-average tolerance for risk, change, and chaos. They think fast and move fast and have a strong bias toward ACTION.

This makes them good at FIREFIGHTING. They're good at finding issues, getting their hands dirty, doing the work, fixing things and moving on to the next fire. Unfortunately, those same qualities tend to make them equally good at FIRESTARTING. Both are significant problems that eat up valuable time and resources that need to be focused on work that only leaders can do.

FIREFIGHTING is a necessary evil. All companies have fires, ugly surprises, problems, and emergencies that have to be handled. As a company grows, so do the number of fires that get created. But too many fires to fight is also a clear signal that a company is missing critical infrastructure—the kinds of tools and processes that would help them catch fires when they're small and easier to handle, or avoid them altogether. As your company grows, you need to focus less on fighting the fires and more on building the infrastructure that fights or prevents them. When senior leaders do too much firefighting, you not only neglect other important responsibilities, you also suffocate your people by doing their job for them. Firefighting might be necessary. But too much of it is destructive on multiple levels.

FIRESTARTING is just as damaging, just as dangerous, but self-inflicted. When leaders change focus too often, don't complete projects, and fail to level-set what the real priorities are, they're FIRESTARTING. Team members are left running after them trying to keep up, constantly changing focus and rarely completing important work. You are FIRESTARTING when you don't follow-through yourself or provide the support or accountability your team needs. When you get frustrated or even angry that projects don't get done, but continually shift priorities or pile on new projects, that is also FIRESTARTING. It's a confusing, frustrating, inefficient, expensive way to operate and one of the ways well-intentioned leaders cause problems instead of solving them.

LEADERSHIP when a company is small involves a lot of FIREFIGHTING. It's the nature of the job.

FIRESTARTING is also common when a company is small. It's the nature of the LEADER.

Size changes what LEADERSHIP means. BIGGER means you need to shift focus from FIREFIGHTING and problem solving to building systems. You need to be more thoughtful about how often you change gears and how you set and communicate priorities to avoid FIRESTARTING.

BIGGER requires you shift, spend less time working IN your business and more time working ON your business.

Leadership means instead of just reacting to what happens you are proactively making the *right* things happen.

The simple truth is that new ideas are sexy. Solving problems creates an immediate rush of gratification. It feels *good* to get to work. Sitting in a quiet conference room talking about making a plan to do something… doesn't create the same kind of energy. It's a different kind of work. And it often feels downright BORING to high energy, action-oriented people. But leadership when you are BIGGER needs to shift away from what is exciting and easy in the moment to what will help everyone win in the long run. There are some problems that *only you,* as a leader, can take on, some opportunities that only you can take advantage of. If you're busy doing front-line work or fighting fires that your people can handle, you aren't doing the work of leading that they cannot do.

Proactive leadership means planning and prioritizing and building and refining the machine. It means training people and mentoring them as *they* solve problems. It means clawing past all the daily fires and distractions and focusing on creating circumstances instead of just reacting to the ones that show up.

Of course, you will sometimes need to jump in. Sometimes it works to react and act quickly. Sometimes nothing else will work. But **you cannot win at BIGGER if you, as a leader, are not proactive enough often enough.**

Proactive leaders don't just do what's easy or exciting. They resist the urge to fight fires or start fires. They think about which work does matter most and are disciplined about doing that work first and most. Remember, any superhero could write more parking tickets, and write them faster than anyone else alive. But that's not the best work for a superhero to do. **Just because you can do it, doesn't mean you should--**especially when there are so many other, more valuable kinds of work that need your attention.

The following are critical project areas that are most often, and most easily ignored or pushed aside for projects that seem more urgent. When you make this kind of work a priority you will find yourself with fewer fires to fight, happier people, and better results.

CRITICAL PROJECT AREAS

BIG PICTURE PLANNING

BIGGER means there is more of everything and it's all moving faster. There are bigger, more urgent problems and so much more work to do. Most of the time it will feel like the most important thing is to get to work. Right NOW.

Planning matters most when resources are scarce.
The less time you have to make a plan,
the more critical it is to pause and make one.

This is most true when it comes to executive teams and big picture planning. Anywhere you are not on the same page you are wasting time and resources you don't have. Your leaders need to be aligned on key priorities at least annually (quarterly check-ins and resets are even better) and have clear plans for how to achieve them. Within individual roles and departments, leaders and managers typically need to do at least basic planning on a weekly or sometimes daily basis to clearly communicate changed priorities to colleagues and team members.

Plans don't have to be 15 pages long. Often even a basic, one page plan can help you avoid conflicts with resources, prioritization, and strategy. **The plan is less important than the conversations that go into creating them.** When you have done the work to think through what matters and how to get it done, you're able to respond to the inevitable changes better and more quickly.

Remember that your circumstances will change, and your plans can and should change with them. Changing circumstances are not actually a problem. They become a problem when you fail to alter your plan. If you don't communicate changes, don't adjust priorities, or take work off the list, don't allocate additional resources or switch up a strategy that isn't working you actually create a whole bunch of problems for yourself. Sometimes you just forget about the plan as life moves along and then lose the energy and momentum and aligned effort your plan created. Then people tell themselves that planning is a waste of time and charge ahead without setting or communicating clear priorities and wonder why they can't get people to step up, why big projects don't get done, and why they are stuck doing so many things themselves.

Plans help teams improve efficiency, eliminate waste, complete important projects, and fully leverage the total creativity and energy of the team. They make it possible to communicate both up and down more quickly and clearly.

One of your most critical jobs as a leader is to make sure there is a plan, to get people on the same page about what needs to get done, by whom and in what order. You don't have to be the one to put it all in writing, but you do need to make sure that work gets done. And then support your people by making sure everyone is communicating that

plan, and any changes, more often and more loudly than seems reasonable. It's one of the secrets to producing unreasonably good results.

MEETINGS

Depending on how they're designed and run, MEETINGS can be a critical tool that helps you solve and avoid problems, build teams and morale, coordinate resources and clarify strategy…OR be a huge, painful, frustrating, morale-killing waste of time and resources.

While MEETINGS have the potential to create tremendous value, they're also expensive. Meetings are the combined cost of the all the pay of the people in that room for those hours but *also* all the opportunity costs of the other work people cannot do while they're in the meeting. Plus, like a bad smell, bad meetings have a lingering effect, killing the morale and excitement and momentum. Smart leaders are very strategic about how their leaders spend their time, starting with MEETINGS.

Your goal shouldn't be to just eliminate bad meetings but to design and hold good ones. That means, in part, thinking about when to meet, what to cover, and who should attend. The following are ten smart ideas that high performing teams use to upgrade their meetings, making them more fun, more efficient, and more likely to end early.

1. Create a **MEETINGS MAP** of all the meetings held by and with the management team. Write down a clear OBJECTIVE for each meeting. Then evaluate each one against its stated objective. Look at the length, frequency, & attendees. Adjust any element that would make them better, including canceling, changing who attends or who runs them. Look for gaps where a smart, short meeting would be a more efficient way to share information and make decisions, align team members, or create momentum. Look for planning meetings you're missing and schedule them.

2. Instead of emailing or calling with every small item, teach team members to compile decisions, updates, and to-do's and cover them in **REGULAR MEETINGS**. Anything that isn't urgent should be saved for the next REGULAR MEETING instead of becoming an interruption. Remember that it's better to have more REGULAR MEETINGS where you can cover a whole lot of small items very quickly than to interrupt people with non-urgent items. The more frequently they occur, the shorter REGULAR MEETINGS should be.

3. **Use your documents.** Create documents to help track and manage work and results. **And use them.** Keep documents simple. They should have enough information to track key decisions and assignments, allowing leaders to hold team members accountable and focus on solving problems and doing work instead of trying to figure out who was supposed to do what. Documents should be updated and shared in advance so meeting participants can review them beforehand. (NEVER use meeting time to read.)

4. **Don't be afraid to end meetings early. Really early**. The meeting is done when the work is done, not when the hour is up.

