1

Stage I: Leading Past Losing

Organizations in stage I are at the bottom. For those who are guiding organizations at this early stage, the diagnosis is obvious. Your team is failing as you consistently and unequivocally lose games, customers, profits, and credibility. And losing can become a comfortable norm that team members cling to, accepting poor performance because winning simply isn't seen as possible.

To the outside world, such organizations appear to be hopeless case studies of bad decision making, poor management, and weak execution. Internally, the destructive dynamics are crippling. Resources are scarce, attitudes and teamwork are abysmal, the willingness to accept failure is often trumped by

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convenient rationalizations and denial, and roles and responsibilities are both unclear and mismatched.

Although organizations in stage I are largely defined by all they do wrong, they are full of promise. As you guide your group through this early stage, there has to be a distinct and narrow focus on understanding the team's losing ways. Observation and reflection are the keys to moving forward, and you are charged with asking questions, discerning the truth, and accepting the answers. Working to understand why the team is losing is the goal, and exploration and examination are critical.

Stage I is an investigation into why your organization is performing poorly. It's a time for neither judgment nor decisive action, but it's critical that a foundation for growth be laid. Throughout this stage, you are building a clear case for why changes need to occur and for what those changes should be. You should be prepared to gather evidence regarding where your organization is missing the mark, and regarding what a winning organization does differently. You also need to identify just how team members can be shifted into roles that best suit their skills.

Although making the case for needed change may seem like a straightforward endeavor, don't lose sight of the current state of the team. An organization in stage I has been beaten and battered, and the hope of an optimistic and honest leader is critical. Ultimately, the leader of a failing organization not only has to understand why the team continues to fall flat but also must be able to revitalize the

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dejected team by creating a light at the end of the tunnel, and pointing to where the group can go. To do this, it's necessary to study and define success. By studying industry success stories, drawing on the more personal and individual successes, and talking with people who have led high-achieving teams, you can better identify what the group should be striving for.

To help you better understand stage I, we will explore the experiences of three leaders who walked into failing teams with the goal of identifying what was going wrong. Jeffrey Lurie purchased the Philadelphia Eagles in 1994 for a record sum, only to spend the better part of his early years as owner trying to uncover the problems that kept the franchise from winning. Similarly, Frank Esposito brought years of experience in the motorcycle trailer industry to Kendon Industries, not only determined to uncover where the small company was failing but also committed to communicating the truth to the desperate team. And David Helfer moved halfway around the world to study how the Europe, Middle East, and Africa territory of Juniper Networks could operate more efficiently and effectively, focusing much of his energy on identifying the roles and responsibilities best suited to particular team members. All three of these teams were struggling, underperforming groups with far more potential than their achievements indicated. Their turnarounds began with patient and curious leaders who were determined to uncover what was wrong while instilling the belief that things would eventually become right.

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OBSERVE AND LEARN

Organizations that are losing know it. The profits aren't there, customers are absent, quality is cheap, and the brand isn't trusted. Yet acknowledging failure is painful and difficult, even though all the facts may suggest that the team is underperforming. Starting the turnaround process begins with recognizing and highlighting the group's losses and shortcomings, but it requires the skill of a patient and determined leader. For an organization to begin the turnaround process, the leader has to observe the team, learn where the failures lie, and then expose those failures. One team that knows this process all too well is the Philadelphia Eagles. It took the help of Jeffrey Lurie, a Hollywood producer with a Ph.D. in social policy, to get the organization to see what was wrong before it could turn itself around.

Teams in the National Football League don't come up for sale often, and so prospective buyers are in the unenviable position of taking whatever they can get. In 1994, when Lurie decided to buy the Philadelphia Eagles for $185 million—the highest price ever paid for a sports franchise up to that point—he knew that the team had underperformed over the previous decade. The team was coming off a 1994 season in which it had logged 7 wins and 9 losses, and over the previous twelve seasons (1982–1993) the team had accumulated a record that barely topped .500, at 100 wins and 98 losses. In the same twelve years, the Eagles advanced to the playoffs only four times, winning only one playoff game out of the five it played.

