

TEN STRATEGIES

FOR MID-SIZED PROFESSIONAL SERVICE FIRMS
TO BREAK THROUGH TO THEIR NEXT LEVEL

Take Control Of Your Future By Upgrading Your Leadership Operating Model



THE SHATTUCK GROUP

“Culture eats strategy for breakfast.”

Peter Drucker (at least purportedly)
Management Consultant

“Strong leaders face the brutal facts.”

Jim Collins
Management Consultant & Thought Leader

Table of Contents

| | |
|--|----|
| Who This eBook Is For | 4 |
| Strategy 1: Recognize That Culture Eats Strategy For Breakfast | 10 |
| Strategy 2: Commit To Organizational Health | 13 |
| Strategy 3: Form A Leadership Council Of Seven People | 18 |
| Strategy 4: Intentionally Foster Vulnerability Between Council Members | 25 |
| Strategy 5: Institute A Best-Idea-Wins Decision-Making Model | 31 |
| Strategy 6: Align Your Leaders By Defining Your BHAG, Mission & Values | 37 |
| Strategy 7: Adopt Collective Objectives | 46 |
| Strategy 8: Hold Yourself & Your Team Accountable | 50 |
| Strategy 9: Commit To Trowel And Sword | 56 |
| Strategy 10: Adopt Free-Flowing Information | 63 |
| Conclusion: What Is A Leader? | 71 |
| Leadership Operating Model Comparator | 74 |
| Addendum: Sample Leadership Council Invitation | 76 |
| About The Author | 78 |
| About The Shattuck Group | 79 |

Ten Strategies For Mid-Sized Professional Service Firms To Unleash Their Growth Potential
By Randy Shattuck, CEO, The Shattuck Group

© Copyright 2022, The Shattuck Group. All rights reserved.

TERMS & CONDITIONS

All content contained in this document is the intellectual property of The Shattuck Group. By using this document, you agree to the following terms and conditions. 1. You may download, print, and copy this e-book one time for your personal use provided that you retain all copyright notices and do not modify the e-book in any way. 2. This e-book is provided “as is” without any warranties of any kind whatsoever, including warranties of title or fitness for a particular purpose. The Shattuck Group makes no warranties of any results that may be obtained from the use of this e-book. 3. In no event will The Shattuck Group, Randy Shattuck, or any officers, employees, or agents of The Shattuck Group be liable for any indirect, consequential, special, incidental, or punitive damages from the use of this e-book.

If you cannot abide by these terms and conditions than you agree to, and are hereby charged with, destroying all copies, both electronic and physical, of this e-book.

The Shattuck Group vigorously defends our intellectual property and copyrighted material and will prosecute offenders to the full extent of the law.

Who This eBook Is For

Mid-Sized Professional Service Firms That Want To Keep Growing

The ideas I'm about to share with you are for two types of leaders of mid-sized professional service firms. First, there are those who've had a history of growing up to a point and then something happened. They can't put their finger on it, but some time ago, growth just seemed to dry up. This has been a topic of discussion in the firm for a while now. Most attempts to get growth going again have merely fizzled. It's a conundrum.

Second, this eBook is for leaders of mid-sized professional service firms that want to keep growing. They haven't experienced a stall yet. But the leaders have been observant enough to know that most mid-sized firms, at some point, will hit a stall-out. They want to avoid that and keep growing.

Before we go too far, I think it's important to define what "growth" means. Most of the 70 plus mid-sized service firms I've been privileged to coach over the last 25 years or so would define growth by these metrics:

- **Revenue growth** usually measured by percentages, somewhere between 5-20% annually, depending on their goals.
- **EBITDA growth** not as a percentage but in raw numbers. For example, if EBITDA was one million last year, they want it to be 1.2 million this year.
- **Client acquisition growth** as measured by net-new organic accounts the firm is serving.
- **Geographic growth** as measured by the number of locales where they are serving clients.
- **Service line growth** as measured by the number of different services clients are buying.
- **Employee growth** as measured by annual increase in headcount. (I should note that not every firm I've served wants to swell their staff numbers. Some are perfectly happy adding incremental revenue, EBITDA and clients without adding new staff.)

Now the most important part of this definition is that growth shouldn't hurt. It should not be the result of scorched Earth policies where an organization will do anything, offer any price or acquiesce to any terms a client may demand, to win the business. Most importantly, **GROWTH DOES NOT NEGATIVELY IMPACT THE QUALITY OF LIFE OF THE LEADERS.** I cannot overstate this point.

The ideas I'm about to offer are about **controlled growth**. This is the kind of growth that you want and that you can handle without it leaving you so ragged and worn out that you have nothing left to give the ones you love. **The number one reason, in my experience, that most mid-sized service firms don't grow more is because their leaders believe that growth will erode their quality of life.** They see growth as a binary equation: they must choose between growth of their business or quality of life with the ones they love. The two, they believe, are mutually exclusive. I'm about to prove that concept very wrong indeed!

The reason they believe this is because they assume that to grow, they'll simply need to do a lot more of what they've already been doing. This is the only way they can see, right now, to grow. Therein lies the problem. To get or keep growth going, doing more of the same won't work! Growing a mid-sized service firm is about recognizing the need to pivot. What's the nature of the pivot?

To answer that, I need to diagnose the root cause of growth stall-outs. **This is fundamentally about a Leadership Operating Model or LOM.** Please bear with me a moment as I break this down for you. Most professional service organizations can grow pretty consistently and often what feels like effortlessly up to a point. Usually, in my experience, something changes about the time they hire their 35th employee. I've come to call this TP35: tipping point 35. Once an organization hits TP35, they need a new Leadership Operating Model. Why?

The number one reason most mid-sized service firms don't grow more is because their leaders believe that growth will erode their quality of life.

- **Communication** with the entire company becomes much more cumbersome and challenging.
- **Information** doesn't flow as quickly or easily as it used to as evidenced by leaders sometimes being the last to hear about certain events.
- **Competing ideas** for where the company is going and what the company is trying to achieve show up in subtle, and sometimes not so subtle, ways in meetings and conversations.
- **Certain behaviors and attitudes** that are not helpful to the team become much harder to spot and more difficult to address.
- **Silos form** between different teams, like finance, marketing, sales, delivery and others.
- **Proliferation of client contracts** and engagement phases make it much more challenging to track overall client satisfaction.
- **Frustrations mount** as people begin to say about other teams—I just wish they would do their job—as if they know what their job is.
- **Rolodexes run out.** In some instances, organic growth stemming from the networks of key people is no longer consistently yielding new clients, leading to feast-or-famine cycles. In other words, they've come to the end of their rolodex and have no more people to call on.
- **Leaders openly disagree.** For some firms, leaders struggle to agree about an array of important topics, which means decisions are delayed and once made, often poorly implemented with little gusto.

You'll notice that most of these issues are related to the internal operations of the business, not external factors like the market, industry or even the economy. In my experi-

ence, this is the fundamental nature of the problem. **I call it a Leadership Operating Model and it is, quite frankly, simply about how effectively the leaders work together, establish priorities, address and resolve problems and work collectively on the most important goals of the business.** In other words, it's about how the leaders lead.

So here is the heart and soul of my message. **If you want to reignite growth or prevent stall-outs in the first place, you need a new Leadership Operating Model because you've outgrown the old one.** That's why growth has stalled out or why it will stall out—because of your leadership model. I've seen this time and time again. A leadership operating model that produces consistent growth up to the 35th employee will usually yield slow growth by the 50th employee and be in stall-mode by the 60th employee. Why?

Most firms with fewer than 35 employees can operate with an ad hoc leadership model. There are so few people that it's relatively easy to be in contact with each other, to have meaningful dialogue and to quickly establish priorities and resolve problems. That's pretty much how one of my former companies, Acclaim Technology, operated. As a leadership team, we met weekly to discuss our operations, problems, wins and goals. In between those Friday meetings, we also spent time in each other's offices and had informal dialogue. There was a lot of brainstorming and creative idea generation.

But as we grew, silos formed, informal dialogue dried up, schedules got tighter and we faced more problems, as a leadership team, than we knew how to solve. Once we added a couple more offices with employees in remote locations, things really changed and not for the better. The fun was gone. Unhealthy competition between leaders started

If you want to reignite growth or prevent stall-outs in the first place, you need a new Leadership Operating Model because you've outgrown the old one

to take over. Politics ensued and pretty soon, our Friday meetings were spent trying to make sure our departments didn't look bad. Optics became more important than results.

If this sounds even remotely familiar to you, I think you're about to love what this eBook will share with you. I don't think the word "love" is too strong a statement. I promise you that if you change your leadership operating model and adopt the ideas and practices I outline in this eBook, a few things will happen:

- The fun factor will return.
- Your quality of life, as a leader, will go up, not down.
- Your stress levels will go down while your work satisfaction will soar.
- Your business will start growing again or keep growing if you haven't hit a stall-out yet.
- Your employees will become more loyal and want to work even harder to ensure your business succeeds.
- There will not be a single problem you face as a business that you cannot solve.

Is Growth Still Possible?

COVID-19 forever changed our world. Some people wonder if growth is possible after the pandemic. My answer? Absolutely. I have yet to encounter any problem that a focused, emotionally connected and authentically

communicating team of professional service leaders could not solve.

A Request

Please read this entire eBook. You might say to me—Randy you already got my contact information when I registered for this eBook, so why are you asking for anything else? First, I did not write this eBook to get your contact information. There are many other far easier ways for me to get your contact information. I wrote this eBook because **I WANT YOU TO WIN!**

Second, I know that people start books with the best of intentions and then put them down and never pick them up again. If you do that, you'll never really benefit from what I'm about to share with you.

Third, **I am giving you the farm.** These are some of the best ideas I've come across and they are hard fought for, from the trenches, from countless hours of coaching leadership teams and from frustrating failures. That's the truth. I've had big successes in my career. But I've also had some sizable and painful failures and so have my clients. What I've sought to do here is to give you the secret sauce, the kernels of wisdom I've acquired from hard experience of discovering what really works. **I don't want you to have to learn the hard way.**

My Definition Of A Mid-Sized Service Firm

What does it mean to be a mid-sized professional service firm? By my definition, this means that an organization derives all, or the vast majority of, their revenues by delivering services. While there might be some products involved in the service delivery, most of the revenue and profits come from professional services. In my experience, these firms usually have from 25-100 staff and generate 10-50 million in annual revenue. They come from a wide array of industries including:

- Technology consulting
- Financial services – particularly RIAs
- Business consulting and management consulting
- Coaching
- Architecture
- Engineering
- CPA and accounting
- Software-as-a-Service

Why Should You Trust My Counsel?

I believe I am the world's foremost expert on growing and leading mid-sized professional service firms. I don't know of anyone who has been a coach and advisor to more mid-sized service firms than me.

For the past 25 years or so, I've spent my entire professional career working with mid-sized service firms, empowering them to achieve their goals. Working with my small team, we have achieved break-through results for numerous firms. You can read three case studies on our website, as a small sample of what we've done.

What Is My Counsel?

If you want to reignite growth or if you want to avoid growth stall-outs altogether, I recommend these ten practices to shape your leadership operating model:

1. Recognize that culture eats strategy for breakfast.
2. Commit to organizational health.
3. Form a leadership council of 7 people.
4. Intentionally foster vulnerability between council members through storytelling.
5. Institute a best-idea-wins decision-making model.
6. Align your leaders by defining your BHAG, mission and values.
7. Adopt Collective Objectives instead of annual strategic planning.
8. Hold yourself and your team accountable to work on the business, not just in it.
9. Commit to trowel and sword.
10. Adopt free-flowing information.

Put It To Work Now

All of the greatest ideas in the world won't help you unless you put them into action. Use these questions to frame the action-steps you'll take based on these ideas.

What one idea here most resonated with you? Why?

How would you describe your firm's Leadership Operating Model today?

What three things would you change about your firm's Leadership Operating Model today? Why?

Strategy 1: Recognize That Culture Eats Strategy For Breakfast

Sage Advice – Purportedly From Peter Drucker

You may have heard the statement—culture eats strategy for breakfast. So I have a confession to make. I'm not a huge fan of Peter Drucker and I've only ever read one of his books: *The Effective Executive*. I cannot prove, firsthand, that Drucker made the statement above. But it's popularly credited to him, so I'll go with it.

The reason I picked this statement is because, for me, it has become so much more resonant over time. The more I've thought about this statement, the more it means to me and I hope you'll take it seriously too. Here's why.

Virtually every service firm I've coached has operated on the assumption—up until they meet me and we start working together—**that they need better strategy**. A close second assumption is that they don't have the raw brain power, the intelligence, amongst their staff that they need. These two erroneous assumptions have wasted more time and money than I could possibly describe. They've also led to some of the worst hire-fire decisions I've ever seen.

After coaching and working closely with leadership teams at more than 70 mid-sized service firms, it has become crystal clear to me that strategy and intelligence are not the problem and not the root cause of growth stall outs. Not one leadership team I coached had dummies at the top. These people are smart and have earned PhDs, JDs, MBAs, advanced engineering degrees and hold more certifications than I could name. Intelligence and strategy are not the problem. We must begin with this assumption.

Now you're probably thinking that the real problem is that they didn't execute the strategy that was already in front of them. That would be correct. But the question we should all be asking ourselves is this. Why not? Why is execution so hard? That my friends is an excellent question.

Here is my answer. **Organizations can't execute their strategy consistently and effectively because their culture gets in the way.** That statement requires a bit of unpacking.

How I Define Culture

A lot of formal definitions of the word culture have been thrown around and they're probably much smarter than what I'm about to say. Leave it to me to dumb things down a bit. For me, culture means: **“what it feels like to work around here.”** Maybe better said, culture is how your team members feel about you, other leaders at your firm and the company overall.