5. **Save social chatter for the end**. Catch up at the end of the meeting instead of the beginning. It sets a more intentional tone and doesn't trap the people who don't feel they have the time/ability/desire to participate.

6. **Be on time. Start on time. End on time**. It is easy for competing priorities to delay the start of a meeting. But one person taking one last call or sending one last email can waste the time (often high dollar time) of the rest of the team. Be intentional. And if a meeting needs to be extended past when it was scheduled, make sure that it is a conscious decision to do so and name a new end time. Healthy discipline is different than becoming the time tyrant. Find a good balance with a calm but intentional tone. Train team members not just that time matters but how to help keep things on track.

7. **For meeting with 3+ people set a standard time & have one person send a meeting invitation** (with conference # and passcode if there is one.) Have participants accept if they will attend to save time. As much as possible, cut down the number of emails that need to be sent to schedule a meeting.

8. **Don't do fancy agendas.** Everyone in a meeting, but especially the leader, should be clear about what needs to be covered or produced. A formal, written agenda takes time to write, send and receive. Don't do it without a good reason. (But if there is a good reason, write one and share it in advance.)

9. **Do have a clear OBJECTIVE, share it, and fulfill it.**

10. **One person RUNS and leads the meeting.** Everyone in a meeting has a responsibility to participate in a way that forwards the desired outcomes. Teams can take turns having different people run the meeting and everyone can contribute, but name one person to RUN each meeting. This person will lead the conversation and own the ultimate responsibility for its effectiveness and outcomes.

Most organizations are bad at meetings. Investing the time and energy, being disciplined about running great meetings can be a huge strategic advantage and help you boost both morale and productivity.

THE FUNCTIONAL ORG CHART

This one tends to be the one people hate before they do it but LOVE after. A FUNCTIONAL ORG CHART is not the same as a regular organizational chart. To create one, you simply map out the major responsibilities in your organization, who owns them, and who does them in practice (even if the title technically belongs to someone else.)

It sounds like a simple exercise but it's not uncommon to find:

- **More than one person "owns" a role.** If more than one person is the owner, there's actually no owner. Co-ownership is often done to protect someone's ego or avoid hurt feelings. But it almost always creates confusion and hampers performance. The same is true, even more so, if a team of people owns something. Many people can contribute, but a responsibility ultimately needs a single accountable owner who can speak for what's needed and the results that are or are not produced. When you don't have that, it's easy for things to get confusing and harder to hold people accountable.

- **No one owns a role.** This one hurts even more. Especially when you realize no one in your organization actually owns and is responsible for something like SALES. (Usually there is a good reason when an important area is missing a clear owner. You might not have anyone with the experience or expertise to be the owner. You might not have enough people period. The lack of an owner is a problem but failing to acknowledge it and put fail safes in place is a bigger problem.

- **The actual job isn't clearly defined.** First, Break All the Rules is a book on management by Gallup, the same organization that created the Clifton Strengths Finder tools. While the writing is not compelling, their research is. Their work is based on 105,000 employee interviews across 2,500 businesses to look for common links between employee experience and business unit performance. All of which led them to one particularly shocking insight.

  The number one most important thing for a manager to do for their employees to boost and maintain performance is to do the work to have employees agree with this one statement: "I know what is expected of me at work."

  It matters, a lot, that people know what's expected of them. But jobs change as companies grow and team members are added or replaced. People pick up additional responsibilities, teams are reorganized, managers shift work without ever distinguishing the changes. In completing the FUNCTIONAL ORG CHART, you want to take the time to articulate what the job responsibilities are. You may be surprised at how difficult, and how valuable, this simple activity is.

- **People own tasks but not responsibility.** All leaders want team members who step up and lead. But most leaders unconsciously make it harder for people to do so in a multitude of ways. They micromanage, tell people how to do the work instead of what results to produce, run every meeting, give all the answers and framework in terms of tasks that need to be done instead of results someone is responsible for producing. Focusing on responsibilities instead of tasks is a small change that can make a very big difference. Define, communicate, create, and hold people accountable for the responsibility.

- **People own the wrong things, don't know they own something, and/or don't have the skills, tools, or support to be effective.** Teams often have people owning responsibilities they have no training or expertise in, even work they actually hate doing. It is common to have confusion about who is responsible for what. And some people are typing basic data over and over to move it from one system to another. It's shockingly easy to find a ton of man hours being wasted for the simple lack of training, tools, or process.

The FUNCTIONAL ORG CHART is often a good kind of pain. It has you find and confront the significant problems and gaps that may exist in how you run things. It is useful to remember that those big problems and big gaps are also big opportunities.

CRITICAL QUESTIONS: PROACTIVE LEADERSHIP

- What are the top priorities of your leadership team? Would other members have the same answer?
- Do you and your people know the goals and priorities for your individual areas?
- Do you have a plan for the year? Does your team know what it is? How do you plan to produce those results? How will success be measured?
- Who is getting too many emails? Do those people or teams need a reset/retrain on what to handle in email and what to shift to meetings?
- Name some projects you've wished you could work on but never seem to find time for.
- If someone could magically fix a problem for you, what would you ask them to work on?
- Where are you operating without a real plan?
- What are your most common fires?
- Where do you need a new or better tool to track assignments and projects?
- Which people do you have to work with over and over on the same issue?
- Do you have consistent issues with particular customers or vendors?
- What meetings could you eliminate or shorten?
- Where do you have more than one person "owning" a result or job?
- Who is failing or struggling because they've never been trained?
- Where do you consistently get bad or subpar results? Does that responsibility have an owner? The right owner? Does that person know they own that responsibility?

FUNDAMENTAL #3: ACCOUNTABILITY

A small amount of simple, straightforward, basic accountability can prevent a thousand frustrating, expensive, soul-killing problems.

ACCOUNTABILITY is hard.

By its nature, ACCOUNTABILITY is disruptive. It's a way of setting and holding standards that people wouldn't naturally hold. And while it's true that work is work, work is also social. Holding people accountable often means challenging their behavior, pushing them to have higher standards or produce better results. All of which can disrupt social relationships.

ACCOUNTABILITY is critical.

Teams with a Culture of ACCOUNTABILITY are more efficient, happier, and tend to produce better results. Leaders know accountability matters. Most have experienced the problems, frustration, and breakdowns that happen when it's missing. Team members know how difficult it is to work without enough accountability--the painful uncertainty of not knowing what to expect, the confusion from different people getting different messages, or not being able to count on their leaders to handle real issues instead of ignoring them.

Despite how important ACCOUNTABILITY is, most team members shy away from holding each other to even the most basic standards. Organizations don't focus on ACCOUNTABILITY and rarely provide leaders with any training.

Leaders know holding people accountable matters but don't know how to do it and don't prioritize learning. Even the ones who do know report they don't do it consistently enough.

Instead, teams shuffle along sending reminders and cajoling their teammates to please do their job. Bad behavior goes unchecked, sometimes for years, excused as "just the way Joe is" because leaders aren't willing to put a stop to it and risk Joe's anger. Deadlines run long. Excuses are plentiful. A handful of good people seem to always be doing more work and no one does anything about it.

People think that's just the way life works.

People are wrong.

High performing organizations are great at accountability. Leaders provide both appreciation and accountability. They don't shy away from celebrating people or confronting them. Healthy, high performing teams are good at CANDOR. They regularly have hard conversations. They value the truth being told and real decisions being made. They speak up when something is off and appreciate each other for being brave. They hold each other accountable.

In return they get to experience the hum of synergy, being carried forward by the momentum of the group, and doing more individually and together than they thought they could. They get to play offense, not just defense. And they win, a lot more, and a lot more often.

These types of teams and organizations are rare.

ACCOUNTABILITY is hard.

Another reason ACCOUNTABILITY can be so difficult is that most people have bad models for it in their heads and little or no training to correct them. People copy their parents or an old boss or spend all their time trying to avoid the mistakes they saw those people make. For some, this means being really nice and letting too many things slide until they blow up. Others are unnecessarily harsh, thinking they have to be tough to keep order. Some will say whatever the person in front of them wants to hear to avoid conflict, not realizing they are creating confusion, chaos, and frustration with almost every interaction.