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Given the team's on-field performance, Lurie knew he was buying a franchise that was accustomed to mediocrity. What he didn't know was that the organizational problems extended far beyond actual wins and losses. Not only did Lurie spend a record amount of cash on the ailing Eagles, he also bought the team sight unseen. Once he saw what he had bought, the extent of the franchise's issues quickly became apparent.

"I'll always remember the day I actually bought the team, the facilities, sight unseen," Lurie says, "I mean, I knew about Veterans Stadium, but I really didn't know about the working conditions of the employees. It was startling and depressing, the first few months, to be in an environment where there are no windows."

To Lurie's credit, he didn't freak out or let the depression overwhelm him. He moved forward, exploring and cataloging what wasn't working and what might have to change, and eventually studying the ways of winning franchises in an effort to understand more successful organizations.

One of the primary concerns for Lurie was the facilities. The Eagles operated and played out of Veterans Stadium, a Philadelphia landmark that had slowly decayed into a relic of the good old days. The stadium had its appeal as a "time portal" capable of whisking fans back to its 1971 grand opening, but it had serious flaws as a professional sports arena and operations home for an NFL franchise. For Eagles employees other than the players, the Vet had become an awful place to work. The dingy lighting, the basement-level work area, the broken elevator, the rumors and fears of rats, and the windowless

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offices were depressing morale busters. For the players and the coaching staff, the cramped quarters made it nearly impossible to interact, and there wasn't a single room in the facility where the entire team could meet to discuss strategy or where team members could just get to know one another. And for the fans, watching a game at the stadium was disruptive and uncomfortable. According to Lurie, "The sight lines for fans, which are the first thing I always kind of look at when I go into a stadium, were so distant! It was one of those multipurpose stadiums that was poor for football and poor for baseball." Suffice it to say, employees didn't enjoy their time working inside the stadium, and the fans weren't excited about watching games from the stands. Lurie took note, continued cataloging the Vet's limitations, and waited.

As real as the issues at Veterans Stadium were, the problems with the organization were far more complicated than poor sight lines and a few rats. But the stadium was an easy target. It couldn't get offended, argue, or react to the criticism, and its failures were shared by everyone. Nevertheless, as Lurie continued to explore what was keeping the Eagles from succeeding, he started to look past bricks and mortar and deeper into the dynamics of the actual team. What Lurie began to find was not unexpected, but it was unsettling.

Championship teams often share a distinct collection of characteristics. Losing teams do, too. Patrick Lencioni, a leadership expert, defines the five characteristics of a poorly performing team as *absence of trust, fear of conflict, lack of commitment, avoidance of accountability,* and *inattention to*

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results. Lencioni suggests that each of these characteristics works to deteriorate the effectiveness of the team, promoting dysfunction and ultimately failure. For example, if two individuals don't trust one another, they will be "incapable of engaging in a debate of ideas," and this shortcoming will inevitably compromise the quality of the ideas developed.[1]

The Eagles seemed to model Lencioni's five dysfunctions. Communication was poor, and trust was nonexistent. Healthy conflict didn't take place, and team members lacked commitment to each other, to the fans, and to the organization. There was little accountability, and the team's win-loss record was evidence enough that the franchise may not have been placing much attention on results. But what Lurie noted was the attitude of the office staff. He observed the staff and concluded that there "wasn't a lot of excitement or enthusiasm." Staff members just came to work, did their thing, and went home. They weren't bringing passion to their jobs, and Lurie noticed.

He explored further, watching the departments and personnel interact, and concluded that there was "clearly a large wall between the football operations and the business operations, or the rest of the operation." There was no unity and there was no shared purpose. Each camp fought for itself, blaming the other camp for failures and mistakes. If the team was losing, it was the football side's fault, which led to poor ticket sales and anger on the business side of the organization. If the business side didn't fill the house, the football operations wondered how any team could perform with a weak crowd.

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The two sides pointed fingers at each other and wouldn't cooperate to solve the problems.

As Lurie continued to watch and gather information, he unearthed more and more types of behaviors and interactions that would have been destructive to the success of any team.