I suppose some might say that I've conflated the outcome of culture (feelings) with the actual stuff of culture: policies, values, leadership style, employee communication, benefits, mentoring and all of the other good stuff we associate with strong culture. Point taken.

But, at the end of the day, all of that stuff is supposed to produce an outcome. It's the results that matter and the main result my clients want is an energized, focused, productive and loyal team. That outcome can only be achieved when the team feels good about the firm.

Now I know this whole “feelings” thing might be hard for some people to swallow. But if you reflect on it a while, I bet you'll change your mind. Have you ever left a job, ended a relationship, switched majors, left a congregation or house of worship or made some other major life change? Why did you do this?

What language did you choose to describe your decision? Did you say something along the lines of—it just didn't feel right for me anymore? Or—it just didn't feel like I fit in there any longer? See. Maybe you're a bit more comfortable with feelings than you realize.

If you want to unleash the growth potential of your firm, you need to get comfortable with feelings. Why? Because the way your team members feel about you and other leaders, the way your leadership team feels about each other, the way the leadership feels about that staff—all of those feelings—that will determine your growth potential.

Feelings will determine how effectively and ardently you and your staff execute your strategy. Guaranteed. Feelings will determine how aligned you are and whether or not you even care to be aligned. Who wants to align with someone they don't feel good about?

The balance of this eBook is going to show you how to engender a culture that feels great for you, your colleagues and your staff. This doesn't mean that things will always be easy or that you won't have disagreements or conflict. That will probably still happen.

It simply means that those things won't hold you back. You'll overcome them, resolve them and quickly move on. The blockade points that many organizations get stuck behind—you'll move right past them.

My friends, the answer to the question—how do we grow—is not better strategy or smarter people. The answer is a better Leadership Operating Model, one that promotes and sustains organizational health and allows for fluid strategy (because nothing is constant in business) and flawless execution. The answer is better culture.

Case Study:

I was coaching a young COO for a technology consulting firm. This very bright young man believed that his new hires needed to pass certain intelligence tests that he had been subjected to on his own job-searches. When I asked him why he did this, he said: “I only want the best and brightest.” The questions he asked were essentially business puzzles that required IQ to solve.

As we began to reflect on the value of teamwork, culture and trust between staff, I encouraged this young executive to emphasize EQ over IQ. I encouraged him to ask questions about how teamwork had helped potential new-hires solve complex problems. That shift in mindset paid huge dividends. As they began to hire based on cultural fit, over raw intelligence, they saw big changes in their workforce. Most importantly, better teamwork led to better productivity which improved EBITDA. The same sized team got more done because they worked better together.

Put It To Work Now

All of the greatest ideas in the world won't help you unless you put them into action. Use these questions to frame the action-steps you'll take based on these ideas.

How do you feel about feelings in the workplace? Why?

Which does your organization emphasize more—EQ or IQ? Why?

How would you define the word culture?

Strategy 2: Commit To Organizational Health

This Is The Starting Point To Unleashing Your Growth Potential

If your professional service firm wants to unleash your growth potential, you must commit to being organizationally healthy. I'll explain why I say this in just a moment. But first, let's define what organizational health actually means. Sometimes it's easier to describe what something is by starting with a definition of what it isn't. Here are ten tell-tale signs of an unhealthy organization:

1. **High turn-over rates destabilize operations.** Employees, both effective and ineffective, don't stay for very long. They don't feel a strong sense of loyalty to the company. They do not intend to make their current employer the last place they ever work.
2. **Decisions take too long.** Unhealthy organizations struggle with simple decisions that should be easy to make. Often decisions come only after a crisis erupts... a crisis that happened because a decision didn't get made on time.
3. **Behavioral problems persist.** Unhealthy organizations are tolerant of behaviors that they shouldn't be and employees are often confused by this. When behavioral problems persist, staff lose confidence that their leaders will take steps to maintain psychological safety. This leads to two major problems: staff focusing on the bad behaviors instead of getting work done and staff losing confidence in leaders to do the right thing.
4. **Leaders openly fight.** Leaders in unhealthy organizations often openly clash, right in front of employees. This lack of unity (sometimes a lack of respect) makes staff cringe. When leaders fight, staff walk on eggshells, trying to stay out of their way.
5. **Politics get in the way of decisions.** Unhealthy organizations sponsor, fund and execute ideas based on who they came from. If the wrong person sponsors an idea—no matter how good it might be—it goes nowhere. If a powerful person sponsors a bad idea, it takes monumental effort to keep it from being executed against.
6. **Leaders refuse to face the brutal facts.** Another hallmark of unhealthy organizations is the unwillingness of leaders to face certain brutal facts. Leaders explain away turn-over, delayed decisions, open conflict and ongoing behavioral problems. They diminish these as one-off events rather than a systemic cultural cancer. They suppose that every organization behaves that way. By the way, that's not true.
7. **Staff don't trust leaders.** In unhealthy organizations, staff only believe about half of what their leaders tell them and

the half they might believe is always filtered through a lens. They often take a “wait and see” approach, waiting to see if the leader actually meant what they said or if this statement—like so many that came before it—is merely a passing fad.

8. **Departments become silos, then hierarchies.** Unhealthy organizations are overrun with silos. What often started as a department or team crystalizes into a set of protected relationships that the leader guards carefully. When situations become tense, team members define the efficacy of the leader based on how vigorously they defend the team. But the most damaging effect of silos is the introduction of hierarchy. When departments form, leaders of these departments become the de facto “leadership team” even if they had no formal training to be a business leader. This creates a hierarchy, a class of empowered people who rise above ordinary staff.
9. **Communication is stilted.** Unhealthy organizations operate on a need-to-know basis and very few people need-to-know. In these environments, the most powerful people are on the inside track, the ones with the most knowledge of what’s actually going on within the company. Controlling the flow of information is how some people maintain power and influence.
10. **Strategic plans don’t produce results.** The net result of all of this is that unhealthy organizations struggle to execute strategic plans. When they do execute the plans, the results are often mediocre. This leaves both leaders and staff with little confidence in the future of the firm. In more general terms, a malaise forms over the company. Everyone knows that the fun factor is gone, but no one seems to know what to do about it.

If your organization struggles with these signs, your culture needs work. This—not strategy—is where to start.

What Does It Look Like To Be Organizationally Healthy?

Having defined the ten tell-tale signs of an unhealthy organization, I’d like to look at the other side of the coin. Here are ten signs of healthy organizations:

1. **Low turn-over rates produce rock-solid operations.** Healthy organizations have long-term employees who never want to work anywhere else. They have made their current employer the last stop on their career train. This eliminates worries about losing talent and allows everyone to focus on which seat on the bus is best for them. More than anything, it gives everyone a long-term view of their future, allowing them to relax and dream big dreams.
2. **Decision-making is deliberate and timely.** Healthy organizations have formalized their decision-making process. It’s not a mystery to anyone how decisions get made or who makes them. For complex issues, a thoughtful multi-phase decision process produces results no one regrets. For simple issues, decisions are made quickly and executed almost immediately.
3. **Behavioral problems are vanquished quickly.** Healthy organizations are intolerant of behaviors they don’t want to see because they have clearly defined their values. Leaders have effectively handled so many tough conversations that the staff have no doubt of their ability and willingness to do so. This means staff don’t have to worry about bad behavior

hurting their morale or efforts. In healthy organizations, water cooler talk is almost non-existent. This means staff really focus on doing high quality work.

4. **Leaders are deeply aligned and rarely clash.** Leaders in healthy organizations don't always see things eye-to-eye. But they have formalized the process by which they come to agreement on topics. They don't air dirty laundry about other leaders. Spirited conversations happen behind closed doors. More than anything else, staff know that leaders are aligned about the long-term goals of the organization and trust each other to act in their best interest.
5. **The best ideas win consistently.** Healthy organizations have implemented a best-idea-wins decision-making process. They don't care who an idea comes from. Every idea must stand up to the scrutiny of the "meat grinder." Leaders are good at rooting out bad ideas while pounding on good ideas with certain weaknesses until they're even better.
6. **Leaders face the brutal facts head-on.** Leaders of healthy organizations don't downplay hard truths. When things go wrong, they are quick to take responsibility and not blame others or attribute outcomes to erroneous sources. Leaders are honest with themselves first and with everyone else around them. This creates trust with staff.
7. **Staff trust leaders.** In healthy organizations, staff believe what their leaders tell them. They don't listen for hidden messages. Healthy organizations know that in the absence of factual information, people will supply their own narrative. Healthy organizations supply an honest narrative that staff believe in—even when things go wrong. This creates a lot of trust with staff.
8. **Teamwork is fluid and dynamic with almost no hierarchy.** Healthy organizations win and lose as a team. While there are certainly departments, there are almost no walls between them. In many healthy firms, staff have worked in more than one department with more than one boss. The entire company is seen as "the team," not just a single department. When one team gets overloaded, other teams and their leaders step in to help. But more than anything, there is almost no hierarchy which means power is shared across the entire organization. While everyone knows who's responsible for the firm, those with responsibility wear it lightly and only exercise power as a last resort.
9. **Information flows freely and openly.** Healthy organizations share openly. This is one of the reasons leaders are trusted. When something big happens—good or bad—staff know that it's only a matter of hours or a couple of days at most before they will hear from their leaders. When leaders meet behind closed doors (which they do frequently), staff know that they'll be briefed on what was discussed and it will be the straight dope, not a spin. Staff also know that they can ask clarifying questions and they'll get straightforward answers.
10. **Strategic plans consistently produce results.** The net result of all of this is that healthy organizations take control of their future by consistently executing their strategic plans. While these plans don't always produce the results leaders were hoping to see, this is rarely because of a lack of ardent execution. Even those who were dubious about the plan threw their weight behind it and did their best to see

it come to fruition. When things don't work out, this is seen as a win because the leaders now know for sure that it was a path they shouldn't go down. But more than anything, strong execution moves the company forward, with noticeable and publicly celebrated win after win. This leaves both leaders and staff with great confidence in the future of the firm.

What's The Difference Between Culture And Organizational Health?

One of the most common claims I hear from leaders of mid-sized professional service firms is that they have a great culture. By saying this, they're often unintentionally implying that culture and organizational health are one and the same. They're not. Especially when one looks at the practices that constitute "culture nurturing" and the practices that lead to true organizational health. Let me explain what I mean by this.

In the previous chapter I defined culture as "what it feels like to work around here." For many leaders of professional service firms, culture nurturing is primarily about benefits, perks and packages. Benefits include health insurance, 401k and profit sharing and buying into ownership shares. Perks include work-from-home options, paid holidays, vacation days (which most leaders don't take) and possibly sabbaticals. Packages have to do with signing bonuses, ownership vesting schedules and other options designed to entice and retain talent.

These are what I would describe as structural in nature. They are external to a person, something given to them. While professional

services employees want these, they will not, in and of themselves, produce organizational health. Please do not make the mistake of believing that benefits, perks and packages will—of their own accord—produce organizational health.

It will not happen. **Organizational health can only come about by aligning leaders, fostering vulnerability between them, defining and defending values, being honest and forthright with staff and tackling tough conversations and difficult moments head-on, with no delays.** No benefits package can do that for your firm. It has to come from the leaders. The words and actions of leaders will determine "what it feels like to work around here."

Why Start With Organizational Health?

So why should your mid-sized service firm start by focusing on organizational health instead of strategy? **Because you'll never get the best ideas on the table or get full commitment to execution without it.** I've seen it time and time again. Misaligned leadership teams come together, a year after building strategic plans, wondering why they didn't work out.

If you want to do better next year, much better, focus on organizational health. **Work will be a lot more fun with far lower levels of stress and far more satisfied and loyal employees.** But the biggest benefit will be that your strategic plans actually work most of the time. So where do you start with organizational health? It all begins with a leadership council.

Case Study:

I was brought into a mid-sized engineering firm to help address their “growth” problem. Everyone I spoke with, from their CEO to their VP business development to their head of engineering, said that they had a pipeline problem. They didn’t have enough deals in their pipeline to prevent feast-or-famine cycles that had plagued the business. They assumed this meant they needed better sales and marketing practices. In other words, they assumed they had a strategy problem.

But after I spent time interviewing people, it became quite clear that they had much bigger problems than simply those related to strategic business development. In fact, they struggled with business development BECAUSE they struggled with alignment between leaders and organizational health. The “leadership team” couldn’t agree on a single strategy to execute. Behavioral problems were persistent; teamwork was stilted; information didn’t flow freely; silos dominated the political landscape.

After working closely on these problems with them for about a year, I got a message one day from their CEO. He said that the team was working much better together and that they were positioned for real growth. He was projecting growth levels that were much stronger than they had seen in nearly a decade. But more than that, the team was having fun again. This is the power of focusing on organizational health first.

Put It To Work Now

All of the greatest ideas in the world won’t help you unless you put them into action. Use these questions to frame the action-steps you’ll take based on these ideas.

How would you rate the organizational health of your firm?

Which of the ten tell-tale signs of organizational unhealth do you find in your firm?

If you were to pick 3-5 areas of organizational health to focus on, which would you choose? Why?

Strategy 3: Form A Leadership Council Of Seven People

But We Already Have A Leadership Team...

Now that I've built the business case for why you should start with organizational health instead of strategy—simply because you won't get crisp execution without it—let me tackle one of the next biggest mistakes I see mid-sized service firms making. “We already have a leadership team.” How many times have I heard this statement? So let me say this for the record. Every mid-sized service firm I've coached already had a leadership team. **But not one of them had an aligned leadership council that drove the growth of the business.** That's a huge, game-changing, difference.