And even if you get yourself sorted out, you will still have teams of people around them who probably have not.

The simple truth is that when it comes to ACCOUNTABILITY, most people are recreating whatever childhood dysfunction they experienced and injecting it into their adult work environment. This is how a conversation between two professionals about a work project can easily end up feeling like a parent talking to a child. It's one of the main reasons ACCOUNTABILITY often feels so uncomfortable and one of the main ways it goes so wrong so often.

It's time to reset how we think about ACCOUNTABILITY. Starting with what it is and what it isn't.

> **ACCOUNTABILITY includes confrontation.** Learning how to confront people is perhaps the single most important skill managers need. (Click here for more on **CONFRONTATION**.) But ACCOUNTABILITY isn't *just* confrontation.
>
> **ACCOUNTABILITY is NOT about guilt or punishment,** yelling at people or making them feel bad.
>
> **ACCOUNTABILITY IS a form of support**. It's feedback and a boundary that helps individuals and teams do better and protects co-workers from unfair or unethical situations.

ACCOUNTABILITY IS structures like clear job responsibilities, scoreboards, and regular meetings. (See also **TRACK & MANAGE WORK**.)

ACCOUNTABILITY IS support, acknowledgement, appreciation, celebration, what leaders and colleagues pay attention to, and what they reward. (See also **ACTIVE MANAGEMENT**.)

ACCOUNTABILITY IS a way to help each other rise above the lazy, distracted demons all people have in their heads.

ACCOUNTABILITY IS a critical part of synergy, that extraordinary way that a group of people together become capable of something bigger than the sum of their individual contributions.

ACCOUNTABILITY IS a reliable source of magic and extraordinary results. It is absolutely worth all the ways it makes us uncomfortable.

As big as the upside of accountability is, the downside is bigger. Organizations that are not actively creating a Culture of ACCOUNTABILITY, are unconsciously reinforcing a Conspiracy of Mediocrity. When you fail to deal with bad attitudes, poor effort levels, or substandard results you send a strong signal that "bad is o.k."

Whatever bad behavior you fail to address is reinforced by the act of overlooking it.

It's bad to be reinforcing bad behaviors. But that's not the worst byproduct of failing hold people ACCOUNTABLE.

Bad actors are always on their best behavior in front of leaders. They don't show leaders their worst behaviors, but teammates are all too familiar with them. **When you fail to hold your people ACCOUNTABLE you leave good team members at the mercy of the strongest personalities and worst behaviors around them.** Behaviors that are always worse and happening more often than you're able to see.

In a fast-growing company where everyone and everything is moving really fast, all the time, it is especially tempting to skip the difficult conversation, move on to the next project, or save the training session for next quarter. But **the cost of failing to deal with an issue, postponing the conversation, or waiting to get better at ACCOUNTABILITY is always bigger than it looks or feels in the moment.** ACCOUNTABILITY failures breed new accountability problems like gremlins fed after midnight or the Tribbles from that famous Star Trek episode.

Part of getting ACCOUNTABILITY right is getting it right. Part of getting ACCOUNTABILITY right is avoiding all the damage that comes from getting it wrong or failing to hold people accountable at all.

The projects below will give you specific steps to take to create or strengthen your Culture of ACCOUNTABILITY. (See also **CONFRONTATION**.) Before you move on to specific projects, these are some good general principles to use and teach within your organization:

- ACCOUNTABILITY conversations or confrontations should always be **PROFESSIONAL and RESPECTFUL** and should generally, although not always, happen in private.

- **It is** o.k. and useful and **a leader's job to hold people accountable for their ATTITUDE, EFFORT, and RESULTS.** If a person does a good job with a bad attitude, it is o.k., useful, and a leader's job to address the attitude issue. Remember that doing a good job in one area does not mean the person is off the hook for bad behavior in another area.

- **The PURPOSE of confrontation is to CHANGE BEHAVIOR** without damaging the relationship between the two parties. The focus of the conversation should be about the change that needs to occur, not the morality of the person. Leaders need to be able to clearly describe the change that is needed. Conversations shouldn't feel or be personal. (Even when done perfectly, some people will still get upset or feel attacked. Remain calm, keep the conversation professional, and focus on the specific change being discussed.)

- **When in doubt, address it.** Remember, ACCOUNTABILITY isn't about yelling at people or making them feel bad. Accountability is feedback intended to change future behavior. If someone is late, it's generally worth having a short conversation to acknowledge the breakdown and affirm the standard. A one-time issue is very different than a PATTERN of behavior and the two should be dealt with differently. But when in doubt, it's smarter to address an issue than ignore it.

- **ACCOUNTABILITY is also about noticing and celebrating when things go right.** People perform better when someone is watching. Few things are as demoralizing as working hard, going the extra mile, or pulling off an actual miracle and having no one notice or worse, having no one care. Celebrating a great effort, stellar attitude, and even a failure that occurs for the right reasons is a way to loudly broadcast what matters and get more of it.

Remember, when you hold people accountable, you help them be successful. When you don't, you make it harder for everyone to succeed. You also create resentment and frustration in the people who are doing good work the right way and getting the results

that matter. Dealing with issues, holding strong standards, celebrating the right kinds of wins, modeling and teaching healthy ACCOUNTABILITY are all some of the best things a leader can do for their people, their results, and their sanity. It is work worth doing that will pay off over and over again.

CRITICAL PROJECT AREAS

ACTIVE MANAGEMENT

There are a lot of bad ways to manage people, but the world has a name for just one, so that's what you hear about most.

MICROMANAGEMENT is when you retain so much control, give so much input and direction, are so involved in every little thing that you're essentially doing the job along with the employee…AND paying two people for the work of one. Employees hate it because it's condescending and demeaning. Leaders who do it hate feeling like they don't have real support and that they have to stay on top of every little thing in order to get anything done.

Just as problematic, just as common, but less well-known, is GOOD LUCK MANAGEMENT. This is where you essentially toss work to an employee and wish them well. "Good luck! Call me if you need anything," is a common handoff line. This equally bad management model looks like it gives employees more freedom and responsibility. Without providing solid direction, tools, or support however, you are setting people up to fail, do unnecessary rework, and be frustrated and disappointed.

Hope is a form of neglect.

In between is ACTIVE MANAGEMENT. This is a healthy form of supervision and support where you are accountable for knowing what a team member is responsible for producing, how they plan to produce those results, and whether they're currently on track, or not. Assuming, guessing, hoping, wishing, and confusion give way to knowing, communicating, clarifying, and verifying.

**Whatever you do not actively manage
will eventually become an active problem.**

ACTIVE MANAGEMENT is a healthy, practical, professional way to work with people which might explain why it's so rare. Most leaders and most employees are more comfortable with unhealthy patterns. It's what feels familiar and what they've experienced before. Creating something better, something healthier, takes some intentionality. It requires breaking the hold of old habits.

People do better work when there is a goal, a scoreboard, and someone paying attention to what they do and don't accomplish. ACTIVE MANAGEMENT means being that person.

If you haven't been ACTIVELY MANAGING employees, it can be a bit overwhelming to begin. Here are three good places to start:

1. **Replace HOPE with a HOW.** Start at the top. Anyplace a you are relying on the personality/dependability/track record of a person or dumb luck to get a result, **replace hope with HOW that result is going to be achieved.** Ideally you want important projects to have a clear objective, a plan, and a structure to regularly monitor progress, provide support, and track the result. At minimum, you need to understand HOW someone is planning to hit the goal and check regularly to make sure that's what is happening and that it will produce the result. The more important a piece of work is, the more critical it is that it's ACTIVELY MANAGED.