"It seemed very contentious," he says. "It was sort of epitomized by the equipment manager, who had a very negative view of players and was very reluctant to issue socks and hand warmers."

The equipment manager thought that the players were asking for such items in order to steal them. And this questioning of the players' requests for warm clothes, in the cold Philadelphia climate, was just one of many ways in which mistrust within the organization manifested. On the surface, the issue of hoarding socks—because of the fear that millionaires were going to steal them—may seem childish. But Lurie came to associate this type of exchange as reflective of a much larger problem. Regardless of who was right, it was indicative of the much more serious issue of pervasive negativity, which couldn't coexist with winning championships. Essentially, this type of mistrust and selfishness can spread like a virus, infecting one person after another and eventually bringing the whole organization down. Individuals have the potential to be "walking mood inductors."[2] As such, they can exert an impact on the emotions, the judgments, and even the behaviors of other individuals and groups. For Lurie, the Eagles were fighting an illness that had permeated the whole organization, and the

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dysfunctional interactions were symptoms of an unhealthy culture.

"I felt like the biggest challenge, by far," he says, "was changing the culture to one where you expect to be very good and proud of your franchise, both on the field and in the community."

Lurie had seen enough. After collecting information about what was wrong, he set out to establish a blueprint for correcting the problems. He wanted to sell the organization on what it could be, on where it could go, and what hard work and focus could lead to, but first he had to paint a picture of what success was. He knew that between 1981 and 1994 the San Francisco 49ers had been among the most dominant teams in the NFL. Out of a sixteen-game season, the franchise had won ten or more games every year but one (the 1982 season had been shortened to nine games because of a strike). The 49ers had missed the playoffs only once, and they had reeled in five Super Bowl championships. As a new owner, Lurie was intrigued. He wanted to study success, and the 49ers were as successful as any team going. He reached out to San Francisco and asked if he could meet Bill Walsh, the 49ers' head coach from 1979 through 1988. Walsh, who died in 2007, was largely credited as the architect of the 49ers' dynasty, and Lurie knew that Walsh would have plenty of insights into what makes a franchise good.

"I spent a lot of time with Bill Walsh and those guys out there because I admired them," says Lurie. "During the first six months of owning the team, I spent more time with those

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guys than anyone else, just because I admired what they had done, the culture, the expectation to be very good. I wanted to understand the approach they took to their own players, their employees, and their scouting systems, and I had a feeling that they did want to be the best, and recognized that they were the best."

Lurie considers talking with the 49ers a critical point in his development as an owner, but it was also a critical point in the Eagles' eventual turnaround. Not only did Lurie keep tabs on what would have to change within the Eagles franchise, he also went out of house to take a look at what a winning organization does. In so doing, Lurie built a case for what would have to change with the Eagles, why it would have to change, and how it would eventually have to change.

In this early period of turning an organization around, a leader simply has to take stock of what's wrong. Lurie began by watching quietly and noting deficiencies in the facilities and the team dynamics as well as taking note of concerns with the larger culture. On the ground in Philadelphia, he attempted to understand why the organization was failing, but he also worked to define success by talking with Bill Walsh and the staff of the San Francisco 49ers. Lurie took hold of opposite ends of the performance spectrum, and he grasped the stark differences between the two. Eventually he worked to bridge the gap, but before taking action, he studied, watched, asked questions, and worked to define both what was wrong with the Eagles and what they should eventually be doing right.

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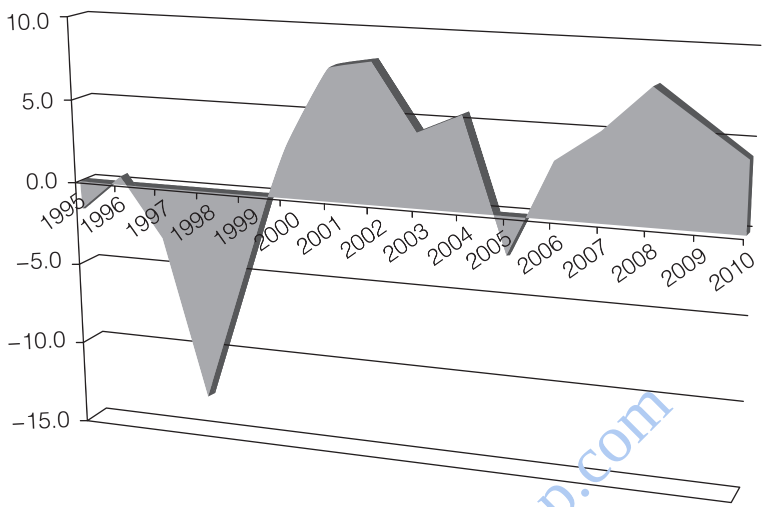