What's the difference between a leadership team and a leadership council? In a word—drive. Every leadership team I've ever worked with takes responsibility for the day-to-day operations of the business. The leadership team keeps the wheels on the bus. But only about one in ten of every leadership teams I ever encountered actually drove that bus. That's the difference. A leadership team works *in* the business but a leadership council works *on* the business. **A leadership team maintains the bus while a leadership council drives the bus.**

I want to say for the record that I'm not critiquing leadership teams. That would be unfair. I don't believe it's reasonable to hold people accountable for something they were never trained to do, didn't sign on to do and may not have had all that much interest in doing in the first place. Most leaders who

sign on to leadership teams expect to be in a maintenance role, not a driving role. Let me explain what I mean by that.

Most people who end up on leadership teams at mid-sized service firms are department heads. That was certainly true of me when I was a “leader” inside Acclaim Technology. I led the marketing function, so by default and with no arguments from me, I ascended to the leadership team. But was I really a leader? No way. It would take me another 20 years or so before I could honestly say I was a leader.

So please allow me to describe how leadership teams are typically formed at mid-sized service firms and how they view their mission. Please remember, the firms I'm talking about have 25-100 staff.

- **Department heads become de facto leaders.** This means that if you are responsible for a department, in most instances, you already qualify for the leadership team. Most department heads don't turn down the opportunity. Why would they? There is very little "qualification" to be on the team and few criteria to satisfy to remain on the team, other than department head status.
 - **No formal training in leadership.** This is my singular observation about why leadership teams ultimately do not drive organizations forward. Of all the leadership teams I've worked with, only (maybe) one out of every 100 persons had formal leadership training. Is it reasonable to expect someone to do something they were never trained to do? I don't think so. That being said, most of the people on the leadership teams I've coached had tremendous potential to become highly effective leaders.
 - **A desire to avoid, rather than take, risks.** The overarching mindset of nearly every leadership team I've coached is risk avoidance. This mindset is a blockade to growth because *to grow, you must take risks*. It's that simple. This harkens back to yet another problem with department heads automatically being on the leadership team. When a proposition is put before a leadership team, the first question mulled over by many people (even though they may not say it out loud) is... how will this impact my department? Will we have to do more work? Will our budget be cut? Will we have to move current employees to other departments? Will my influence in the business be diminished? Those are absolutely the wrong questions to be asking when it comes to growing a business.
 - **Responsible for their departments, not the company.** This is probably the single biggest problem with leadership teams—if you want to grow your business. When department heads are making decisions, often with shadow motivations they don't openly discuss, almost no one besides the CEO is taking a wholistic view of the business. When departments are prioritized ahead of the company, missed opportunities will be the order of the day. To see opportunities to grow a business, you must be looking for them, prepared to act on them and unafraid of how they impact your department.
 - **Unfamiliar with how to grow a business.** After coaching more than 70 mid-sized service firms, I've become quite familiar with the kinds of people who end up on leadership teams. Almost no one, of the teams I've coached, had experience in growing a business. They were perfectly capable department heads. But they were not growth-oriented leaders.
 - **Technical experts who are often unfamiliar with entrepreneurship.** Most department heads ascend to these roles by being very good at their jobs. They are often very technically skilled in their area: everything from finance to operations to sales, marketing, engineering, technology, investments and the list goes on. But of the hundreds of people I've coached, only a handful, maybe 20, had either been entrepreneurs themselves, grew up in an entrepreneurial family or understood how entrepreneurship works.
- Again, I want to say for the record that I am not critiquing these individuals. The vast majority of the people I've coached have been more than qualified to be department heads,

to make valuable contributions to a business and to be trusted by their staff. I respect and admire them for the important roles they play in helping a business earn income, remain stable and operate efficiently. But if you are looking to them to grow your business by taking necessary risks, you might find that to be a very dry well indeed.

How Is A Leadership Council Different?

If that's the mindset of a leadership team, how is a leadership council different?

- **Mission.** A leadership council has a singular mission—grow the business. While they want to be kept abreast of operations, their mission is to move the business forward. That is their only reason to exist as a body.
- **Focus.** A leadership council consistently asks themselves this all-important question: what needs to happen right now to grow the business? They practice a sense of urgency to do the things that move the business forward.
- **Best Idea Wins.** A leadership council cares about getting the best ideas on the table to grow the business. They don't care who came up with the idea. They only care about the quality of the idea.
- **Meat-Grinder.** A leadership council subjects every growth idea and opportunity to the meat grinder. This is about exposing the idea to scrutiny from every council member to understand its strengths and weaknesses. They play devil's advocate to uncover weaknesses in bad ideas and to make good ideas even stronger, by reducing weaknesses. One of the hallmarks of an effective leadership council is that they don't make bad decisions.
- **Practical.** A leadership council is practical. They don't just dream up ideas apart from the real world of limited budgets, overworked staff and time constraints. They recognize that moving a business forward, most of the time, is about the simple task of putting one foot in front of the other. They are far more doers than dreamers.
- **Company-First.** A leadership council believes that the only win is a company win. They put the company ahead of everything else, including their department.
- **Anticipatory.** While a leadership team knows what's happening right now, a leadership council wants to know what will happen in the future. They are leaning into that future by anticipating what will come so they can leverage it.
- **Clarity.** A leadership council produces clarity for the rest of the business. Most of the time, this clarity is about what needs to happen next, who needs to do it and how it can be measured to ensure it's working. While they don't go around telling people what to do, they make sure everyone is aware of who needs to do what and when.
- **Vote.** A leadership council votes on ideas and most of the time, the will of the majority carries. While equity stakeholders and the CEO can override any decision from the council, they rarely do so—especially once the leadership council demonstrates their first big win.
- **Responsibility.** A leadership council owns outcomes, good and bad. They don't deflect blame when things go wrong. When things go right, they ask themselves why this particular idea worked out when so many others did not.

- In this way, they become a learning team.
- **Limited.** Whereas a leadership team can have as many as 10-12 people, a leadership council is limited to 7 people. Why? Because everyone on the council is required to speak their mind and provide input. I've seen numerous leadership team meetings (with 10 or more people) where only one or two persons did most of the talking. Leadership council members are required to research, think and speak. It's hard to give everyone a chance to speak unless team size is limited.
 - **Qualification.** A leadership council is a lot of fun to be on. People who get invited to the council know that they must perform to remain on the council. They do not automatically qualify to be on the team simply because they are a department head. This is an invitation-only group.

If your company has a leadership team today, how do the operations of that team compare to what I've described above? You might now begin to see why I said at the beginning of this eBook that you need a new Leadership Operating Model.

What Does A Leadership Council Actually Do?

At this point, you might be wondering if this unicorn actually exists. Believe me, it does exist and it makes a huge impact on growing a mid-sized service firm. What I've described above is how a leadership council thinks, makes decisions, defines wins and generally operates. But what does a leadership council actually do? How can all of this be made practical in the real world?

In part, this is about meetings. But more than that, it's about what happens during those meetings over the course of a year. Later chapters in this eBook go into greater detail on many of these topics I'm about to share. Below I provide a quick summary of the operations of a leadership council.

Daily meetings. Very few of my clients have these. In fact, most growth initiatives require time to develop and meeting every day often gets in the way of getting the work done. If anyone recommends these to you, I would ask to see the business case behind that recommendation.

Monthly meetings. All my clients have these. Every month, all seven council members get together. Sometimes they can do this in-person. But usually, someone is travelling and will be dialing in to the meetings remotely. Usually, these meetings last anywhere from one to two hours, depending on the topics being explored. During these meetings, several important topics are discussed including:

- **Sentiment tracking (20 minutes).** This is about documenting the sentiment of council members about the current state of the business using a monthly metrics scorecard. The metrics can be anything that matters to the council. None of my client have the same metrics. I recommend that you use a simple red, yellow, green moniker for each metric. Red means things are not going well. Yellow means things are okay but need work. Green means things are going well.
- **Updates on wins and losses (10 minutes).** My clients have both wins and losses. Because everyone is so busy, I recommend at least a few minutes are set

aside to highlight big wins and to discuss the root causes of losses. I'm not a big believer that we learn a lot from losses, so I don't recommend that my clients spend a lot of time on this.

- **Progress reporting on Collective Objectives (15 minutes).** This takes a portion of the meeting time. See the chapter entitled *Adopt Collective Objectives* for more details on this one.
- **Brainstorming obstacles (45+ minutes).** Every initiative (or what I call a Collective Objective) faces obstacles. How an organization handles those obstacles will have a huge bearing on whether or not they grow. Most of the meeting time is spent focusing on these obstacles and brainstorming how to overcome them.

Development of Collective Objectives.

See the chapter entitled *Adopt Collective Objectives* for more details. This is a far better alternative to annual strategic planning.

Ad hoc meetings. My clients will, from time-to-time, call ad hoc meetings to discuss important topics and ask council members to vote. Some topics that require ad hoc meetings include:

- **Sword sessions.** See the chapter entitled *Commit To Trowel And Sword* for more details on this.
- **Exciting opportunities.** Some things are so exciting and invigorating that council members want to hear about them as soon as they happen. These meetings are incredibly fun, usually remote and are often just a few minutes.
- **Decisions that cannot wait.** In some instances, certain decisions cannot wait. A leadership council will be asked to vote

or weigh in on these decisions. These meetings are quite rare and usually are of an emergency nature.

Quarterly sessions (two in-person and two remote). I recommend that my clients hold four longer council sessions over the course of a year, usually once a quarter.

- Typically, due to time and travel constraints and budget, two of these sessions will be about half a day long and will be remote. The other two sessions will include at least two full days of working sessions and social time between council members. Usually, the in-person sessions are held in a rental home where council members cook together, hang out, enjoy food and beverage and even attend events together (sports, theater, concerts, etc.).
- The in-person quarterly sessions are incredibly important. ***I've seen these sessions produce some of the biggest break-throughs my clients have ever experienced.*** I often describe these sessions as an opportunity to "marinate in each other's juices." Trust and alignment amongst leaders happen during these sessions. If your facilitator is skilled and practices high emotional intelligence, these sessions can also be a great opportunity to confront problems that have been hindering forward progress and even behavioral problems. Tread lightly here.

It's really important that your twice-a-year in-person sessions follow a pre-constructed agenda. The agenda should include a nice balance of high-intensity work sessions, breaks to check emails and make phone calls

and social time to just relax together and enjoy each other's company. **I cannot overstate the importance of the social aspect of these meetings.**

Many of my clients are hesitant, at first, to commit to the time it takes to travel to these sessions and be away from the office for at least two days. But by the time the first sessions ends, they eagerly anticipate the next one. More than that, the good will and alignment that comes from these sessions makes their day-to-day collaboration so much more powerful and effective than they've experienced in the past. It also makes it much easier to provide clarity to the rest of the company about leadership priorities.

How Do You Form A Leadership Council?

By now you might be wondering just who is on a council and how you form one. I'd like to say for the record that who you invite to the council, how you invite them, how you incentivize them and how you set expectations with them—these will likely determine the success of your council. Let's explore those topics.

Who To Invite:

I recommend that you invite people who have shown a penchant to be entrepreneurial, practical, emotionally intelligent, hard-working and team-oriented. It's also important to choose people who are verbal and who can express themselves clearly. They don't need to be a poet. But if they can't articulate their reasoning, they probably won't be solid contributors.

Expectations To Set:

As part of the invitation process, I recommend that you set appropriate expectations with the people you invite. Tell them that this is a performance-oriented team and that they will be expected to do work above and beyond their day jobs. They will be expected to participate in Collective Objectives. They will be expected to do research and to come to sessions prepared to offer their counsel and advice about important initiatives. They will be expected to attend meetings and to speak.

In exchange for all of this effort, what do they get? They get to be part of a very exclusive team of movers and shakers within the business. They get access to information and conversations that almost no one else in the business will witness first-hand. They'll get an opportunity to shape the direction of the company and to vote on some of the most important decisions that are made. They get a chance to shape the culture of the business and to ensure their jobs are protected for many years to come.

How To Compensate:

My clients tend to handle compensation in one of three ways. Some clients hold that what I've described in the paragraph above is enough compensation. I tend not to support that perspective, but I've also seen it work okay. Other clients offer people a stipend in addition to their annual compensation. I've seen this work out reasonably well.

Still others offer incentive bonuses on big wins and on the company's overall growth. I've seen this work the best because it gives everyone incentive to put in the work necessary to advance the business. If there are no big wins and the company is not growing,

there's no payment to leadership council members. In this way, everyone's risk profile is aligned with the business. If there is growth or big wins, usually as a direct result of the efforts of the council, they are handsomely rewarded. Reach out to me if you'd like details about how to structure these types of incentives.

How To Invite:

I think it's important to have both verbal invitations, since this is exclusive, and written invitations that explain things in greater detail. In my experience, most people want to think about the offer and will carefully read the invitation. I recommend that you give people at least a week, possibly two, before you expect an answer from them. Be careful with those who say yes too quickly. That is often a sign that they really didn't think through the requirements and this can hinder their contributions later.

To help you get started on this journey, I've provided an addendum at the end of this eBook. This includes a letter with language you might want to consider for your invitation to prospective council members.

Can You Transform A Leadership Team Into A Leadership Council?

My answer? Yes. Absolutely. I've done it numerous times. In fact, I've only ever transformed leadership teams into leadership councils. This is often a year-long process or longer. But the one thing you don't want, for absolute certain, is confusion amongst staff about who is leading the company. In other words, I don't recommend that you form a leadership council while also maintaining a leadership team. I've seen that produce disastrous results.

The outcome I've experienced more than once is that some department leaders with a penchant for entrepreneurship end up becoming far more effective in the departmental leadership roles. Those who only want to be departmental leaders still make valuable contributions to the business. But their star is typically no longer on the ascent as other people within the organization begin to outshine them.