2. **Make a list of known problems and problem people.** These are places in every organization where management and accountability are needed and missing. Make a list. Have an honest conversation among your leadership team about the cost of allowing those issues to continue unchecked. Schedule some conversations to confront the problem people and behaviors. Reset the expectations, get an agreement, and rigorously monitor the situation to make sure the new standard holds. Remember that effectively dealing with one issue in one area of the business often causes positive changes in behavior in other areas *even if you don't address them directly*. This bonus effect is very powerful. So don't set out to handle everything. Look to handle a critical mass of issues and look for the moment when there is progress beyond the issues you're directly addressing. (And then celebrate because that's a happy day.)

3. **Hold a Red Flag Meeting.** This is a private session designed to flush out problems that aren't fully recognized or aren't being actively dealt with. These are situations that are hard to talk about because of politics, egos, or just the complexity of the issue. Setting the tone with a specific kind of meeting, designed to get important issues on the table makes it easier for people to have hard conversations.

In the meeting the goal should be to make the biggest list possible, prioritize it, and then take action on the biggest problems, best opportunities, or most frequent or expensive issues within two weeks (or another specific, short time frame.)

The conversation might be difficult or messy. Focus on getting the issues on the table and then focus on working through them. A messy conversation that actually happens is better than fifty perfect ones that don't. The pain is worth it to be able to acknowledge and address problems that are threatening your organization.

ACTIVE MANAGEMENT takes time, energy, skill, and intentionality. It is not the way most of the world works. All of which makes it a massive strategic advantage and very smart practice to adopt.

TRACK & MANAGE WORK

Many organizations spend significant amounts of time talking about work; the work they meant to do, the work that they didn't get to, the work they forgot, the work they thought someone else was going to do, and the work they tried to do but got interrupted.

You cannot actively manage people if you can't remember what they were supposed to do.

One of the best shortcuts to greater productivity is to put in simple structures to help track and manage work so teams can spend less time talking about work and more time getting work done.

This does NOT mean drowning people in paperwork.

It DOES mean breaking some old habits, moving from mostly verbal reporting to simple, shared documents. **You need to build tools to help you and your team organize, capture, track, report, and manage important tasks and projects.**

A few important tips as you begin:

- **Start with simple documents.** It is very easy to get lost in fancy software or complicated setups. Resist this urge. Simple documents shorten the learning curve and speed up integration. You can always create or buy more specialized tools once you've built the habit of using a simple one.

- **Use shared, electronic documents.** When different people have different lists or no list, you will find yourself back to spending too much time trying to figure out what was supposed to get done and not enough time doing it. Use a shared folder like Dropbox or Google Docs or Teams to keep, update, and reference a single document.

- **EVERY SINGLE TASK NEEDS A DUE DATE OR DEADLINE.** One of the reasons teams waste such an extraordinary amount of time and energy talking about work is that they fail to set clear and specific expectations. That failure leads to huge numbers of wasted hours that are spent arguing, remembering, making excuses, begging for results, chasing, nagging, and reminding.

  Due dates are targets used to get everyone on the same page. A due date is made of a specific day and a specific time. Due dates sometimes move.

  Deadlines are for high stakes tasks, usually a critical step in a process or final completion to deliver to a client. Like due dates, deadlines must include a specific date and time. Deadlines typically should be set and not move. Changing them will have real consequences.

  Whenever possible you want to schedule due dates and deadlines to coincide with existing meetings in order to make it simple for everyone to remember and review progress. When this isn't a good option, you may want a calendar reminder to review critical items in order to take the next step or seek out the person who didn't deliver, get a new commitment, and confront whatever breakdown caused them to miss the due date or deadline.

  Making sure all tasks have a due date or deadline is one of the simplest, fastest ways to make it easier to hold people accountable and to improve results.

  Bonus: Train team members to REPORT UP. This means the person who owns the task agrees to proactively update their team and leader as soon as they know they won't hit a due date or deadline. Ideally they would also present a plan for how to handle the breakdown. When whole teams learn to REPORT UP you can almost entirely eliminate the confusion and chase/nag/remind behaviors leaders and team members hate.

- **Every task has an owner.** Owners may be part of a team or even the leader. They are ultimately responsible for the completion of the task or project. When something has multiple owners, no one owns it and completion rates go down fast. Naming one owner makes it easier to hold them, AND their team accountable.

- **Written plans and reports are better than verbal.** Paper, or its electronic equivalent, is powerful. It doesn't forget or get distracted by other priorities. It doesn't remember details that make it look good and forget the ones that don't. Writing a plan forces you to think, helps you be more proactive and communicate more clearly. Formal documents eliminate a lot of the chaos and confusion that often mask poor results. They make it possible to not only hold people accountable but to also see where good people are struggling and can provide support. Written/electronic tracking tools make it easier to understand what is happening, see threats, set priorities and make better decisions.

The goal is not to write down every little thing or report every little detail. Critical milestones and critical numbers are usually enough. Look for where results have been inconsistent or not meeting production or quality standards. Adding written planning and reporting helps you find, and fix the real problems.

- **Clarity is how you win.** People will create confusion, usually unconsciously, as a way to avoid accountability. Remember that confusion invites conflict and chaos and makes accountability impossible. Uncertainty is a kind of confusion. Get clear. Track work to be able to actively manage and support your people. Get clear about the work, when it's due, and who is doing it. Write it all down. Have people regularly report their progress. Help them win by actively managing them.

Leaders can't manage what they can't see, can't remember, or never knew to begin with. People perform better when someone is paying attention to their results and how they produce them. Pay attention. Create the tools you need to track and manage work. Hold people to high standards. Quality and productivity will improve and often so will morale. Human beings like to win. Help them do that.

FIRING PEOPLE

Firing people is one of the most extreme and impactful ACCOUNTABILITY signals that can be sent in an organization.

It should be hard to fire people. A job offer is an important contract. Employment and the paychecks that come with it are important and losing them can have significant consequences. Leaders should always be thoughtful and clear when deciding who to hire and when to fire people.

That being said, most leaders wait too long to fire people. And when you do, you destroy momentum, and frustrate and annoy the good people you want to keep. You cement into your work culture problem behaviors and low standards that will persist long after the bad actor is finally gone. (See also **WHO YOU MANAGE**.)

When unethical or illegal behavior is discovered, when an employee's behavior threatens the safety or well-being of customers or fellow employees acting quickly to remove the offender (within legal boundaries and an organization's established policies) makes it clear that such behavior will not be tolerated.

For lesser issues the team member in question should be given a chance to make improvements.

Ultimately, once you are clear you would NOT hire an existing employee again, it's time to help that person move on. The problem might be as simple as bad results, insufficient effort, or an ugly attitude. Whatever the reason for the separation, when someone needs to go, it's important you act quickly for their sake and for the sake of the organization and the work culture you are trying to build.

You need to remember that bad behavior is almost always worse when the you aren't there. When you choose to leave bad actors or even just poor performers in a position, for whatever reason, you are also choosing to force good team members to keep dealing with, covering for, and putting up with that problem person.

Many leaders will work very hard to take care of the bad employee on their way out and neglect to take care of the rock stars who ARE staying and doing great work. It's a double-edged sword that can do extraordinary damage to your relationships with your most valuable team members.

Be fair. Be generous whenever possible. But when it becomes clear someone should move on, help them do so as quickly as possible. Few things will have a bigger impact on your work culture, morale, and good team members.

Firing people is one of the most extreme and impactful ACCOUNTABILITY signals that can be sent in an organization. Use it thoughtfully. But USE IT to remove the problem, protect good people, and set the tone for the rest of the team.

CRITICAL QUESTIONS: ACTIVE MANAGEMENT

- Where are you hoping something will happen? Hoping the problem will go away or hoping someone else will handle it?
- Where do you need a result but you're not really sure you're going to get it?
- Where are you nervous that something isn't going to work out?
- Who are you avoiding having a difficult conversation with?
- What is one problem, behavior, or person you'd love to make go away?
- Who always seems to have a good reason for not getting the work done, but rarely gets the work done? Do you have a written copy of their tasks or are you remembering and working verbally?