Figure 1.1. SRS for the Philadelphia Eagles, 1995–2010*
*This figure shows the Simple Rating System (SRS) as it applies to the Philadelphia Eagles from 1995 through 2010. The SRS, created by sports-reference.com, is a statistical measure of a given team's overall strength, taking into account its margin of victory and the strength of the other teams it is scheduled to play in a given year. The SRS league average is 0. Numbers greater than 0 indicate that a team's performance is stronger than the league average, whereas negative numbers indicate that a team's performance is weaker than the league average.

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As Figure 1.1 shows, Lurie's early observations provided a solid foundation for the Eagles organization and ultimately led the team to success. Lurie worked hard to correct the issues he had uncovered and to significantly raise the performance standard. From 1995 to 1999, Lurie's Eagles endured three losing seasons, accruing a combined record of 34 wins and 45 losses, but he knew he wanted to build his team for long-term success, and he saw those early losses as part of the team's growth. The Eagles turned the corner in 2000 and have been one of the most dominant teams in the National Football League ever since. From 2000 through 2010, the Eagles have amassed 113 wins against only 62 losses. They have advanced to the playoffs nine times, to the NFC conference championship five times, and to the Super Bowl once. Their 2004 Super Bowl run ended in their loss of the championship game, but the Eagles have established themselves as a perennial Super Bowl contender and as a dramatically different organization from the one Lurie purchased in 1994.

FACE REALITY

Once you understand what's wrong, it's time to let the team in on the secret—to go beyond platitudes and face reality, no matter how disconcerting it may be. It's time to shine a light on all the issues that have been swept under the rug for so long, and to inform the group that the future does not need to look like the present. This process can be hard, and confronting the issues will make a lot of people uncomfortable, but it's necessary. In moving through stage I, once you've gathered information about the problem, you have to deliver that information.

When people are in denial, there's a truth out there that they are afraid to recognize consciously, something that is

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simply too difficult to embrace.[3] Rationalizations become tools to explain behaviors in terms that may feel good but are often used at the expense of reality. These rationalizations serve to sidestep the actual problem, ensuring that nothing really changes. This kind of thinking is debilitating, but it can be successfully confronted and changed when rationalizations and denial are exposed to an onslaught of truth.

Teams in any sort of lengthy decline become vulnerable to using rationalizations and denial as a means to explain away and ignore breakdowns.[4] Similar to an alcoholic who tells his wife he doesn't have a drinking problem while he downs a case of beer, an organization can fail to acknowledge its own decline. Members look the other way rather than acknowledge the trouble that the team or organization is in. Employees of an organization may reject the idea that a competitor's product has overtaken their own, or that they don't have the necessary skills, or that they're not prepared for the immense challenges that lie ahead. As denial and rationalizations increase, the problems that come with them grow in severity. The issues become more debilitating, and until the truth is dealt with, the organization keeps diving down.

When Frank Esposito was named president of Kendon Industries, he walked into an organization that was mired in rationalizations and denial. Kendon is a small company with around twenty-five employees in Anaheim, California. Kendon is in the business of manufacturing and selling motorcycle lifts

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and trailers, and at one point these products were among the best in their field. Kendon was once an industry darling, but eventually the company fell from grace while chasing the promise of quick growth and million-dollar profits. As a niche organization producing a specialty product, Kendon had been turning heads with eye-popping designs as well as high-end quality and service. But, as Esposito explains, the company bought into a faulty promise. When Kendon committed to the strategy that it could build its trailers for 20 percent less, sell 50 percent more of them, and lower the price, the problems began. The culture at Kendon shifted from one of considerate, creative artisans to one of "make a lot of money, take costs out, be cheap, and get rich." Success slowly turned to frustration and failure. The industry darling hit the skids, with nothing to hold on to but unsubstantiated claims and the false promise of getting rich quick.