Put It To Work Now

All of the greatest ideas in the world won't help you unless you put them into action. Use these questions to frame the action-steps you'll take based on these ideas.

Of all the ideas presented in this chapter, which resonated with you? Why?

Who would you share this chapter with at your company? Why?

Does your company have a leadership team or a leadership council? How do you know this?

Strategy 4: Intentionally Foster Vulnerability Between Council Members

Through The Power Of Personal Storytelling

Have you ever had the experience of hearing someone speak at a conference or event, someone who really impressed you with the clarity of their message, their passion and the power of their ability to speak? Did you then ask yourself some questions? How did they end up being so wise? What happened to them on their journey that brought them to this moment? Why are they just so darn impressive? What's their secret sauce?

Or maybe you've also had the opposite experience. You hear someone speak, someone whose perspectives you think are just uninformed, dumb, dangerous or outright silly. You might also ask yourself some questions in this scenario. Who hired this person and how did they get their job? Why would anyone listen to them? Who gave them the microphone and what were they thinking?

If you know what I'm talking about, I'd like to draw your attention to the nature of the questions. **Most of the time, when we hear someone speak, we wonder about the person—not the message.** This is a natural human tendency and it's hardwired into our conscious and unconscious thinking. We wonder about the life experiences that shaped them and the perspectives they hold today. We wonder about their journey. We also wonder about their motives.

Why are they saying what they're saying? Do they have a hidden agenda, something we cannot see clearly yet? Do they stand to benefit, in some way, from persuading us of their viewpoints and might this potentially hurt us? Are their perspectives disinterested and objective? Are they simply relating their experiences and the wisdom they've gained? Or are they saying these things for some other reason?

Motives matter. We tend to distrust the motives of people we don't know. Why? Because we don't know where they're coming from. We don't know enough about their life experiences, habits, character or the way they treat others to understand why they might be saying what they're saying. This is often true even when we like the message and agree with it.

It is a natural human tendency to filter message through motives. In other words, we want to know why someone is saying something and where they're coming from. **The more we understand someone's motives, the more credence we tend to give the message—even if we don't agree with it.** We say to ourselves, I know why this person is saying that.

Why Council Members Must Tell Personal Stories

My message to you, in this chapter, is that **members of your leadership council need to tell each other personal stories.** They need to do this every time they get together. In the previous chapter, I described the annual session schedule I recommend for leadership councils. In this chapter I want to cover one of the most important things that can happen in those sessions—personal storytelling.

Before I get into the kinds of stories you want to tell, I want to build the business case for why you should do this in the first place. This will not be intuitive to a lot of people, especially those from the hard sciences and often those who have an MBA. This is about EQ far more than about IQ.

The reason you need to tell each other personal stories is because you cannot successfully deliberate, in good faith, without knowing the motives of the people in the room. I want to say that again because I think it's that important. You need council members to tell each other personal stories because you cannot successfully deliberate, in good faith, without knowing the motives of the people in the room. This is not frivolous or secondary. It is primary. Nothing I've ever encountered allows other people to understand your motives better than personal storytelling.

The Value Of Deliberation

The statement above requires some unpacking. In the previous chapter, I made the statement that one of the hallmarks of a successful leadership council is that they don't make bad decisions. Yes. A leadership council needs to take risk. They need to be anticipatory and lean into the future. They must make judgement calls about situations that are not entirely obvious. But how are those decisions made and how can you ensure that they're not really bad decisions that hurt, rather than help, your business?

You need council members to tell each other personal stories because you cannot successfully deliberate, in good faith, without knowing the motives of the people in the room.

This is where deliberation comes into play.

Deliberation is the process of applying the meat grinder to every idea, every potential decision and every Collective Objective both during the formation of it and during execution.

Deliberation is when council members are expected to speak, weigh in and use their judgment. They are expected to persuade others of their reasoning. They're also expected to push back against ideas they don't believe in.

One of the most important outcomes of a leadership council is that bad ideas get tossed aside and good ideas get strengthened. Most decisions that need to be made in business are not binary—this or that. At some point, binary decisions need to be made—do we do this or not?

But most of the time, a yes vote or no vote on a binary decision is the result of understanding contingencies (potential outcomes) and having reasonable plans to address them. Let me explain what I mean by that.

Let's assume for a moment that a mid-sized professional service firm in the San Francisco Bay Area is considering opening a second office in Los Angeles (and yes—I was on a team that faced this decision). The decision is binary. Do we open an office in LA or not?

But getting to a yes vote or a no vote will probably be dependent on understanding the potential contingencies. Let's explore that decision as a model for how leadership councils often work.

Core Question:

Should we open an office in LA?

Deliberation Questions:

- How do we finance it?
- How do we staff it?
- How do we get clients in LA?
- Who will be the office leader?
- How much time and effort will this require from existing leaders and how much might this distract us from existing priorities?
- Is LA the right market for us compared to other options like Portland, Sacramento, Las Vegas or even Seattle?
- How will we know it's been a successful effort? What are our benchmarks?

Contingency Questions (based on potential answers to deliberation questions):

- What happens if the LA office operates in the red for a full year? What do we do then?
- What happens if we can only hire locally about half of the staff we need to deliver services? What are our options then?
- What happens if our sales and marketing plans underperform, yet we can still see so much opportunity in LA? What do we do then?
- What do we do if we can't find a leader we trust for the office? Does that mean one of us would be expected to move to LA? If so, which one of us and how do we decide that?
- If this effort requires a lot of time from us as leaders, which of our current priorities can we push down the road and what does that mean for our operations here in the Bay Area?
- What happens if a great opportunity opens up in another city, an opportunity

that would immediately fund that office with little out of pocket expense to us? Our pipeline already indicates this might be possible? What do we do then?

- How do we pick the benchmarks for the LA office? Should it be a fraction of the performance of our Bay Area office? Should it be based on metrics from start-ups? Do we have data from any competitors or other similar types of businesses that we could draw upon? What do we do if none of these make sense?

As you can see, deliberation is the process of building your A plan and then backing it up with B plans, C plans and D plans. This isn't necessarily a decision-tree that pre-determines your actions: "if this happens we automatically do that." I have rarely seen that work out. But it is about having an understanding of reasonable options, should A, B or C plans not work out. **More importantly, it's about having consensus, amongst a team of leaders, about what you're likely to do, should things turn out differently than you expect.**

All of this factors into the binary decision. Should we do it or not? In my experience, healthy and effective leadership councils deliberate extensively in good faith **so they don't make bad decisions.** The more irreversible the decision, the bigger the potential consequences of getting the decision wrong, the more they deliberate.

They don't try to rush into decisions that could have long-term consequences. This helps them make better quality decisions and equips everyone with an understanding of what they could do if things don't work out.

This means they are far less likely to continue down a bad path because they are under no illusion that it was a perfect decision in the first place. One of my clients calls this playing like an athlete. You change your approach to the game based on how the game is actually going, not on the plan you had going into the game.

How Deliberation Goes Wrong

Given the importance of deliberation, let's now turn our attention to why it doesn't work sometimes. In my experience, there are three primary reasons deliberation sessions under-perform:

- One dominant personality, often a founder or C-suite executive, shuts down deliberation too soon. I've seen this happen many times.
- The leadership council doesn't give themselves enough time to deliberate. This is typically just a scheduling and timing problem where a decision needs to be made sooner than people's schedules will allow them to deliberate.
- People in the room distrust the "shadow motives" of others because they have not developed the kind of trust that can only come from being vulnerable with each other.

Those first two reasons probably make a lot of sense to you and I'll bet you've experienced them too. But that last reason, about vulnerability, that one might be a bit murky. Let me unpack it because it is by far the most debilitating to deliberation and it's also the most prevalent. Every leadership council I've ever coached has struggled with it.

When leadership councils underperform, it's almost always because they have not intentionally fostered the kind of trust between them that empowers them to deliberate in good faith.

How Well Do You Know Your Colleagues?

That is a question I often ask of leadership council members. I've discovered that the answer to that question, for every council I've coached, is that they know a lot about each other professionally, **but they don't really know each other at a gut level as people.** They don't understand the underlying reasons for why their colleagues respond the way that they do.

Many of the councils I've coached have people who've worked together for several years, often over a decade. So you'd think that would be enough time to really get to know people. But it isn't, unless you have been through the kinds of exercises I'm about to share with you.

If you doubt that, let me ask you some questions. Think for just a moment about everyone who's on your leadership team today. Picture them in your mind. Then see if you can answer these questions for every single person:

- What defining experience in childhood shaped them into the person they are today?
- What's the most important thing they ever learned from their father?
- How would they describe their relationship with their mother?

- What was their biggest win in childhood? What was their biggest loss?
- What was their first job and what was that experience like?
- Who was their best (or worst) boss and why?
- Who has been the most influential person in their life and why?
- What happened the first time they can remember telling a lie? Why did they tell it?
- How would they describe their household from when they were growing up?
- Who was their childhood best friend, why were they best friends and are they still friends?

I'll wager that you could speculate on the answers to several of these questions for a few people on your leadership team. But if your team is like so many others I've coached, the answers to those questions would really surprise you.

After hearing their answers, you would KNOW, not just guess, where someone is coming from. **Knowing your teammates is what it takes to deliberate successfully.**

Why Does Personal Storytelling Work?

I wish I could answer that question. In all honesty, I don't know why. All I know is that when I ask council members to tell a personal story BEFORE deliberating on almost anything, the deliberation process is so much more effective, fruitful, fun and productive. People trust each other more.

The “shadow motives” phenomenon almost disappears. Power balances out in the room and the most dominant of personalities tend to ease up a bit and listen more. The air in the room changes as collegiality replaces hierarchy.

But if I were to speculate on why this is so important and so successful, here’s what I’d likely say. **When people tell each other important stories that really reveal who they are and where they came from, suddenly they’re a real person, a full person, not just a professional we work with every day.** Suddenly they’re someone with a history of wins and losses, someone who has struggled and triumphed but also someone who has learned to cope with and overcome disappointments. Isn’t that exactly who we want to be around?

Since I’m a baseball guy, I’ll end this chapter with a baseball analogy. You can draft the world’s best individual players and put them on the field. But if they don’t learn to play as a team, if they don’t develop team chemistry, they’ll never win. A team with far less talent at every position—but one that plays with chemistry and that picks each other up—that team will beat them.

In my experience, nothing produces better team chemistry than personal storytelling. By being vulnerable with each other, team members develop trust and affinity. That allows them to institute a best-idea-wins decision-making model. And that means they will be virtually unstoppable.

Put It To Work Now

All of the greatest ideas in the world won’t help you unless you put them into action. Use these questions to frame the action-steps you’ll take based on these ideas.

How would you describe the deliberation process of your leadership team?

What do you believe has caused deliberation to not be successful for your firm?

How do you believe personal storytelling could improve outcomes for your leadership team?

Strategy 5: Institute A Best-Idea-Wins Decision-Making Model

Through The Power Of The Meat Grinder

How does your organization make decisions? This is not an insignificant question. In fact, the answer to that question will probably determine whether or not your professional service firm grows much, if at all. In this chapter, **I want to build the business case for why you should leverage the meat grinder in your decision-making.** This is a powerful technique that some of the most effective leadership councils I've ever worked with have adopted outright. It takes time to morph to this kind of model and there will probably be some mishaps along the way.

But here is my promise to you. **If you adopt a best-idea-wins decision-making process and use the meat grinder to do so, you'll never make a bad decision.** The quality of the decisions you do make will also go up by an order of magnitude. This means everyone will have clarity not only about the decision you made, but more importantly, why you made it and what comes next.

Yet, there is even a much more efficacious side-effect of this decision-making model: buy-in and unity. **When the best idea wins, after a reasonable amount of deliberation, the entire leadership council throws their weight behind the decision.** This process creates clarity for everyone, where they set aside doubts, uncertainty and ambiguity and instead adopt swift and confident execution of a plan.

Why does this happen? Because everyone on the leadership team knows two things. First, they do not have a better idea than the one that was ultimately selected. They know this because the saw, first-hand, how the idea got vetted, ground up and purged of weaknesses. Second, they recognize that inaction is not an option. Because the leadership council prioritized this decision and built a plan to take action on it, the time for talk is over. It's now time to execute.

A best-idea-wins decision-making model unites a leadership council and gives them resolve even when adversity rears its ugly head—and it always does. It takes away second-guesses and eliminates hesitancy to act, even when the outcomes are unknown and uncertain. That is the power of best-idea-wins.

The Link Between Decisions, Action-Plans And Successful Outcomes

Before we go any further, I think it's important to explain why this model is superior to any other I've seen. To do that, I'd like to describe two alternative models that I've rarely seen work very well: top-down and group-think. I'm confident what I'm about to describe will be familiar to you.

In the top-down model, a strong leader may be open to deliberation for a short amount of time. But at some point (often sooner rather than later), **they're going to tell the team what the decision is and why they made it.** Then they're going to very briefly describe what they think the action-plan should be following their decision. Six months later, after almost nothing has happened, they will be frustrated with the team for not acting on their decision. All along, the team has probably been waiting for the leader to forget about a decision they probably didn't believe in to begin with. Sound familiar?

In the group-think decision-making model, a leadership team gets together to discuss an important decision. They bring up a lot of good points. Ultimately (usually after weeks of discussion), the team makes a decision, typically with the blessing of a founder, owner or the most powerful C-Suite executive. They feel good about the decision, but six months later, almost nothing has happened. Leadership council members are befuddled by this because they spent so much time making a quality decision. Again, sound familiar?