- Which meeting always seems to run long because there is too much to cover? Could some of that be turned into a simple document?
- What work is done over and over by people who report to you? Do you have a written way to track it? Can you tell what has and hasn't been done without talking to the team?
- Where would it be useful to compare numbers from one quarter to the next or one year to the next? Do you have those numbers? Do you take the time to compare and review?
- Which people around you have a very hard time or get very defensive when receiving negative feedback?
- Which people would you be excited or relieved to hear were quitting?
- Who on your team would you NOT hire again?
- Who are you putting up with? (You may be afraid to lose their skills, fear the hassle of replacing them, be hesitant to damage a friendship or just not want to deal with them.)
- What or who embarrasses you?

FUNDAMENTAL #4: MANAGING PEOPLE

Most untrained managers will cause more problems than they solve…big, annoying, dangerous, frustrating, expensive problems.

People are tricky and managing them is hard.

Managers are in critical roles. They have the single biggest influence on day-to-day productivity, employee morale, and work quality of any role inside an organization. They can be the reason why your vision is successfully implemented or the reason why it falls flat and is forgotten. **They are often why bad people stay too long and good people leave too soon.**

But for all the critical roles they play and responsibilities they have, most managers get no formal training.

Instead, they learn slowly and painfully, through experience, copying what they see from other managers or trying to avoid the mistakes they've seen bad leaders make.

Promoting someone with no training and hoping it goes well is the equivalent of promoting the loyal and hard-working janitor to be the newest surgeon because they've "been here and know how we do things."

The tricky thing is that most managers are great front-line people. They're hard workers who can be counted on to go the extra mile. That's what gets them promoted. But being a good worker is not the same as knowing how to get work done through other people. Being reliable doesn't mean someone knows how to organize, track, and manage work or how to effectively confront people who break safety rules or are late all the time. Working hard doesn't translate into knowing how to deal with subtle sexual harassment or how to walk the fine line between being a friend and being a boss.

When you're faced with dozens of problems that need to be solved, projects that need to be completed, full inboxes, and whatever fires pop up that day; it's incredibly tempting to promote good people and hope they'll work it out on their own—especially when this is how most of us in leadership roles learned ourselves.

But given the critical nature of the role, how challenging it is to do it well, and the lasting impact every management decision potentially has on performance, retention, quality, expenses, and morale, it's absurd to promote people without making sure they have at least some of the basic skills they will need to succeed as managers and leaders.

Training managers is a very smart thing to do, but not an easy thing to know *how* to do.

There's a lot of management training that is more philosophical than practical. Cliché's about leading by example or how people don't care how much you know until they know how much you care are true. But cliché's don't tell you how to hance your Tuesday morning staff meeting with one new person, two slackers, one bad attitude, and one person who is burning out and resentful because they're picking up the slack for the rest of them.

There is no definitive list of exactly which skills a good manager must have. The whole conversation is subjective and how critical a skill is or isn't can sometimes depend on the industry you are in and a bunch of other factors. **But in general, there are seven critical skills that managers need to be effective with the people who report to them.** (The skills needed to be effective with peers and within a leadership team are also critical but belong on a different list.)

These are the basics that leaders throughout the organization should learn, practice, and keep getting better at HOW TO:

1. **<u>CONFRONT / Hold People Accountable</u>**
   Perhaps the single most important skill for any leader, you and your managers need to know how to set and hold standards for the attitude, effort, and results you want people to produce. (Covered in detail below.)

2. **<u>CELEBRATE / Appreciate</u>**
   Although it's not talked about often, CELEBRATION is an incredibly important skill for building the right work culture, nurturing loyalty, and doing great work. (Covered in detail below.)

3. **<u>PLAN / TRACK / MANAGE WORK</u>**
   It's easy for to get distracted by doing; to make filling in for a missing worker, or fighting the latest fire your top priority. **You need to understand that your most critical role is not in firefighting but fire prevention.** You need to be proactive, planning around potential problems and tracking work and results so you can intervene early, when problems are smaller and easier to solve.

   Create basic planning templates and structures to help you keep track of the results you are responsible for and the work your team is doing. Leaders should spend more time with new managers reviewing their plans and results, working through their scoreboards to help them see problems, create, and execute solutions. It's not enough for managers to just review results. They need to learn how to actively manage their teams which means learning how to plan, track, and manage the work they are doing and providing support and accountability. You track work and progress so you can be proactive, dealing with issues and making adjustments in time to get the results you need.

4. **<u>BUILD CLARITY</u>**
   Confusion invites conflict, causes chaos, and kills results. Good managers are skilled at and dedicated to increasing clarity. New managers need basic

strategies and tools for presenting information and help learning how to set clear, useful goals and communicate them. All managers should get ongoing support and training and should keep getting better at clarity.

Training should include practice and feedback and checking in with team members to see how effective communication was. Do team members understand the goal, the plan, and their individual roles? Do different members of a team have the same understanding of the priorities and standards? When critical information is shared, does the urgency and importance land with the intended audience? Are managers able to be direct and clear when they need to without being unnecessarily harsh? Clear communication, clear standards, clear expectations, and clear plans do not happen by accident. Managers can, and should, get good at building clarity into everything they do.

5. **<u>MANAGE THEMSELVES</u>**
   If you're like most people, you might relate to having a "good day" like it's a happy accident, beyond the control of mere mortals. **Professionals** on the other hand, **spend time thinking about how they work, what helps them have a good day, what helps them get back on track on bad days.** No one has good days all the time. When you are exhausted, hungry, or emotionally drained it's hard to think clearly and easy to lose control. Whether it's a workout routine, 20 minutes to answer emails, prayer/meditation, or coffee; you need to learn how you work best and how to get yourself back on track when you slip. You need to be conscious about, and skilled at managing yourself in order to be effective with other people. And so do the rest of your managers.

6. **<u>COACH PEOPLE</u>**
   Coaching is a complex skill set. Good coaches know how to connect with people, listen so those people are and feel heard, upgrade perspectives and provide feedback on thinking and behavior. **Perhaps most important, a good coach is good at context. They help people make sense of events and create a useful framework for directing thinking and behavior even when the coach isn't there.** Luckily a mountain of training material exists on each of these elements. You and your team should work together, sharing good resources, and learning from each other about how to be good coaches for your people.

7. **<u>Build WORK CULTURE</u>**
   Culture isn't about birthday cards or casual Fridays. Work culture is the written and unwritten habits, standards, and norms for how people get work done. It includes mission statements and mottos. It's also the stories people tell about clients, how they answer the phone, and whether or not meetings start on time. It's how much gossip a group will tolerate, and what kind. Creating a great work culture isn't about controlling everything, it's

about being intentional with the elements that matter most. Being good at building work culture is partly a function of intentionally designing the culture you want, partly celebrating when team members get it right, and partly about holding people accountable when they get it wrong. Teach your managers about all the ways they can build and nurture the work culture you want and give them tools and ideas to shift your work culture when it gets off track.

You want to think through the most basic skill sets your managers most need and make that your starting point for developing a training program.

Start simple so you can start faster.

You give yourself an enormous strategic advantage when you take the time to develop at least a basic philosophy of management and articulate some simple skills. When a team or an entire organization has a common approach and language around how to manage people, learning happens faster and goes deeper. Individuals are able to share their experiences and insights and learn from the people around them. Employees get a clearer sense of what is expected and what works, all of which helps kill problems before they can get big and ultimately accelerates progress.

It's not always easy to make the time to train managers, and there is no perfect formula for equipping them with the skills they need to do well. But the upside of this kind of investment is huge. Managers feel more appreciated and valuable when you invest in their growth and development. Loyalty and morale increase as managers make fewer avoidable mistakes and become better at supporting good team members and holding bad ones accountable. The investment can be significant, but it is absolutely worth the cost.

CRITICAL PROJECT AREAS

CONFRONTATION

A core function of management and leadership, CONFRONTATION is one of the key skills that sets bad managers apart from good ones, and one of the secrets to becoming great. **Managers who are good at healthy CONFRONTATION, and who do it consistently, are some of the most sought-after leaders and most valuable people in any organization.** The fact that it is a hard skill to master and one most organization's struggle with is part of why it's so valuable and so worth the time and energy it takes to get good individually and as an organization.