Production was outsourced overseas. Regional vendors were put into bidding wars and dumped as soon as cheaper labor was found. Then, when Kendon tried to enter a different market with a product that the company didn't specialize in, customers as well as distributors and vendors started asking questions. Costs were continually cut, the quality of Kendon's products began to decline, and eventually customer service began to go, too. According to Esposito, inside the company there were "a million excuses" despite declining sales, lost customers and partners, and growing criticism, and the company "basically denied that real, relevant problems even existed." Quality and profits continued to plummet. "Dealers and

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consumers started to get kind of fed up with the Kendon brand, which they had once loved," Esposito says. Kendon was in the throes of a dangerous downward spiral but refused to acknowledge that problems existed.

Slowly the company began to fade, and a competitor eventually emerged because Kendon couldn't mind its shop. The owners watched as their company began to tank. Profits dropped, relationships were damaged, quality was sacrificed, and employee satisfaction was gone. Kendon had hit rock bottom. Finally, and to its credit, Kendon acknowledged the truth. The company was losing badly and needed help if it wanted to stay alive.

"When they offered me the position, it was kind of a crazy phone call," Esposito explains, "because they'd already figured it out. They were losing money, and they were watching the company that they'd built crumble. I didn't have to convince them that they had a problem," he adds. "They knew."

Kendon had been spiraling downward, but eventually the company had the presence of mind to face facts and reach out for help.

Webs of deceit are woven from uncomfortable pressures and conflicting demands. Lies and denial, rationalizations and untruths, are not born of comfortable situations. Deceit requires extra energy because the lies have to be dealt with through a variety of rationalizations. Beyond the internal conflicts and inefficiencies that rise out of a deceitful culture, there are external ramifications of the internal lies, and these

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consequences aren't rosy, either. An organization that can't embrace the facts about its performance runs the risk of sacrificing its reputation as well as its relationships with external constituents.[5]

But the funny thing about the truth is that people often *want* to embrace it. They may not want to hear it, but once it's spoken, everyone's shoulders drop in relief. Finally, someone has noticed that the organization has been skating by. Finally, someone is willing to confront the ugly reality. Finally, someone is putting the success of the group above everything else.

At Kendon, Esposito had the personality to match the task. Candid and forthright, Esposito doesn't come across as one who is able to skirt the truth. In January 2009, when he came in to right the ship, he started strengthening the organization's weak sense of reality by taking a more objective approach.

"I'm a validator," he says, "I don't just grab my own opinion and run with it. I go validate things pretty thoroughly."

He started by interviewing the team members, asking them about the direction of the company, where it was going, what needed fixing, and what needed to be changed. For the first time in a long while, Kendon had someone who was going to rely on facts and seek proof. No longer would the group be vulnerable to easy rationalizations and convenient denials.

What may have been most stunning for Esposito in those early efforts was his discovery that denial seemed to permeate the organization but didn't reside in individual employees.

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When they were given the opportunity to share their opinions, the employees clearly weren't satisfied with poor quality.

"The very common answer," Esposito says, "was that they wanted to be proud of the product, and they wanted to take their time and build the best. They were instructed not to do that."

The individual employees wanted to be craftsmen, delivering a high-end product with passion and care, but the company had outsourced production and cut corners in a chase for profits that had compromised Kendon's very foundation. Sadly, until Esposito got the employees talking, the truth was being silenced, and the company was working itself into extinction.

"They knew what the problems were," Esposito explains, "but they were just helpless, and their voices were muffled, or they were hobbled. People literally got reprimanded or put in their place for speaking up. So they gave up."

In time, the truth was not only suppressed, it was discouraged. In short, not only had Kendon lost the truth, it had also lost one of its most prized assets—the passion of its employees.