Why don't these models work very well? In the top-down example, the problem is that the leadership team was informed of a decision they may or may not have agreed with. But even if they agreed with it, there's not a plan. There's a decision. But if there's not a plan

and if people don't understand their role, how they're supposed to make that decision successful, they'll make almost no contribution. The same is true of the group-think model. The team might have made the decision, but did they have a plan? Was it well-documented, time-bound, specific and task-oriented so everyone understood their contribution? Was the decision translated into a plan?

You see, herein lies the problem. **Most decisions made in mid-sized professional service firms, especially those made by leadership teams, require two follow-on steps: accountable action plans and teamwork.** If you don't have these, you won't grow. This is a huge part of the whole Leadership Operating Model concept I introduced in chapter one.

My argument is that a best-idea-wins decision-making model, combined with the meat grinder technique, not only allows you to make superior decisions you won't regret, it also, almost by default, immediately lends itself to teamwork and accountable action plans. This is why it's superior to both top-down and group-think models. In the chapters entitled *Adopt Collective Objectives* and *Hold Yourself And Your Team Accountable*, I'll go into much greater details on the concepts of teamwork and accountable action plans. The focus of this chapter, however, is decision-making. So let's explore this a bit more.

How The Best-Idea-Wins Decision-Making Model Works

The best-idea-wins model sounds simple enough. You put a bunch of ideas on the table, pound on them to see which ones can take the weight of scrutiny and then pick the one that holds up the best. Yup. That's pretty much how it works.

In the chapter entitled *Intentionally Foster Vulnerability Between Council Members*, I described a real-life decision that confronted a leadership team, of which I was a member. I noted the three layers of deliberation:

1. **The core question.** Should we do this?
2. **Deliberation questions.** How do we do this?
3. **Contingency questions.** What do we do if things don't work out as planned?

Going through the process of answering those questions and deliberating as a team is how the best idea ultimately wins. **This is NOT about analysis paralysis.** It absolutely is about tapping into the wisdom of the leadership council—every person on that council. In the chapter called *Form A Leadership Council Of Seven People*, I noted that **council members will have a vote.** That is not to say that the will of the majority will always carry because somebody's butt is always on the line, usually the CEO. But if you adopt the model I recommend and that most of my clients now use, at some point, a council will vote.

I cannot overstate the importance of the vote. **This is when a leadership council member renders their judgement and that is the whole point—one of the core reasons they're on the council in the first place.** In business, there are no certainties and no guarantees. There are only decisions based on reasonable assumptions and the best information we have in the moment. When a council member votes, they are putting their butt on the line too, just like the CEO, owner or whomever else is a stakeholder. They become party to, and partner of, the decision.

But here's the thing. This literally will not work if you haven't developed vulnerability between people. Why? Because it is a natural human tendency to fight for our children. Ideas, for so many leaders in professional services, become like our kids. **If we birthed them into the world, we want to see them thrive.** But not every idea we come up with is a good one, if we are being honest with ourselves. We need our colleagues to help us improve our good ideas and kill-off (as hard as that might be) the bad ones.

That cannot happen if people are not vulnerable with each other enough to admit—to actually say it out loud—you're right, that's not a very good idea. To say that, it takes a tremendous amount of trust, humility and confidence that the people around you won't judge you. When members of the leadership councils I've formed can finally say that to each other, I consider it a huge win. It's the chemistry between the council members, their willingness to relinquish and defer, that allows them to succeed.

No one wants to look or sound dumb. In fact, I've seen entire leadership meetings get derailed because one person could not let go of an idea that they knew, in their heart of hearts, was not a good one. You might ascribe this to ego and I suppose there's an argument for that. But I ascribe it to a lack of vulnerability between team members, a desire not to look bad in front of the team because they sponsored a weak idea.

What Derails The Best-Idea-Wins Decision-Making Model

Having coached many leadership teams and councils, I've become quite familiar with the dynamics of how decisions get made. So if you like the best-idea-wins model, here are some things to watch out for.

- **A powerful C-suite leader who shuts down deliberation.** This is a very common problem. But it's usually easily handled with a bit of coaching.
- **One or two strong personalities who will not relent.** This is also a common problem. I have numerous strategies and suggestions to address it, but this eBook is not the place for that counsel. Reach out to me directly if you'd like my suggestions.
- **The struggle to intensely focus on a single problem for an extended time period.** Council members sometimes just wear out. That simply means it's time to take a break and focus on something else for a while.
- **An aversion to pushback and disagreement.** Council members must be willing to pushback on ideas they really don't believe in and to share their reasoning. Sometimes that means openly (when it's just council members present) and respectfully disagreeing with people.
- **Not scheduling enough time for deliberation.** This is fixed easily enough with better planning and forethought. I follow a simple guiding principle: the bigger the decision, the more irreversible the consequences of making the wrong decision, the more money involved, the more time is needed for deliberation. Sometimes this is measured in days, sometimes in weeks but often in months—especially for big decisions.

Some Guiding Principles To Enhance The Best-Idea-Wins Process

If those are the pitfalls to watch out for, here are several suggestions to help you get the most out of this opportunity:

- **As quickly as possible, separate ideas from people.** When brainstorming potential solutions to a problem, I like to give options a moniker. I'll call it the "go down this path" option or "option A." I try never to associate an option with a person. This means the idea is being scrutinized and vetted, not the person.
- **There is no such thing as a "dumb" idea.** I can't tell you the number of times a council member has introduced an option with this qualifying statement: "this may be a dumb idea, but what if we..." Most of the time, their "dumb idea" ends up being the best or ends up improving the final option that is selected.
- **Practice inquiry more than advocacy.** Inquiry is about wanting to understand why someone is advocating for a position. Advocacy is about stating, and standing firm on, a position. I have found that leadership councils that get in the habit of asking "why do you feel that way" do so much better than those who say "I can't agree with you and here's why."
- **Practice objective summary – not dismissive summary.** At some point in deliberation (often more than once), a set of options will need to be summarized so the team can consider them. How the options are summarized can bias a team and even alienate team members if they feel an option they believe in was dismissed before it was even considered.
- **Recognize the process:** ideas first, deliberation second, decision third, planning fourth, execution fifth. See the section

below for more details about this. But my point here is that sometimes people are tempted to put the cart before the horse. Usually, I see this when council members try to start building a plan before they've thought through all of the deliberation and contingency questions.

- **Trust your instincts.** Your first impression should not be set aside. This is something I coach council members in quite a bit. Instincts matter in business because they are usually a split-second flash of insight based on years of experience. Ralph Waldo Emerson said: "In every work of genius we recognize our own rejected thoughts; they come back to us with a certain alienated majesty."

What Comes With The Decision?

Decision-making is an important part of a larger process. I think it's important to outline the process here so you see how this fits within the larger framework of a Leadership Operating Model.

- **Ideas first.** This is the process of brainstorming potential solutions to ensure you have a healthy set of options to consider and to vet via the meat grinder.
- **Deliberation second.** This is about applying the meat grinder to reasonable options, especially deliberation and contingency questions.
- **Decision third.** This is when council members vote for the option they think makes the most sense.
- **Planning fourth.** This is when all of the considerations that were discussed during contingency questioning get built into an executable plan. I'll go into much

greater detail about this in Adopt Collective Objectives.

- **Execution fifth.** This is about doing the work to make the decision and the associated plan a real success.

Now you might say to yourself, wow that looks like a lot of work. In fact, it is. It's so much easier for one strong leader to tell everyone what the decision is and what the plan should be. But here's my experience. Professional service firms who adopt that leadership model really don't grow all that much. The team doesn't throw their weight behind the decision, build the plan, problem-solve dynamically, fight through adversity or own outcomes. They're passengers, not drivers.

Here is what you should know. The first two to three times a leadership council adopts this process, it's arduous because it's foreign. Most team members of mid-sized professional service firms have never made decisions this way or carried this much responsibility. **But it gets much easier every time they do it.** By the fourth or fifth time they go through this process, it's much smoother and easier. They begin to play like a real team. It takes less than half the time. The decisions get better. The interpersonal dynamics improve. It starts to get fun. Growth soon follows.

Put It To Work Now

All of the greatest ideas in the world won't help you unless you put them into action. Use these questions to frame the action-steps you'll take based on these ideas.

How does your organization make decisions today? Which model do you use?

How does your leadership team translate decisions into action plans today?

How does your leadership team vet bad ideas to get rid of them and good ideas to make them even better?

If you could change one thing today about the way your firm makes decisions, what would it be and why?

Strategy 6: Align Your Leaders By Defining Your BHAG, Mission & Values

An Aligned Leadership Council Will Be Unstoppable

What does the future hold? If only we knew the answer to that question. If only... The future is unknown territory to all of us, whether we'll admit it or not. I have said for many years now that I cannot predict the future. Why do I start this chapter with a focus on the future?

After coaching more than 70 mid-sized service firms and their leadership teams, I've discovered what I call trust fissures between leaders. **Trust fissures become most evident when I ask leaders to describe the future, where they're going, how they'll get there and what the journey probably looks like.** In numerous instances, I've heard very different answers to these questions from people who are supposed to be on the same team.

Trust fissures usually only have a micro-impact on a day-to-day basis. They're barely noticeable, which is why they're often not addressed. But if they are not resolved, they will have a macro-impact over time. The biggest challenge I've seen from trust fissures is that leadership teams pull in slightly different directions on some pretty big topics. **Over time, these differences become monumental, sometimes leading to departures, breakups or even business closures.** But before that happens, growth stalls, causing everyone to lose confidence in the potential of the business. This may not happen overnight. But trust me—it will happen.

Any mid-size professional service firm that is unwilling to address trust fissures is doomed for stall-outs. Why? **Because it is nearly impossible to sustain meaningful growth if your leadership team is not aligned around three things: BHAG (Big, Hairy, Audacious, Goal), mission and values.** In this chapter, I want to highlight the importance of achieving rock-solid alignment between your leaders and show you how to do it.

Why should you hammer out this alignment? Why is it worth the time and effort? **Because any leadership team that is 100% aligned on BHAG, mission and values will be unstoppable.** They will produce growth, especially if they adopt Collective Objectives and account-

able plans. Recessions, economic downturns, technology disruptions, changing client expectations—none of these things will stop an aligned leadership team. They'll figure out a way to grow because they have clarity about what they're trying to achieve and how they'll behave along the way. **An aligned leadership team is a force of nature.**

An Analogy From The World Of Competitive Rowing

Here is an analogy I like to use. Let's assume you and seven of your closest friends decide to start a rowing team. It's great exercise and it can be a lot of fun, especially when you win. You put your boat in the water, load the oars and off you go. Pretty soon, it becomes clear that if you're going to compete, you need a coxswain. This is the person who sits at the front of the boat and calls out directions about how to row.

You soon discover the importance of rowing in synch, to the call of the coxswain. If even one person is out of synch, if their oar drops in the water slightly ahead or slightly behind everyone else, you experience drag. You're slower than competitors. You won't win. But if you really get out of synch, your oars will end up hitting each other, causing you to fall way behind and frustrating everyone in the boat. Pretty soon, no one wants to row anymore. Your boat is dead in the water.

This is almost exactly how trust fissures, left unaddressed over time, hurt leadership teams. Now you might think to yourself, based on the analogy above, that the coxswain is the CEO who should be telling everyone what to do and then they just do it.

Yeah, right. **If there's one thing I've learned after serving hundreds of professionals, it's that pretty much everyone on a leadership team sees themselves, whether they'll admit it or not, as the CEO.** If they don't hold that title today, they think they could and probably should.

It is a non-starter to ask intelligent, motivated, experienced and responsible people to simply do whatever someone else tells them to do—even if they like and trust that person. The coxswain cannot be the CEO. **The coxswain has to be something outside of a specific person, a communal vision that everyone believes in and works toward because it is in their best interest to do so.** The coxswain has to govern the thinking, priorities, decision-making and behavior of the entire team. The coxswain has to be your BHAG, mission and values.

Why BHAG, Mission And Values And How Do You Use Them?

If you've been through these types of visioning exercises before, you might be familiar with an alternative set of options. The most common one I've seen is mission, vision and values. That's a pretty close alternative. But here's the thing to bear in mind. I've spent most of my career being a brand guy, so I know how these exercises are structured and more importantly, what happens with the output.

Leaders spend time in a room often negotiating a set of words and phrases. **When they finally, after much wrangling, arrive at the perfect set of statements, (usually an amalgamation of what the most vocal**

people in the room would settle for), they publicize them. They tell their employees about their mission, vision and values. That goes over okay, but it's not earth-shattering to anyone.

They put the statements on their website and maybe in some brochures. If the CEO is really proud of the statements, she might even include them in an upcoming presentation. They get massaged into sales literature and proposals—usually at the back of the proposal buried under the meat and potatoes.

But a year later, the company has not grown much. Leaders are not more aligned. Behaviors have not changed. The words are empty, lifeless, meaningless. **Most leaders cannot even remember why they advocated so hard for certain phrases.** The leadership team might as well have gone bowling together. The exercise did not produce tangible growth. This is exactly what you DO NOT want to do.

Let me go back to my rowing analogy. Your BHAG, mission and values are the coxswain, calling out the moves you need to make in real time. If you ignore the coxswain, you get drag, not speed. This is why my advice to you is simple. **Don't publicize your BHAG, mission and values.** Try to put a wall around them where no one outside your organization knows about them. **Instead, make them so precious, so important, so vital to your future that they become almost like sacred scripture.**

When you get together as a leadership team, read them to each other. When you make important decisions, ask yourself if the decision aligns with them. When you choose to

hire or terminate staff, do so because of them. When you establish annual budgets, do so with an eye toward them. When you prioritize Collective Objectives, select them because of how they impact BHAG, mission and values. If you do this, **they will become your coxswain and they will stimulate growth, probably unlike anything you've ever experienced.** And no one will feel as if they've been told what to do. In fact, their sense of autonomy and ownership of outcomes will grow—just like the business.