People work in teams for a reason. Most don't do as well by themselves as they do when they have other people around to push them a little harder. From subtle forms of positive peer pressure to more formal CONFRONTATION, people simply do better when they work with people who run beside them, pay attention to their results, and hold them to higher standards. It's why people with workout buddies or personal trainers tend to workout harder, more often, and get better results.

Despite that, CONFRONTATION has a bad reputation. The word itself equates to conflict for most people. But healthy CONFRONTATION is not about punishing people or making them feel guilty. It's not yelling at someone when frustration finally boils over after putting up with bad behavior for too long.

**Healthy CONFRONTATION is an act of service.
It's a type of support, a kind of critical feedback
that helps people succeed.**

Good CONFRONTATION changes behavior without damaging the relationship. When you confront someone in a healthy, professional, and timely fashion you give him or her a fair opportunity to change their behavior and win. Without it, people are left in the dark, sometimes thinking they're doing fine while support and good will disappear around them.

At its essence, healthy CONFRONTATION is a conversation typically made up of five parts:

1. **Get Permission**
2. **Name the Problem/Pattern**
3. **Clarify Expectations/Standards**
4. **Get a Commitment**
5. **Appreciate/Acknowledge**

Generally CONFRONTATION conversations should be one-on-one and take place in private. It may sometimes be appropriate to confront in public or to confront an entire group. The guidelines are generally the same. You should be very thoughtful about how public conversations are managed. Group settings raise the social stakes and create additional pressure that can easily turn into defensiveness or shame.

Whenever possible, and especially if you have a temper, you should do the work to be able to approach the conversation calmly and without anger or resentment. Be professional and respectful. Remember, healthy confrontation is not about guilt or shame or even punishment. The purpose is simply to change behavior.

1. Get Permission

"Can I talk to you about something?" "There's something we need to discuss. Do you have some space right now or would it be better to schedule a time?"

It doesn't work to ambush people with difficult topics. Asking permission is both professional and useful. The question gives them a moment to shift their mindset and prepare for a potentially difficult conversation. Know that some people like to get difficult conversations out of the way as soon as possible. Some find even the slightest correction very uncomfortable and will postpone it as long as possible. You can help everyone involved by being thoughtful and giving people who need it a bit of runway to prepare themselves.

2. **Name the Problem/Pattern**
For more serious violations, it's unusual that the person being confronted has no idea there is a problem. For smaller problems or if the person is new to the role or standards have changed, they may have no idea there is an issue. Name the problem or distinguish the pattern simply and in a straightforward manner. Be specific. Have examples ready to help clarify exactly what isn't working or went wrong and what you want instead.

More conversation might be required, depending on the issue. It is often useful to speak to the impact a poor choice, lack of effort, or failure to produce the result has on team members, clients, the organization, and even yourself. Again, the goal is not guilt or shame but clarity. Naming the problem is about getting both parties on the same page that there is an issue.

3. **Clarify Expectations/Standards**
It's important to be specific and clear about what needs to change. Without that detail, the team member has no way to take corrective actions. Additionally, if you can't describe what exactly needs to shift in a team member's attitude, effort, or results, there's a good chance the problem is a personality conflict not a performance issue.

"It doesn't work." "It's not fair." "Our standard is X," said firmly and clearly, sends a loud message. Providing additional context, explaining why a decision has been made or helping a team member understand the wider impact of their action/inaction can also be useful when the reasoning behind a standard might not be immediately clear.

4. **Get a Commitment**
"Can I count on you to X?" "Can I DEFINITELY count on you to X? Is there anything that would keep you from doing that?" "We all need to work within these rules. Can I count on you to do that?" "Is there anything else I need to know?"

It is o.k. to repeat the question, even multiple times, to get a clear and authentic commitment. If the you aren't clear the person genuinely intends to keep the commitment, you should go back and work through what is needed and what might be in the way until a real commitment is possible.

5. **Appreciate/Acknowledge** Last, it is always helpful for to appreciate the person for having the conversation, for the other great qualities they bring to the team, or simply for being on board. Sometimes a team member might be upset or disagree with a decision. It is NOT your job to make them feel good. Your job is to help them get clear and be heard. You should give the team member a chance to say anything they might need to in order to clear the air. It's not useful to rehash old complaints or throw blame. Keep it short and to the point and move on to the work of the day.

If managers don't know how to confront issues, they won't. If they don't feel comfortable confronting issues, they won't. If they aren't held accountable for confronting issues, they won't. Problems that aren't addressed tend to reinforce bad behaviors and frustrate good employees. Which means a failure to confront one issue can often create new problems.

Teach confrontation. Learn confrontation. Practice confrontation. Get really good at confronting what doesn't work to get more of what does.

CELEBRATION & APPRECIATION

CELEBRATION is one of the smartest things nobody does enough of. It's a powerful interaction that reaches far beyond the person or team it's focused on. CELEBRATION is a shortcut to building culture and leaders. It has a significantly stronger impact than discipline or punishments, can cost almost nothing, and often produces HUGE value. (CELEBRATION as described here includes APPRECIATION.)

For most people, becoming a professional adult includes learning to suppress emotion… including excitement. People clap politely, tight smiles on their faces, waiting to get back to work. This is NOT celebration.

CELEBRATION is the wild whooping of kids winning the world series or finding out they're going to Disney World or that school is called off because there's too much snow. CELEBRATION is honoring the best of what it means to be human, to work hard, to be part of a team. It's why people cry during the Olympics, why nations pin medals on heroes, and why humans hold hands during funerals and really good weddings.

Done right, CELEBRATION is *personal*, visceral, and moving.

CELEBRATION is not about birthday cards, cake in the conference room, or making everyone feel good. It IS about recognizing, praising, and celebrating people when they work hard, go the extra mile, or get the big win.

CELEBRATION is not so much a thing you DO as it is a thing you UNLEASH inside your organization.

CELEBRATION is something anyone can learn to do really well. Some simple guidelines for putting CELEBRATION to work:

- **CELEBRATE It to Get More of It:** Human beings are very sensitive to subtle, and not so subtle cues in their environment. As social animals, humans are tuned into what works and doesn't work inside a particular group. Censure and punishments are some of the ways humans uphold social norms. They are ways that humans keep each other in line. CELEBRATION, especially public CELEBRATION, has the same role but can be much more powerful. People crave attention and a sense of belonging. They need to feel included and important. CELEBRATION is a way to give them all of that in return for working hard and performing well and to promote positive behavior and the values that mean the most in your organization.

- **CELEBRATE Attitude, Effort, & Results:** Just as they are great candidates for ACCOUNTABILITY, attitude, effort, and results are perfect targets for CELEBRATION. Spend time publicly APPRECIATING team members who put in the extra effort, produce great results, and who display a positive, cooperative, generous attitude. It is also very helpful to celebrate courage, kindness, and innovation.

- **Make it PERSONAL Whenever Possible:** Real CELEBRATION and impactful APPRECIATION happen most easily and are most powerful when they are personal. Many people automatically resist acknowledgement. When it's done right it can feel vulnerable both to the person giving it and the person receiving it. You should always be professional and respectful but you should also be willing to be a little uncomfortable in service of making a genuine connection by speaking directly to the person or people being acknowledged. Share the impact of the person's actions on you or the meaning those actions had to you and other people on the team. A minute or two of genuine, PERSONAL appreciation can have a life-long impact.

- **Money Isn't the Only Thing That Matters:** Team members have a right to be fairly compensated for the value they bring to an organization. And **smart leaders know short-changing people on pay costs more in the long run than it ever saves.** That being said, it's important to remember that money isn't the only thing people care about. People happily donate billions of hours of free work each year to charities they care about. MEANING, being part of meaningful work, seeing the impact of your contributions, working closely with like-minded people, all of these are reasons people show up. Smart leaders who make sure money isn't the only way they appreciate their people and end up building greater loyalty and getting better results because of it.