When employees lack motivation, engagement, and the belief that they can positively impact their team, two sets of expectations are likely to develop. There are the spoken expectations, or stated goals, and then there are the shadow expectations, or shared goals that have developed informally between team members and that are considerably less rigorous than the stated goals.[6] People know that they have to publicly shoot for the spoken expectations, but most of them have their eyes on the shadow expectations, which are much lower. After all, the members of the team have learned that they're not capable of achieving the stated goals, and so there's no use in trying if their efforts can't get them where they want to go. This stance is typical of the attitude known as "learned helplessness."[7]

"When I first got here," Esposito says, "the culture was just very lifeless, very slow-paced. People just didn't care. They were moving slowly, ignoring things. Again, they were trained, kind of like a dog slapped with a hand. The next hand that reaches out, to pet it—the dog still shrinks away."

The Kendon employees had given up. Esposito describes this phenomenon, trying to make sense of a sad and confusing situation.

"They'd had the roller-coaster ride of the early days, of everything being done right, and a tremendous amount of pride," he says, but they had been "knocked down to the point where it was literally just a job, and just being paid for attendance, and 'I'll do the minimum amount and just get my paycheck, and nothing I say matters.' "

The employees had literally learned helplessness. They couldn't see how their efforts might stop the company from failing. The false promise of big payouts had trumped the value of honest feedback, and the employees eventually gave up trying. Why try when nothing you do matters? Instead, they put their energy into coping and getting by as opposed to working with creativity and productivity, and the results proved disastrous.

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It's taken a few years, but things are changing. Relationships with the top two distributors in the motorcycle industry have been restored, a performance-based pay system has been instituted, manufacturing is now housed solely in the United States, and the brand has returned to its original position, focusing on quality and value.[8] As for the employees, "they believe in the company," Esposito says. "They believe in me. They haven't had raises for quite a long time. They communicate. They work with pride. The environment here—there's a sense of urgency. Problems don't sit. People talk to each other. The culture is changing."

Esposito uses caution in explaining what's happening at Kendon, acknowledging that the transformation is anything but complete. Likening the company's progress to the process of emerging from a raging river, he says, "We're still clawing up the bank." But Kendon has done away with denial and rationalizations, and hope is slowly returning.

Kendon is on a new path. With the help of Esposito, the company is working to open up communication channels, to value honest and objective feedback, and to maintain its commitment to being a niche company that makes darn good trailers and lifts. As Esposito explains, "Kendon has to be the premier brand of fold-up, stand-up, open-wheel trailers and lifts in the power-sports industry. Period."

The strategy has become very simple. Kendon has reinvested in some basic principles and is focused on designing, building, and selling the very best products it can. The company has patched up relationships with vendors, refocused on

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customer relationships, and is spending more time on building relationships internally. Kendon has gone back to its roots, and back to what works. The company has divested itself of deceit and invested in hard work, and it seems more comfortable being a small company that can focus on product integrity and slow, measured growth.

At this stage of the Team Turnaround Process, the truth is an antidote. It wakes up zombielike employees who have been dealing with failure simply because they have seen no other way. Confronting employees with the facts of long-term losses reminds them that their jobs matter. When a leader says that the current standard of achievement is unacceptable, people often become excited with the possibility of a new standard and charged up by the passion of a leader who actually cares. For Frank Esposito and Kendon Industries, the truth was a lifeline. Kendon is slowly coming back, but only because it accepted the truth.

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DEFINE ROLES AND RESPONSIBILITIES

Role clarity is vital for success in any organization, but teams in stage I lack it. Without clear roles and responsibilities, team members lose focus and motivation and are left to wallow in mediocrity. Individuals who are insecure about what they should do and how they should do it are often reluctant to do anything. As role ambiguity increases, job satisfaction and influence decrease, anxiety grows, and performance and confidence decline.[9,10]

Clearly defined roles give employees a level of stability and promote more focused and more productive efforts. In guiding teams through stage I, it is imperative that leaders identify necessary responsibilities and define clear roles for team members. Nevertheless, as with all the other components of this initial stage of turning a poorly performing team around, leaders must first gather information.