What Is A BHAG?

Given the importance of the big three, I'd like to define each one. I prefer to address these in the form of a question. So here are three questions you absolutely must get alignment around if you are to grow:

1. **What are we trying to achieve?** That's your BHAG.
2. **Why are we in business?** That's your mission.
3. **How do we behave?** Those are your values.

Let's start with the BHAG—the Big, Hairy, Audacious, Goal. I'd like to give you some guiding principles for selecting a BHAG.

- **First, it should be achievable.** It will likely be a stretch and it might take you many years to get there, but if it's not achievable, no one will really believe in it or work toward it.
- **Second, it should include a financial component.** I usually recommend that it includes both a revenue and an EBITDA goal. The more specific, the better.

- **Third, it should include options.** Once a BHAG is achieved, it should open doors to all sorts of possibilities that really are not available today. Some of these you might be able to predict while others will not be visible until later.
- **Fourth, it should be life-changing.** For those who are stakeholders (and I recommend you make everyone on your leadership council a stakeholder as well as key long-term employees), achieving the BHAG should set them up for life. It could even produce multi-generational wealth. This gives everyone tremendous incentive to achieve it.
- **Fifth, it does not need to be time-bound.** Since no one can predict the future, it's not advisable to put your BHAG on a defined schedule. Instead, I recommend that you document your progress every year toward the BHAG so people remain invested in it. Just so you're aware, it took, on average, about ten years for most of my clients to achieve their BHAG.

Let me give you an example. Let's assume a professional service firm currently generates 20M annually in revenue with 12.4% EBITDA. They might adopt a BHAG that sounds something like this:

Our BHAG is to generate 50M in annual revenue with 20% EBITDA. Once we achieve this, we might be acquired by a larger organization. We might open several new offices. We might acquire other businesses or even expand our offerings for new markets.

What Is A Mission?

Now let's focus on the mission. This is, simply put, the reason you're in business in the first place. This is ultimately about how you impact your clients. **Your mission is why you come to work every day and why the work itself is important.** This is especially true for professional service firms because we tend to solve some very difficult problems for clients. Our impact can be, in certain situations, completely and utterly life-changing for clients.

Now you'll notice that my emphasis here is on client outcomes, results for them, not our processes. It's very easy to fall back on talking about what we do rather than why we do what we do. What we do is about our service offerings and our approach to working with clients. But why we do what we do is about the clients themselves, their needs, their pain-points, their hopes and dreams. In other words, your mission must be client-centric.

Here are some guiding principles for defining your mission:

- **First, it must be true.** A mission should be almost so stupid simple that no one can disagree with it. This is why it's not advisable to wrangle over words and manufacture language that no one understands or will easily remember. It should simply resonate so everyone around you says—of course, that makes total sense.
- **Second, it should be aspirational.** It should be something you have to work toward every day to become even better than you were yesterday. As long as there are people who experience the kinds of problems your firm can solve, your mission will not be done.

- **Third, it should be inspirational.** It should contain a seed of greatness, a sense that working toward the mission is really important. We all need to know that the time we spend working is achieving something bigger than just helping us earn a paycheck. This is about making the world a better place by doing something meaningful for clients.
- **Fourth, it should not include a financial component.** Here is my advice about money and mission. Money can never be the mission, but you can't achieve the mission without money. You deserve to be paid for the valuable work you do. But the payment is not the payoff. The payoff comes from the satisfaction of knowing that you really helped your clients and their lives are now better because you did.
- **Fifth, it should be durable.** A mission doesn't change simply because an employee leaves, a CEO retires or because the market shifts. Your services might change from time to time, but your mission should be enduring.
- **Sixth, it should be simple.** The simpler the better.

I want to expound for just a moment on this last point—simplicity. I cannot overstate how important this is. I coach my clients to develop short, usually one simple sentence, mission statements. Why?

Because they're memorable and they roll off the tongue. In theory, you should be able to ask anyone—from receptionist to a new hire to a leadership team member—why we exist and they should be able to give you the same answer. This should be as true ten years after you identified your mission as it was the day you wrote it. Let me give you some ex-

amples of these kinds of mission statements:

- The Shattuck Group: *We help our clients grow.*
- A client in legal technology: *We enable data-driven justice in an unjust world.*
- A client in environmental consulting: *We guide change agents to make a huge impact.*
- An RIA client: *We help our clients achieve complete financial independence.*

You can see just how incredibly stupid simple these mission statements are. And that is part of their genius.

What Are Values?

Now let's turn to values. Depending on whom you ask and which books you read, you'll hear all sorts of advice about which type of values matter. But in my experience, after working with dozens of professional service leadership teams, there are only two types of values that really impact growth: core and minimum standard. These two accomplish very different purposes. **Core values state what the organization stands for. Minimum standard values state what the organization will not stand for.** Both are equally important.

Before I go much further, I'd like to clarify something I think is really important. **Values are about behaviors far more than about personalities.** Why is this important? It has to do with personality types. Some people show up at work, day-after-day, a bit on the grumpy side. That's just how they roll. Other people show up consistently cheerful and outgoing. Still others show up quiet as a mouse, retreating into their office. For an organization to

grow, all of these different personality types need to play well together. This is ultimately about behavior.

I believe it's important to allow people their foibles, the unique way in which they go about doing their work, even when it may not be the way others do it. No two professionals I've ever worked with do things the exact same way. **Learning to live with tension, to embrace it even, is part of what leads to organizational health and well-above-average productivity.** In other words, I don't think it's wise to ask people to change their personality. But you might, in fact, have to ask them to change certain behaviors. That is an important distinction.

Core values are at the heart of the mission, why you do what you do. I recommend that you identify no more than five core values. These should be true and probably have been evident in your organization from inception. They will likely not be different from other service firms because they're not a differentiator. They're about what's core to your organization. Here are some real-life examples of core values:

- We are kind souls – we come from the heart first.
- We routinely ask people to leave their swim lanes.
- We practice ingenuity when problem-solving.
- We are client-centric—no predefined boxes to check—we fit our solution to the client need.
- We are hard-working and complete the endeavor no matter what it takes.

Just to be clear, these are actual values identified by multiple organizations that I've been privileged to serve over the last several years.

Minimum standard values are about what an organization will not stand for and will not tolerate. In the chapter entitled *Commit To Trowel And Sword*, I'll go into greater detail about how to leverage minimum standard values. But first, you need to define them. Your list of minimum standard behaviors can be as long as you want it to be. But just bear in mind that you'll need to defend them—quite possibly even be punished because of them.

That's how you know it's a real value. If it's not something you're prepared to go to the mat for, not something you'll lose money over or even face a lawsuit over, it's not really a minimum standard. To help you with this, I'd like to present real minimum standard values that my clients have identified:

- No selfish behavior allowed. We value team wins above individual wins.
- No disrespect allowed. We're careful in how we speak to and treat each other.
- No hypocrisy allowed. As leaders, we hold ourselves to the same standards.
- No sexual harassment allowed. We won't tolerate this at all.
- No egomaniacs allowed. We think, plan and act as a team.
- No sandbagging allowed. We expect everyone to carry their own load.

There's something interesting to note here. Many of my clients share very similar core values. **But their minimum standard values are actually quite unique to their organization.** Much of this has to do with the lived

experiences of people on the leadership team. Often, the minimum standard values they identify come from painful personal experiences in their career. These are situations they never want to encounter again in the workplace.

How To Get Alignment On BHAG, Mission And Values

As you can see, defining BHAG, mission and values require a lot of collaboration, conversation and soul-searching. So how do you do this? In my experience, it's best to plan for two off-site sessions where a facilitator (and yes that's often my role) helps leaders explore answers to the three questions:

- What are we trying to achieve?
- Why are we in business?
- How do we behave?

If you provide leaders with enough advanced notice and instructions about BHAG, mission and values, they can even prepare their answers in advance of the meetings. **It's important that everyone on the leadership team is given a chance to voice their perspectives on all three topics.** This is the only way for BHAG, mission and values to end up serving as a coxswain, so everyone buys into them.

I sometimes like to play a game called "who said that?" I'll show answers to the questions from different people without revealing their name. Then people can guess who said what. It's a lot of fun.

Some Key Considerations For This Process

I'd like to provide answers to some commonly asked questions I get when coaching clients in this area.

- **What do you do if different team members are on different timelines because of age?** This is especially important if you have a wide age-range on your leadership team and your BHAG will take many years to achieve. I've worked with leaders from their late 20s to their late 70s. I have yet to find a situation where a BHAG could not be defined because of these age differences. Yet, some people, especially those later in their career, have had to come to grips with the fact that the BHAG may not be achieved before they retire.
- **How does leadership succession impact this?** Succession should have almost no impact on mission and values. In some instances, the BHAG has been modified to accommodate the vision of new leaders.
- **Will team members potentially quit if you unveil the BHAG?** This has never happened, but it could. Talking to team members about the BHAG should be done with lots of forethought. Please see the chapter entitled Adopt Free-Flowing Information for more ideas.
- **How transparent and detailed should you be about the end-game?** My advice generally is that the more transparent you are, the more trust you'll develop with your staff and team. However, there have been situations where my clients' leadership council chose not to talk about certain options they would consider upon achieving the BHAG.
- **Should you offer equity as part of the unveiling of the BHAG?** In general, I tend

to support this approach. I think it's especially important for the leadership team because you'll ask so much from them. An equity stake also helps to secure long-term loyalty from people who are likely to be recruited by other organizations.

How Do You Use BHAG, Mission And Values?

If your BHAG, mission and values serve as a coxswain, they'll be calling out to you on pretty much a daily basis. You can't forget about them or allow them to recede into the background. This is ultimately about clarity—about understanding what you're trying to achieve, why you exist and how you behave so you remain consistent, focused and directed over time. As leaders, it is your responsibility to keep them front and center. Here are three scenarios where it's vital to do so:

- **During every leadership team meeting, restate the BHAG and mission.** It only takes a few seconds. But it's an important reminder to everyone. It also helps everyone subtly ask themselves this question—since we last got together, what have I done to advance us toward the BHAG and fulfill our mission?
- **Use them as a guide for every important decision you make.** There are usually three potential outcomes from every decision: positive, negative or neutral. So ask yourself these questions:
 - Will this decision advance us toward our BHAG and fulfill our mission?
 - Will this decision pull us off-course from our BHAG and mission?
 - Will this decision have no impact on our BHAG and mission?
- **Use them as a barometer for hire-fire decisions.** I recommend that you share your mission and values with every potential new-hire. I recommend that termina-

tions should be made in light of minimum standard values. I also recommend that any new potential leader, especially if they might be offered an equity stake, must know and buy-in to the BHAG.

Any professional service organization that defines and acts in accordance with their BHAG, mission and values will not get lost, no matter what happens on the journey. If leaders hammer out alignment on these three, trust fissures will virtually disappear. There might still be tensions and disagreements, but they'll be handled effectively without loss of trust. They'll be unstoppable. If they adopt Collective Objectives, they'll become a force of nature, a team to be reckoned with. That is where we'll focus in the next chapter.

Put It To Work Now

All of the greatest ideas in the world won't help you unless you put them into action. Use these questions to frame the action-steps you'll take based on these ideas.

What is your organization's BHAG? How do you know this?

How aligned are your leaders today about achieving the BHAG?

How would you describe your company's mission?

How would you describe your company's core values?

How would you describe your company's minimum-standard values?

What steps do you think need to be taken to enhance alignment between your leaders on these three important topics?

Strategy 7: Adopt Collective Objectives

To Consistently Achieve Your Goals

I'd like to ask you a question. Out of all the strategic goals that your leadership team identified last year, how many did you actually achieve? How many did you fully, not partially, realize? How impactful on the business and on your sense of efficacy as a leadership team were the attainment of these goals?

If your answer is—not nearly enough—that puts you in company with so many leadership teams at mid-sized service firms I've coached over the last 20 years or so. **In fact, goal attainment is a major problem, and a major opportunity, for every service firm I've ever coached.** It is simultaneously both: a problem and an opportunity.

In this chapter, I want to show you a much better way of selecting, planning for and actually achieving your firm's goals. I call them Collective Objectives and they are the single best alternative to annual strategic planning that I've ever seen. Collective Objectives actually stimulate growth. **But more than that, they give your leadership team swagger**—a sense that there is not a single problem you'll face in business that you cannot solve. That feeling is priceless.

What's Wrong With Annual Strategic Planning?

If your firm engages in annual strategic planning, I'll bet it goes a lot like this:

- You get your leadership team together for a couple of days to talk about priorities, usually during an off-site meeting.
- You review your previous year's results and identify what you want to do better next year.
- You establish a short-list of objectives you want to accomplish.
- People on the leadership team sign-up for one of these and commit to an action plan. **One-goal equals one-goal-owner.** The goal owner is responsible to achieve the goal, usually by themselves.
- During quarterly meetings, people report on their progress. In the first quarter, things are going pretty well. By the second quarter, energy is waning and progress has stalled. By the fourth quarter, it's

clear most goals will not be achieved.

- You get together to plan the next year and everyone talks about how much they learned from their attempts to achieve the objectives and how much better positioned they are to actually achieve them this year.
- Rinse and repeat—year after year.