- **Show Genuine EXCITEMENT:** It's o.k. to clap loudly. It's great to get really excited when good things happen. Smile bigger. Be happier. Get more excited. Emotions are often contagious among human beings. Amplify and spread good ones whenever the opportunity presents itself.

- **MORE, MORE, MORE:** CELEBRATE more people, more wins, more everything, more often. **If you're celebrating genuine successes it's very hard to overdo it.** The same is true for APPRECIATION. NO ONE feels appreciated enough in any area of life. See people. Acknowledge them for the ways they fight through hard times and go the extra mile. Appreciate them for trying. Throw a party when someone fails in the right way and for the right reasons. CELEBRATE all the work even when you don't get the win. You can make your team an oasis with CELEBRATION, a place that nourishes and fills people, a happy resting place in a world that is often pretty hard to be a part of.

- **Use Your Resources:** Not everyone feels comfortable leading the cheers. But every organization has people who are unabashedly excited. It's great to leverage the natural gifts of these people. They usually have great instincts and a feel for what would feel great to the people you want to celebrate. Make sure you don't toss the responsibility for celebrating people at someone else and consider it handled. You still need to show up, participate, and find your own ways to directly acknowledge people and teams.

Leaders sometimes question the value of CELEBRATION. Many are themselves self-starters who work hard and feel internally motivated regardless of external recognition. It's easy and tempting to brush off CELEBRATION as fluff, something employees should do on their own. It's worth pausing and thinking for a moment about professional and collegiate sports.

Billions of dollars every year go into tickets and t-shirts from fans whose teams aren't likely to win much of anything. People participate to feel happy, to make a lot of noise and experience the party. They come to be part of a community and CELEBRATE.

Participating, belonging, and having something to cheer about matters as much as, or more than, what happens on the field.

CELEBRATION matters. Smart leaders know it.

WHO YOU MANAGE

Leaders talk about how their employees are the most important part of their organization. And everybody says they want to hire, work with, and manage great people. But then you hire whoever you can get, wait too long to fire bad people, and ask good people to cheerfully work with coworkers who don't work very hard, can't produce great results, aren't consistent, aren't even skilled enough to do the work to begin with, are mean/ angry/ confused/ depressed/ late/ inappropriate *or worse.*

There are thousands of reasons to hire or keep employees who are "o.k." or "good enough." But what most people fail to factor in is one simple, counter-intuitive truth: **finding a way to get it all done with too few good people is infinitely easier than working around bad ones.**

"Good people" own their results, get stuff done, and solve problems. Not-so-good people cause problems, take up precious management time, erode culture, neglect or abuse customers, and exhaust and annoy the good people.

Jim Collins and his team helped make "get the right people on the bus" a famous phrase in the book **Good to Great**, arguing that **"When in doubt, don't hire--keep looking."** Great organizations, he argues, are disciplined about getting the right people in the right seats even when, especially when, it hurts. It is better by far for leaders to hire good workers that understand their company's culture and share their values than to try and manage or work around people who don't get it.

He also outlines some simple, really practical ideas about who the right people are in the book, **How the Mighty Fall**.

1. **The right people fit with the company's core values.**
2. **The right people don't need to be tightly managed.**
3. **The right people understand that they do not have "jobs." They have responsibilities.**
4. **The right people fulfill their commitments.**
5. **The right people are passionate about the company and its work.**
6. **The right people display "window and mirror" maturity.**

Another great company, The Container Store, believes 1 Great Person = 3 Good People and makes this the first of their seven Foundation Principles:

> "We believe one great person with passion, perspectives, and a range of experiences has the energy and drive to achieve more than three good people. That energy attracts other great people, making it easy to build a

> dedicated team who will exceed goals and create an environment of success. That's why we hire great people from diverse backgrounds and then foster an equitable, inclusive and safe environment where everyone can thrive.
>
> From our Distribution Center to our Stores to our Support Center, you'll find great people in every position who have respect for each other and our customers every single day. **Hiring, developing and retaining great people is the secret to creating a great company** and that's what our 1=3 philosophy is all about."
>
> The Container Store
> Foundation Principles

Netflix's many unique approaches to business have earned them extraordinary world-wide success, not to mention billions in revenue. Their innovative perspective on talent has held true since their early years when they made a bold decision to pay more for great people and ignore the rest. They even came up with a name for this strategy, **"talent density."**

The whole thing actually started with a painful round of layoffs. After letting go of 30% of his workforce, Reed Hastings (Netflix founder and CEO) expected an angry backlash from the remaining 80 team members who would now be picking up the slack.

It was an angry backlash that never came. In fact, he got just the opposite. As he recalls in **No Rules Rules**, "…the atmosphere improved dramatically. We were in cost-cutting mode, and we'd just let go of a third of the workforce, yet the office was suddenly buzzing with passion, energy, and ideas."

Ultimately, he and his head of human resources, Patty McCord decided that

> "a team with one or two merely adequate performers brings down the performance of everyone on the team. If you have a team of five stunning employees and two adequate ones, the adequate ones will:
>
> - sap managers energy, so they have less time for top performers
> - reduce the quality of discussions, lowering the team's overall IQ
> - force others to develop ways to work around them, lowering efficiency
> - drive staff who seek excellence to quit, and
> - show the team you accept mediocrity, thus multiplying the problem.

> For top performers…it's about the joy of being surrounded by people who are both talented and collaborative. People who can help you be better. When every team member is excellent performance spirals upward as employees learn from and motivate one another."

Talent density became the standing policy at Netflix and led to aligned philosophies to pay fewer people *more* than the going market rate and encouraging people to talk to recruiters when they call. (They do differentiate between creative and operational roles. Talent density applies to creative roles where the value of a top performer is going to be 10x - 25x of an average performer.)

Good management starts with
GREAT HIRING and TIMELY FIRING.

When you hire good people who share your values and will work hard in service of those values, you can spend management time training and developing, supporting, challenging, and celebrating people.

When you decide to "get someone" or to keep someone who is bad, or even just o.k., you end up spending valuable time chasing them down, making up for their mistakes, excusing their failures to better employees, and trying to discipline them into decent behavior.

Management is a hard enough job when you have great people. It quickly becomes impossible when the people *are* the problem.

It is critical you focus on hiring well, providing real training, holding people accountable, and firing people that don't meet the standard.

If you want to cushion the blow or compensate people for past loyalty, the best way to do that is to write a check. You may think you can't afford to write those big checks and decide instead to keep someone on the payroll. But this fails to account for the drag that person is to team morale or the damage that person can do to good employees and their sense of loyalty. In the end, it is almost always more expensive to keep someone who doesn't fit than to take the painful step, and perhaps write the painful check to be free of them.

On that note, a word about diversity.

Human beings are social creatures, hardwired to be sensitive to our place in a community and whether or not we belong. In business, smart leaders know they need people in the room who are thinking of things they have not. You want people who will productively challenge ideas to make them better. But even when you know the value of and really want diverse perspectives, multiple factors are working against you actually getting and keeping them.

Comfort is NOT the same as cultural fit.

First, people mistake comfort for cultural fit. It is natural, when you're hiring people, to want to hire people you like and feel most comfortable with. We tend to look for shared interests, thinking that liking the same things, means we value the same things. In a lot of ways this is natural. Shared interests are easy to spot. Shared values may not be.

One of the hidden pitfalls of hiring is to mistake shared interests for shared values.

High performing cultures are always made up of people who share a common set of values but hold diverse perspectives on how to express those values in the world. These cultures are defined by their ability to engage in useful, productive conflict—something mediocre teams hesitate or refuse to do.

To build a high performing team you need people who are capable of the right kind of conflict.

The problem is that people who hold diverse perspectives are less likely to feel comfortable to us.

And if you aren't aware of the natural bias we have toward people we feel comfortable with, you may chase away the exact perspectives you need most thinking they aren't a fit for your culture.