Juniper Networks is headquartered in Sunnyvale, California, and posted more than $4 billion in revenue in 2010. The company, a leading innovator in network technology and solutions, offers products that range from mobile infrastructure to a network operating system that promises to decrease network operating costs by up to 41 percent. David Helfer is vice president of partners for the Europe, Middle East, and Africa (EMEA) territory of Juniper Networks. Stationed in London, Helfer is a long way from his hometown of East Lansing, Michigan, but he was sent there from Juniper's Silicon Valley headquarters with the distinct purpose of turning the partner (channel) team around.

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When Helfer first took his position, he observed that his team was spending time and energy developing relationships with the wrong people. A partner team is supposed to facilitate the sale of its product by other, oftentimes larger, organizations, thereby leveraging an existing sales channel. But Juniper's EMEA team was selling directly to smaller clients.

The team's approach reduced the overall sales potential and had a significant impact on productivity.

As Helfer began the task of turning the team around, much of his early attention centered on better understanding individual roles and responsibilities. One of his first tasks was to identify the jobs that people were actually doing, in contrast to where they best fit.

"There was a real lack of consistency," he says. "You had partner account managers throughout EMEA, and many of them had different compensation plans. They had different targets, they had different objectives, they had different titles, they had different responsibilities. People were moving forward and trying to do the right thing, but not necessarily in a cohesive strategy."

In other words, Helfer walked into a team that had great intentions, worked hard, and was incredibly skilled, but many of its people weren't in the right places. He had punters acting as quarterbacks and outfielders pitching. The roles had to be reordered and realigned, but first Helfer needed to identify where people were best suited to help the team.

Throughout his life, Helfer has played for winning as well as losing teams. He's been a superstar and a benchwarmer and seems equally excited about and comfortable with whatever role he has to play, if it will lead to victory. To highlight this point, he tells the story of his senior season as captain of his three-time National Collegiate Athletic Association (NCAA) championship tennis team at Kalamazoo College.

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"I didn't play a single match in the NCAA finals," he says. Instead, he strung a sophomore's racquet rather than take the court. "It was a bit humbling that I was helping the team in a different way. I wanted the team to win a national championship, but I didn't play."

As captain of the team that year, Helfer was seen as a leader. He had won two consecutive NCAA titles, and his team was going for a third. But Helfer just wasn't up to snuff that year. His teammates were simply more talented.

He could have pouted or even quit, but instead he assumed a supportive role and filled in where the team needed him. Even if that meant stringing an underclassman's racquet, Helfer resigned himself to being the best captain and teammate he could be, and his efforts paid off. He captained the team to victory. Helfer may not have played in that final match, but he was an integral component of the team, and he has three NCAA rings to show for it. Needless to say, Helfer understands teamwork, and the value of embracing roles and defining responsibilities.

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As Helfer worked to better understand where Juniper's EMEA team was challenged, he methodically collected facts, asked questions, and ran analyses. He made himself accessible, believing that "people don't follow titles, they follow people." He was curious and genuinely interested in what was holding his team back, and he hoped to help not only the larger group but also the individuals who were struggling.

As Helfer got deeper into his early investigation, his concern for how roles and responsibilities were being determined grew. "Probably one of the bigger things," he says, "was actually the roles individuals were playing." The right people weren't in the right places, titles weren't reflecting what needed to be done, and even the way in which relationships with partners (clients) were being determined was muddy.

Helfer explains two aspects of the EMEA team, focusing on how salespeople and account managers are key players who need to assume radically different roles.

"Our partner account managers are very good," he says. "However, their entire compensation plan, and what they were looking after, looked more like a salesperson than a partner account manager. Those are two very different, distinct roles, and you would typically apply two different skill sets to those roles."

What was happening in Juniper's EMEA territory was that there was insufficient focus on aligning skills, titles, compensation, and expectations. Instead, people were working hard and even making progress in these somewhat amorphous and oftentimes confusing roles, but for all their efforts, the territory wasn't moving forward. In other words, clarity and focus were weak, and the team was suffering.