Why doesn't this approach work? There are all sorts of reasons. But in my experience, the **biggest problem is that already-busy executives with full-time jobs have to play the rugged individualist—trying to solve really complex business problems while holding down the fort.**

Most people who end up on leadership teams in mid-sized service firms are department heads. This means they have departments to run: budgeting, personnel issues, scheduling, priority setting, communication, hiring and an endless list of meetings. That is their primary responsibility and departments won't run themselves. Most department heads I've coached already work 50 or more hours per week. **How are they supposed to solve complex business problems when their day-job already takes all their time and energy?**

If a leadership team has five people on it and they identify five annual strategic objectives and each person takes ownership for one objective—who do they brainstorm with when they run into obstacles? **Every initiative I've ever seen runs into problems and blockades.** Things rarely go according to plan. When the inevitable challenges arise, departmental demands and the absence of someone trusted to brainstorm with leaves an executive feeling like they're all alone on an island. But it takes teamwork to make the dream work.

A Far Better Approach—Collective Objectives

If what I've describe above sounds familiar, I'd like to introduce you to Collective Objectives. Here's how they work:

- Once a quarter, the leadership team gets together to talk about what's most important right now. They ask themselves one simple question: what business problem must we absolutely solve before the end of this year?
- **They pick one objective.** Not two or three. One objective.
- As a team, they brainstorm their best ideas about how to achieve the objective.
- **They translate their ideas into a Gantt chart with tasks for everyone on the leadership team.** The division of duties here is crucial.
- For the coming 90 days, in whatever free time each executive has, they work on their tasks to get them done.
- They commit to report on the progress of their tasks in regular check-in meetings. These usually can be achieved in about an hour.
- If an executive runs into a blockade (and they always do), they can use the monthly meeting to brainstorm with colleagues or they can setup a more informal time in between meetings. This type of collaboration is crucial for overcoming obstacles and maintaining momentum against a goal.
- When they get together for their next quarterly meeting, if the goal has not been achieved, **they do not pick a new one.** Instead, they go back to the plan and refocus it on a new set of tasks that will achieve the objective.

Why Is This Approach Superior?

I have found this way of handling strategic planning to be far more effective. Why?

- The objective becomes a team goal, not an individual goal. This means no one person is overwhelmed by trying to achieve the goal.
- A singular focus on a single objective greatly increases the likelihood that it will be achieved. This brings clarity and simplicity to everyone's actions.
- Everyone on the leadership team knows what other members of the team are working on. **This makes brainstorming so much more effective because everyone is familiar with the problem they're trying to solve.** There's no ramp up time.
- It greatly enhances accountability. No one wants to let the team down because they didn't get their tasks done.
- It enhances camaraderie. It's very motivating when you see a colleague experience a break-through on their set of tasks. It gives you confidence that you'll do the same.
- It fosters healthy competition between leaders. I've seen leaders place bets about who'll get their tasks done first—bottle of wine going to the winner.
- The plan gets far more thoroughly vetted and refined. When you have five people brainstorming a specific problem and coming up with solutions, the quality of the solutions will be far better than if just one person came up with them.
- **Leadership teams that consistently set and achieve business goals gain a sense of swagger.** Their confidence soars and they begin to feel as if there is nothing they cannot achieve. This swagger is

priceless. It makes work fun for the leaders. It gives staff confidence in the leaders and in the business generally. It's uplifting and rewarding for everyone involved.

One of the biggest benefits of Collective Objectives is the sense of teamwork it produces. It feels like everyone is pulling in the same direction and that can be very motivating. In the chapter entitled *Align Your Leaders By Defining Your BHAG, Mission And Values*, I used an analogy from the world of competitive rowing. I talked about the importance of having a coxswain and how this cannot be a person because powerful people in leadership positions don't want to be told what to do.

I suggested that your BHAG, mission and values need to serve as the coxswain, not the CEO. I'd like to expand that concept here. I've also seen Collective Objectives serve as a short-term coxswain for leadership teams.

Unlike BHAG, mission and values which should be enduring, **Collective Objectives provide a short-term focus on a singular business problem that, if solved, will empower the business to keep growing.** That's the beauty and the power of Collective Objectives.

In my experience, for professional service firms to grow, they simply need to solve one business problem after another. Those leadership teams who get good at solving business problems together will consistently produce growth. But they'll also really, and I mean really, enjoy the ride. Growing a service firm is one of the most stimulating and joy-filled experiences I've seen in life.

Put It To Work Now

All of the greatest ideas in the world won't help you unless you put them into action. Use these questions to frame the action-steps you'll take based on these ideas.

How does your organization handle strategic planning today?

How many goals did your team identify last year? How many actually got completed?

Who do you brainstorm with when you run into obstacles when trying to achieve a goal?

What would it mean for your organization if everyone on the leadership team focused on a single goal at the same time?

Strategy 8: Hold Yourself & Your Leadership Team Accountable

To Work On The Business, Not Just In The Business

Accountability is a tough word. Buried deep within this word is a feeling, a sensibility, that somehow I haven't done the things I've committed to do. If someone feels the need to have an accountability conversation with me, I've already screwed up. No one wants to be guilty of this, but most especially leaders. Leaders know they must lead by example and that they cannot ask others to do things they themselves are not willing to do. No one will follow that kind of leader.

And yet, if I'm being honest, **every service firm I've coached has had a leadership accountability problem.** (Just to be clear, I put myself at the head of that line). To start this chapter, I'd like to describe the nature of the accountability problem. This is yet another major reason that service firms don't grow nearly as much as they could. Once I've diagnosed the problem, I'll show you how to fix it so you crush your growth goals consistently, year after year.

A Single Accountability Partner Will Not Work

Nearly all of the mid-sized service firms I've been privileged to coach already had an accountability partner in place. In most instances, this was a C-suite executive who bore primary responsibility for the business. It was their butt on the line and sometimes

their personal net worth on the line. People who end up in these roles are typically not tilting daisies and they're usually not afraid of confrontation either. They can often be blunt, quite direct and say what's on their mind.

But they also share another trait in common: frustration. They are often frustrated by the lack of goal achievement from their leadership team partners. Over the years, they've probably tried several things to increase the performance and the accountability of the leadership team. But these strategies rarely work.

There are all sorts of reasons that a single accountability partner will not work if you want to produce meaningful growth. **But the single biggest reason is that no one person can be your coxswain—the person at the front of the boat calling out how to row.** You should know that the single account-

ability partner model has never worked with the service firms I've coached. It has never produced meaningful growth. There are much better ways of enhancing accountability that actually do produce growth. But before we get to that mountaintop, we need to go through a valley.

When Mediocrity Becomes Acceptable, Growth Stalls

I'm curious about something. On a scale of one to ten, where one equals "terrible" and ten equals "outstanding," what score would you give your leadership team? Of course, the answer to that question is probably framed by yet another question. What do we expect from our leadership team?

If you expect your leadership team to keep the wheels on the bus so things keep humming along, you might give your team a high score. **But what if you were to base your grade exclusively on how many goals you achieved for the business last year—specifically your growth goals?** What sort of score could you give your team if that were the only criteria? I'll bet that changes the calculus considerably.

I'd like to introduce a concept here that I've seen amongst almost every mid-size professional service leadership team I've ever coached—the team pass. This is not about passing a ball between leadership team members or even passing the buck. **This is about everyone on the leadership team giving everyone else a pass on achieving their annual strategic goals. They know almost no one will achieve the individual goals they signed on for and so there is little pressure**

or concern that they'll let the team down. This is about mediocrity being acceptable.

I know that's probably a pretty hard thing to hear. You likely wouldn't give your leadership team a mediocre grade. But is that fair? Here's why I ask. Jim Collins—author of *Good To Great* and *Great By Choice*—famously said that "strong leaders face the brutal facts." If the team pass is in play at your organization, I cannot strongly encourage you enough to face it down and call it what it is—mediocrity. Unless you name it and become disgusted by it, things may not change all that much at your organization. Disgust is an essential first-step.

In the chapter called *Adopt Collective Objectives* I introduced a superior alternative to traditional annual strategic planning. Collective Objectives are a singular goal that everyone on the leadership team focuses on at the same time. People brainstorm and problem-solve together until the goal is achieved. But Collective Objectives won't work as long as the team pass is in play. **For Collective Objectives to produce meaningful growth, the team pass has to die.** Please let me explain.

Why The Team Pass Becomes Acceptable

In most professional service firms I've coached, the team pass becomes an acceptable practice for two primary reasons. First, there is a history of the leadership team identifying big goals, committing to work on them and only achieving a small portion of what they set out to achieve. **There is an expectation that people will not achieve the goals they identified. It becomes acceptable.**

The second reason is one I've already described elsewhere. Department heads ascend to the leadership team and yet their primary responsibility is to keep the wheels on the bus for their department. This means that firm leaders spend most of their available time working *in the business*—doing the daily work of keeping the company running.

But that will not produce growth, in most instances. **Growth comes from focusing on business problems that are often outside the realm of daily operations, sometimes even outside your department.** I call this working *on the business*. This is about identifying those extra activities, those outside of predictable daily routines, that will produce growth. This is much harder than it sounds.

I want to say for the record that the reason most professional service firm leadership teams don't produce greater levels of growth is NOT because they are lazy, unfocused, lacking commitment or falling short on integrity. That is not true. I've seen leaders work incredibly hard on initiatives for weeks or even months on end, coming into the office on weekends and staying late to try to get things done.

But for all their valiant efforts, the results are often not there and this becomes incredibly frustrating. That's why it's easier just to retreat back into comfortable territory: leading a department. There are only so many hours in the day and only so many weekends and evenings that you can commit to work.

Remember, **my promise to you at the beginning of this eBook is that growing your service firm would not require you to sacrifice quality of life.** So I want to show you

how Collective Objectives eliminate the team pass, produce meaningful growth and still give you ample quality time to spend with friends, family and loved ones.

How Collective Objectives Kill The Team Pass

This is, ultimately, about time and the ask. What do you ask people to achieve and do they have the time to do it? **If you ask your leadership team to do things that they are capable of doing and have the time to do, especially if you make it simple and easy for them, you greatly increase the likelihood that they'll actually do it.** Every organization I've coached that has adopted Collective Objectives and uses them effectively has raised the bar on their expectations. They now expect to achieve goals. Goal achievement is not the exception; it's the rule.

This is like being traded from a sports team that is used to losing and is okay with it to a team that is used to winning and finds losing unacceptable. On those types of teams, anything less than your very best efforts is under-performing. To help you develop that kind of culture, I'd like to share some guiding principles for using Collective Objectives effectively.

- **Pick Collective Objectives where at least 75% of team members can make a meaningful contribution.** I cannot overstate the importance of goal selection. It's easy to slip back into the mindset of one-goal equals one-owner. That won't work. **The team needs to own the goal and work on it together.** It is better to pick a lower-impact goal (especially the first

time or two you use Collective Objectives) that the team can easily achieve together than to pick a higher-impact goal that only a couple of people contribute to. The faster you achieve the first goal or two, the more confident you become in your ability to do it repeatedly.

- **Know your people and their home-life situation.** I'd like to suggest that anyone with a newborn at home is exempted from working on Collective Objectives. The same is probably true of those caring for an elderly parent. A person going through a divorce probably has a lot on their minds too. In my experience, those with challenges in their home-life have little focused-energy for Collective Objectives. They're probably struggling just to keep their department running.
- **Ask people for no more than ten percent of their regular working hours.** This is a rule of thumb I've come to believe in. If you think about it, that should be more than enough time to make serious progress on a Collective Objective. How so? Let's assume a 50-hour work-week times seven people on a leadership team. Ten percent of 50 hours is five hours multiplied by seven people, which totals 35 hours a week. If your goal is plotted against a 12-week schedule, that's 420 hours of work from your best and brightest. With that, I'll bet you can solve almost any problem.
- **Take the time to balance between team members the tasks outlined in your Gantt charts.** One of the reasons I like Gantt charts is because of the task owner column. This lets everyone know who owns the task and when it's supposed to be completed. When constructing your plan to address a Collective Objective,

I recommend that you carefully eyeball the task owner column. No one person should own more than a handful of tasks. Load balancing is essential.

- **Be reasonable with deadlines.** One of the best parts of working with Gantt charts is when you get to mark a task as complete (I like to use the color green). It's very gratifying to the team. But it's also important to ensure that every task has a reasonable deadline. I like to ask leadership team members what they think is a reasonable deadline for every task they own. If they set the deadline, they are far more likely to stick to it. No one knows their schedule better than them.
- **Establish a regular cadence for check-in meetings.** This is a great way to enhance accountability without a single person having to do it. Regular check-in meetings serve as the coxswain—not a person. Everyone knows that they will have to report on the progress of the tasks they signed up to own. These meetings can usually be completed in 30-45 minutes. Most of my clients schedule these for every two weeks.
- **Make one person the keeper of the Gantt chart.** Here is a brilliant little idea that has worked well for me. Choose the least powerful person in the room to be the keeper of the Gantt chart. This person leads the regular check-in meetings and simply goes around the room, asking everyone for an update on their tasks. If the tasks are done, they get marked green. If a task remains undone for up to two weeks after the deadline, it gets marked yellow. If it remains undone for up to four weeks past deadline, it gets turned red. No one wants their name next to a row

full of red. **Make sure these rules are understood as soon as the Gantt chart is built so leaders know how they'll be evaluated and how seriously you'll take deadlines.** Why choose the least powerful person for this role? Because it prevents the team from being tempted back into the single accountability partner model. Most CEOs I've worked with love this because it's one less thing they have to exert influence and authority to achieve.

- **Be flexible.** Let's assume that you've identified a Collective Objective that you've plotted against a 12-week schedule. Busy department leaders often cannot get things done on the original timeline they projected. This happens. It's important to be flexible, if possible, to not give someone a red mark unless it's clear that they're not making any progress and this lack of progress will hold up the entire Collective Objective from being achieved. In other words, if someone committed to having a task done by week three but now they realize they cannot get it done until week five, simply move the deadline for that task. As long as it doesn't block the goal from being achieved, it should not impact the overall plan.