Diversity always sounds like a good idea. In practice, it's a pain. It takes time to hear and consider and address different perspectives. It takes time to find common ground and resolve conflicts between multiple approaches. Diversity is disruptive. It challenges what we already think and know. As important and valuable as that is, it's also frustrating and uncomfortable.

If you've already hired the right diverse perspective but aren't intentionally making space for it in discussions, that diverse perspective, *which you definitely need*, will be seen not as a useful disruption but a problem person.

The complaints you hear (or have) will usually be vague and not related to performance or values. People will say things like, "I don't know. They just don't feel like they fit in here." "She/he just BUGS me. I can't put my finger on it." "I never liked him/her."

If you don't consciously and consistently recruit and make space for different perspectives, you will unconsciously be pushing them away.

Knowing this, leaders of high performing teams go out of their way to manage discussions, encouraging those with concerns or alternate perspectives to speak up and loudly appreciating those who engage. They make time to work through issues instead of dismissing or skipping over concerns or perspectives that aren't popular or easy. They back members of the team who may not have as much social standing and help others see and appreciate their value.

It's not simple or straightforward work. But this is another one of those kinds of work that can create huge returns when you get it right. Hard problems need talented, creative people and teams with diverse perspectives to solve them. The bigger the problem, the more important having diverse perspectives becomes.

And finally, a quick word about loyalty and longevity. One of the worst things you can do is to promote clock watchers who've been with you a long time over high performing rockstars who are producing great results now. If you want to reward longevity, write a check. Give good parking spots. Give extra vacation days as a bonus for longevity. (Make sure compensation packages make sense at every level and position.) Don't punish top-level people just for being a new hire.

Similarly, don't promise people promotions based on growth. Don't promise people they'll always be in charge of their area. The goal is not to protect egos or keep power or perks. That's called the Loyalty Trap. The goal should be to get the right people in the right positions to fulfill the mission. It is smart to give people a chance. It is very smart to give all your people a path to more responsibility and more money. It is very stupid to give important jobs to people who cannot do them well simply because they've been with you a long time.

Who you manage matters. Be thoughtful. Be practical. Be fair all the time and generous whenever possible. Put time and energy into finding the right people and then put more time and energy into training, challenging, celebrating, confronting, supporting, and surrounding them with other great people. It won't make management easy, but it will be easier. And there will be bigger wins and more of them.

CRITICAL QUESTIONS: MANAGING PEOPLE

- What do you feel like you're really good at as a manager? What skills are you missing?
- What are you good at as a management team? What skills is the team missing?
- What are the biggest issues that keep coming up with your managers or their teams?
- What do you wish you could brag about when it comes to your managers but you complain about instead?
- What have you seen that you envy in other organizations or wish you had in yours?
- What do you wish you knew how to do better/ where would you personally like new skills or help?
- Which managers are causing the most headaches for their people? What do they need to learn? Are they a good fit for management? For your organization?
- Who causes you the most headaches as a leader and why? What do they need to learn? Are they a good fit for management? For your organization?
- What do you celebrate?
- What should you celebrate more?
- How could you make your celebrations bigger, more meaningful, more fun?
- Where are your best opportunities for healthy competition?
- What are the values that you'd like team members to have?
- What values do team members HAVE to have to do well in your organization?
- Have you ever lost or gotten rid of a team member because of "cultural fit?" Think back, is it possible you were focused on comfort?
- Do you have any employees right now you know don't fit? What are their values? How do you know? Are they a match? Double check to make sure a lack of "fit" is true and not something else.
- Look around at your management team. Any glaring gaps in skills, perspectives, or values? What does your team need from the next person you hire?
- Are you caught in the Loyalty Trap with anyone? Someone promised or promoted beyond their talent, experience, or ability because of longevity?
- Have you overlooked anyone delivering great results because they're new?

ADDITIONAL THOUGHTS ON MACHINE BUILDING

1. **Building a MACHINE is a process, not an event** and there's no perfect way to do it. Every bit of progress made, every part of the MACHINE put in place, is a big win. Focus on making progress and celebrate when you do.

2. **Stabilize, then enhance.** When your infrastructure is overwhelmed your organization is inherently unstable. High performers may struggle, wanting to build THE solution vs. a solution. A simple spreadsheet or a one-page written plan can sometimes go a long way. Focus on eliminating chaos and confusion by getting workable solutions in place vs. fancy or perfect solutions. Stabilize first. Stop the bleeding. Do the surgery later.

3. **Prioritizing also means picking what WON'T get done.** Don't be ambitious. It is far, far better to get three projects complete than to do a little work on seventeen of them—even if they're really important and would make a really big difference. Resist the urge to add new projects without making a conscious decision about how they fit into current priorities and workload.

4. **Building a MACHINE does not mean drowning people in red tape and regulations**. It can be tough to find the right balance between too much structure and too little. Make conscious decisions, weighing both the cost of doing the work and the benefit to the organization. Don't assume everything needs a detailed form or 50 steps. But if there's a significant benefit, put a structure in place.

5. **People tend to resist structure and change.** This process is both. Resistance can show up in a lot of different ways—from logical objections to emotional frustration. Help people understand the need to change. Incorporate them into the process and keep them engaged. But also be prepared to continue on even when people aren't excited. (Including you.)

6. It's not all about fixing problems. **Building infrastructure is also the way to capture and preserve and improve on the good things you do now**. It's a chance to think about who you want to be and create the structures to be/become that. Make sure to think about how to use the tools being built to make strengths stronger, to give people the critical support they need to do their best work. This can and should include how you build and maintain your culture and how you appreciate and celebrate people. Not every organization needs a formal monthly birthday party. Many could use a few more handwritten notes or high fives to acknowledge how hard their people work and how much they contribute. Identify the elements that would make the biggest difference in your organization and build the infrastructure to support them.

FINAL THOUGHTS

BIGGER can be confusing, dangerous and hard. It's not easy to break old habits. It's tough to stop and take time out to work on infrastructure when there is already SO MUCH regular work to do. But BIGGER doesn't really create new problems as much as it forces you to face the ones you've already got. When you've been trying to remember instead of creating systems, letting too many people slide on too many things too often, or failing to take the time to stop and think and really plan, BIGGER will make life very difficult.

But it is also true that big problems are often the beginning of big victories. In business, and in life, it's not so much the problems you have as how you respond to them that matters. BIGGER is a big problem. But it's also a big opportunity.

The thing that can sink the ship is also the thing that can save it.

BIGGER is a chance to break old habits and create new ways of working that work far better. It's a chance to gather your people and decide to do something big, build something meaningful, and do it together.

Building the MACHINE solves the infrastructure problem. It protects profit. And those things are important. But it also gives you a chance to put structures around the best parts of who you are and how you work, to build a legacy that can last beyond you and this team. It's a chance to be a part of something, to make a difference, to contribute to something that matters. Human beings need that.

I hope the ideas you found here help you understand what you're up against and what to do next. I hope you work hard and build a good MACHINE that helps you do your work well and profitably and allows you to keep growing if that's your goal.

More than anything though, I hope you use BIGGER as a chance to be more of the person, more of the company that you always hoped you would be. I hope you work hard enough to feel the pure, sheer, exhausted joy that comes with *finally* figuring it out. I hope you are humble enough to try something new and brave enough to risk failing or looking foolish.

I hope you surprise yourself a little with what you can accomplish and the difference you make to other people. I hope you find out what it means to win because everybody won.

I hope you build something that matters and have fun doing it. And I hope one day you find yourself standing in a group of people all smiling the same proud, goofy, happy smile because you accomplished something together that you weren't sure could be accomplished at all.

Human beings need that.

So go for it. It's worth it.

Alecia Huck
Denver CO
September 2022

"It's never too late to be who you might have been."
--George Elliot

p.s. If you'd like to reach out, I'd love to hear from you. My direct line is 720-273-3286 or you could email me at alecia@maverickandcompany.com Good luck. I'm rooting for you.

Frustrated? Need a little help?

Need a LOT of help?

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Growth can cause a lot of confusing,
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