Upon joining a team, an individual holds a belief about what his or her responsibilities and contributions should be. Similarly, an employer has expectations of what that individual will deliver. Regardless of how a role has been defined by a leader and interpreted by an employee, each of them inevitably develops a personal understanding of what that role is. This dynamic, this unstated bargain, is called a *psychological contract.*[11]

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As with anything else that is unspoken, there is room for misinterpretation. If an individual takes a full-time position with the expectation of working between forty and fifty hours per week but soon finds that there is no way to complete the work in under seventy hours, that employee will likely feel that the organization is not honoring its side of the deal. This situation could lead to a feeling of being devalued, and even to the employee's acting out. The employee may start expending less effort, may become emotionally disengaged, and may even do just the bare minimum in the job. All of these reactions would be fueled by the perception that the organization is not holding up its end of the unstated bargain.

When problems with a psychological contract occur, the existing psychological contract needs to be eliminated, and a new one must take its place. To begin anew, it is necessary to outline the terms in a more explicit manner. At Juniper, Helfer put more focus on communication, even brainstorming communication strategies, such as video messaging and texting, so that he could better connect with his widely dispersed team members. He also began to ask the most critical question of all: "You ask them the simple question 'What's your job? How are you being judged and measured?' You'd be amazed sometimes at how different the answer is from what you're expecting. But that's the reason you ask it."

In asking this simple question, Helfer was uncovering the existing psychological contract, and giving himself an opportunity to adjust and clarify it. One key to a viable psychological contract is that it has to be entered into freely. By

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bringing to the surface and correcting employees' implicit understandings, Helfer allowed the team members to freely choose whether or not they wanted to be parties to the newly defined agreements.

When Helfer arrived in London, he joined a group of hardworking individuals mired in confusion about their individual roles and responsibilities. It was critical for Helfer to understand how roles could be made clearer, and how responsibilities could better suit individual skills. He set out to identify where roles were ambiguous and to discover what responsibilities were best matched with specific job functions. As his understanding grew, he began to help his team members understand and embrace just what their jobs actually were.

By continually working to find a common understanding, and by clearly communicating responsibilities, Helfer was eventually able to bring old assumptions to the surface and explicitly rectify any misperceptions that team members had. Once Helfer was confident that team members understood their roles and responsibilities, he knew that his team was ready to take the next step in the Team Turnaround Process.

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THE PLAYBOOK FOR LEADING PAST LOSING

Underperforming teams share distinct traits. As they drop to rock bottom, they become accustomed to losing, even comfortable with it. Their resources and attitudes are deficient, and teamwork and communication are limited. They ignore the truths behind their letdowns, relying on rationalizations and denial to get from one day to the next. These teams have a poor understanding of roles. They lose motivation and fail to execute because expectations and responsibilities are unclear. Organizations at stage I are broken and in desperate need of leaders to step in and honestly appraise and acknowledge any and all shortcomings.

Stage I of the turnaround process is the critical first step toward the fulfillment of even the most unlikely of dreams. Teams at this initial stage have difficulty believing that any level of success, let alone great or historic achievement, might be possible. But this early stage is the foundation on which greatness will develop. At this initial stage, leaders are called on to find and communicate the truth of the situation. You must explore your organization, uncover all the problems, and stare down, with open eyes, the ugly reality of losing. From there, you can communicate the truth with courage, conviction, and skill to the rest of the team.

The truth will often come as a relief to team members, but embracing the faults and flaws of the organization is still an uncomfortable and sometimes painful exercise. Nevertheless, seeing dysfunction for what it is will allow team members to shed their denial and do away with rationalizations. Furthermore, as team members open up to what is wrong, they will look for answers regarding how they can do things right. In this sense, you as a leader have a unique opportunity to redefine responsibilities while clarifying and assigning

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critical roles. This is what Jeffrey Lurie, Frank Esposito, and David Helfer were all able to do. They identified harsh realities and brought them into public view, taking this critical first step toward turning their teams around. By acknowledging the problems, the people on their teams were able to move forward, strive toward loftier goals, and put their focus back on winning and working together.

This first stage is a cold shower of truth. It feels good only after it's over, and once it's done, the organization is revitalized and energized to move forward. With dysfunction out in the open, the real work can begin.

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