There are two important questions that the keeper of the Gantt chart should ask at the beginning of every check-in meeting:

- Based on everything we know today, does our plan still make sense or do we need to change some things?
- Based on everything we can project today, will we still achieve this goal by our completion date or do we need to change it?

These two questions are important for a couple of reasons. First, many of the Collective Objectives that I've coached clients in have a discovery and research component at the very front end. Once the options and certain points of information become clear, then a more detailed plan can emerge. Even when that happens, still more information and options might indicate that a pivot should be made in the middle of an initiative. That is a perfectly acceptable outcome. You have to roll with the punches.

Second, on many an occasion I've coached executives who thought the task they've signed on for was a kitten when in fact it turned out to be a tiger. They discover that the task is much harder to complete than they initially thought. In some instances, usually when some red shows up on the Gantt chart, a pivot to the plan is necessary. This could include several options like breaking up that task into several smaller tasks, reassigning tasks to other team members or simply elongating the completion timeline for that task.

Collective Objectives, paired with Gantt charts, regular check-in meetings and flexible pivots when necessary, eliminate the need for a single person to be everyone's accountability partner. This approach actually produces meaningful growth because it allows everyone on the leadership team to make a contribution to solving your biggest business problems. It makes it simple for people with limited time to work on the business, not just in it.

Put It To Work Now

All of the greatest ideas in the world won't help you unless you put them into action. Use these questions to frame the action-steps you'll take based on these ideas.

Do you believe your organization has the team pass in play? Why do you believe this?

How does your leadership team, today, translate decisions and brainstorming sessions into work plans?

Who is your accountability partner today? How do you know this?

What would it mean for your leadership team if a Collective Objective and a Gantt chart became your coxswain—not a person?

What would it mean for your business if everyone on your leadership team focused on the same objective at the same time?

Strategy 9: Commit To Trowel And Sword

You Need Both To Really Grow

I'd like to tell you a story. In the ancient middle east, the city of Jerusalem was sacked by Babylonians. Jerusalem's towering walls (once thought to be impenetrable) were destroyed and the temple, the centerpiece of Jewish life, was knocked to the ground. The Babylonians carried off most of the people in Jerusalem and resettled them in Babylon and surrounding territories. But soon, the Babylonians were overrun by the Persians. A Persian leader named Cyrus subsequently gave the Jewish people permission to return to their homeland and rebuild their capital city.

Many thousands travelled overland to find the once beautiful city of Jerusalem in complete ruins. The task of rebuilding the city would not be easy or quick. It would take a tremendous amount of time, labor and planning. The Jewish leaders identified rebuilding the walls around Jerusalem as priority one. This would protect them and their families. The leaders established work crews, assembled materials and created work schedules.

All was going well until... Some of the local non-Jewish people remembered what life was like before Jerusalem was sacked. They didn't want to see the city thrive again because that put them at a disadvantage. So the locals began to attack the workers rebuilding the wall, killing several of them. This caused Jewish leaders to adopt a new approach and a new mantra: trowel and sword. The leaders instructed the workers to arrive at the wall with a trowel in one hand and a sword in the other.

The trowel was for building and the sword was for defending. I believe there is great wisdom in this story for leaders of mid-sized professional service firms today. In just a moment, I'll make some recommendations for how to leverage the sword (which is fraught with danger). But before I share those ideas, I'd like to introduce yet another key concept—a trowel if you will—for your new leadership operating model.

To Build Your Wall, You Need A MOOS: Monthly Operating Objectives Scorecard

To help your organization grow an incredibly strong business with walls that cannot be toppled, I'd like to recommend *Monthly Operating Objectives Scorecards* (MOOS) This is not rocket-science and your company may already have adopted a tool like it. **But you should know that not one of the clients I've served had this tool in place, or the disci-**

pline to complete the process of assigning scores every month, before I started working with them. Once they adopted this tool, they never went back to the old way of doing things and never regretted the time and effort it took to complete it every month.

A MOOS is a tool for documenting the sentiment of your leadership team collectively, every month, on how you're performing against standard operating objectives. Collective Objectives are about *non-standard activities* designed to stimulate growth. MOOS, on the other hand, is about documenting performance against *standard activities* that keep the wheels on the bus. Collective Objectives and a monthly MOOS are important parts of the trowel for building your business and having a more effective Leadership Operating Model. I strongly recommend both. Here is how to use a MOOS:

- **Pick a set of criteria for what you want to document every month.** Since this is about operations, think about what you tend to focus on every month to keep your thumb on the pulse of the company. I recommend no more than ten criteria, given all that has to happen to render judgment against them. Here are some examples from the MOOS's I work with clients every month to document:
 - **Revenue.** Is our cash-flow strong, weak or stable?
 - **Expenses.** Are expenses well in-hand, under-budgeted or out of control?
 - **Growth.** Are we on track to achieve our growth goals for the year?
 - **Pipeline.** Is our sales pipeline full, empty or okay?
 - **Client Experience.** Are we delivering in full everything we promised to clients?
- **Risk & Compliance.** Are we at-risk for any reason?
- **Operations.** Are we stable in areas like IT, office space and collaboration?
- **Morale.** Are our employees fully engaged and committed to the mission?
- **Happiness.** Are we, as a leadership team, happy? Yes. Your happiness matters.
- **Ask each team member to give each criterion a grade: red, yellow or green.** I like to go around the room, as we approach each new criterion, and ask each person to give it a grade. You can imagine how this might go when one person wants to assign a criterion a red while another person wants to assign it a green. This is normal, healthy and important.
- **Collectively assign the grade to each criterion.** In some instances, assigning a final color grade to a criterion becomes a negotiation. This is incredibly important. Why? **Because there can only be one score for each criterion every month—the leadership team's score.** You win and lose as a team and you also make judgement calls as a team. You may recall from the chapter entitled *Form A Leadership Council Of Seven People* that council members should vote on certain things. This is one of them and I find that a majority-rules approach works best.
- **Document why you gave that grade.** It's important to place a small note with the color grade. This note should briefly, in a sentence or two, describe why you assigned the color grade. This is essential for documenting the sentiment of the leadership team in the moment.
- **Archive your monthly MOOS and review last month's grades before assigning this month's grades.** At the beginning of most MOOS sessions, I like to quickly

review the prior month's results. This creates continuity, month after month, about how things are going and it also allows us to review, as the year progresses, how we're doing.

How MOOS's Are Different From Standard Leadership Team Meetings

I find that MOOS sessions are actually quite different from the sort of standard leadership team meetings I've witnessed and that I participated in when I was an employee. In those types of meetings, most of the dialogue is about reporting. My former company used to ask each leader to prepare a small report, usually no more than five minutes, about what was happening in our department. While it was informative to hear about what was happening in other departments, **I was not challenged to use my judgement to render a grade for situations beyond the scope of my department or for the business as a whole.** This is primarily what separates MOOS sessions from standard meetings—judgment.

Most of the time, MOOS sessions can be completed in an hour or less. I recommend that you hold these sessions every month, even during the holidays and traditional vacation months. Sometimes, this might mean certain people won't be able to make the session. That's okay. My counsel is to hold the MOOS session anyhow. How many people need to be present for the MOOS session to be legitimate? My rule of thumb is a quorum. It's up to your firm to decide what constitutes a quorum, but I find that 70% of members is usually enough.

Most of the MOOS sessions I lead today are remote. This makes it much easier for people to attend, especially when they're travelling. I think there are three important reasons to practice the discipline of holding MOOS sessions every month:

- **It maintains unity of perspective and helps leaders balance out their sentiment about your actual state of affairs.** In my experience, these sessions help most leaders feel better about where you are. Sometimes, as leaders, we only see the things that are going wrong. It's helpful to hear from other leaders about why they believe a certain criterion should be given a yellow or green versus a red. But this also helps with unity of perspective. In most of the clients I serve, after several months of using MOOS, leaders tended to agree on about 90% of the topics discussed in these sessions. That is a massive improvement in unity for these organizations.
- **It serves as a reminder about why you made certain decisions.** Every leadership team I've coached struggles with this. A year later, they just can't seem to remember why they made certain decisions. But a quick review of the MOOS scorecards serves as an almost instantaneous reminder of the sentiment of the team in that moment. As leaders, we make decisions based on the best available information and our judgement at the time. Sometimes we look like geniuses (if things turn out) and sometimes not. But it's important to remember why we made certain decisions so we don't fall into the trap of second-guessing ourselves and losing confidence in our ability to make great choices.

- **It helps you highlight business problems that are candidates to become Collective Objectives.** Several of my clients have adopted a rule of thumb. They will not allow any criterion to be scored as red for three months in a row without it automatically becoming a candidate for the next Collective Objective to address. This has helped them foreground important business problems that everyone on the leadership team can then address.

Sword Sessions

While Collective Objectives and the MOOS sessions are about the trowel—growing your business—sword sessions are about defending your business. What are sword sessions? **These are opportunities to address problems within your business in a timely manner and with the input of your entire leadership team.** Before I describe sword sessions, I want to talk about why they're important.

Every client I've served has run into problems. Some of those problems emanate from outside their organization: strategic partners, the markets, economic downturns and the like. Those problems require a team effort to address, but they are oftentimes out of your ability to control. Addressing those problems is about strategy and patience.

But the most debilitating problems I've seen mid-sized professional service firms struggle with, problems that lead to stall-outs, come from inside their company. Most of the time, these problems are about behavior, attitudes, comments, rumors and specific incidents. Most of the time, the problems

were evident long before anyone took action to address them, when the damage could have been limited. Let me give you some real-world examples:

- A co-founder was engaged in an affair with an employee from the finance department. Everyone knew about it and looked the other way. One day, that employee's spouse showed up to the office with a baseball bat in hand.
- A long-term employee who was friends with the business founder had a reputation for underperforming. The employee was assigned to a new department and given specific duties for procurement. The department leader grew increasingly concerned until one day, their records showed more than a million dollars of purchases were unaccounted for or were materially wrong in the accounting system.
- A high-level employee took a client to lunch at an establishment known to have scantily clad servers. The employee submitted an expense report and the VP of finance looked up the establishment online. The VP finance asked their boss if it was okay to pay the expense and was told to do so. The VP finance began to spread rumors that the company was willing to pay for visits to strip clubs.
- Two department leaders had a frosty relationship and could often barely stand to be in the same room with each other. Their employees had to collaborate to do their jobs but needed to hide their collaboration from their bosses. One leader found out a key employee had been collaborating with "the enemy" and threatened to demote the employee who subsequently went straight to HR to file a

complaint.

- A VP “accidentally” kissed an employee after the two of them had been collaborating closely on a project for several months together. The employee filed an incident report with HR. The VP downplayed the event as an accidental brush between their lips (I couldn’t make this up).

The stories above are based on real-world situations I encountered. I helped coach clients through several of these. **All of them were candidates for sword sessions but not one of them was addressed in a timely manner by the leadership teams in place.** Each incident produced a materially negative impact on the business, hurting morale, defocusing staff and causing people to lose confidence in the leadership team. In several instances, valued employees quit and some even filed law-suits.

Sword sessions are ad hoc meetings, called by any leader on your team, to quickly address situations that could have a materially negative impact on your business. Here are some guiding principles for sword sessions:

- **Any leader can call a sword session.** In my experience, the sooner you can hold these meetings, the better. Sometimes this might mean you’ll need to hold sword sessions without all leaders present. Do it anyhow.
- **Present facts to the leadership team.** Sword sessions are an early warning tool. In many instances, not all leaders will have heard about the incident that gave rise to the session. This becomes an opportunity for all leaders to get ahead of the rumor mill with as many facts as possible. This also allows leaders to compare notes to gain as clear and accurate a picture as possible about what actually happened.
- **Brainstorm options.** Sometimes, the outcome of a sword session is that “we don’t know enough yet.” This means more fact-finding needs to be done. Other times, you’ll know enough to plot your strategy to address the incident. In some cases, you’ll need to get legal, compliance and HR involved as quickly as possible and even get guidance from them. Don’t make hasty final decisions. Be methodical and make choices based on as many facts as possible.
- **Review your values.** You’ll recall from the chapter on BHAG, mission and values that I recommended you define both core and minimum standard values. This is the time to ask your team a simple question: does this incident constitute a violation of our minimum standard values? If it does, you MUST take action.
- **Settle on an internal message.** These situations can be highly emotionally charged, especially when they might involve a fellow leadership team member. But please remember that *strong leaders face the brutal facts*. What should your message be? At a minimum, you’ll want to let all employees know that an incident has occurred and the leadership team is aware of it, is investigating and will take appropriate action when all facts are in.
- **Leverage free-flowing information.** In the next chapter, I’ll go into greater detail about why this is important and how to do it. Suffice it to say, this is not the moment to rely on a global email to the entire company. This communication needs to happen face-to-face or on video chats as soon as possible.

- **Communicate with employees as quickly as possible.** The type of incidents I've described above do the most damage when they are not quickly addressed. When rumors spread, productivity goes out the window. In the absence of factual information, people will supply their own narrative. These can vary wildly. As soon as you can settle on an internal message, I recommend that you get it out right away, even the same day if possible.
- **Recognize the moment for what it is—a trial of your leadership.** If you take my advice about publishing your values internally, your employees will view this as a test about whether or not you really meant those values. This is a test of your leadership and they'll be watching you very closely. If you take action that defends your values, even if it hurts, employees will know that you mean them. This will enhance psychological safety and cause team members to trust you even more. Failing to take action will produce the opposite outcome.
- **But what if not everyone in the company knows about it yet?** I've heard this question on many an occasion. Even though not everyone in the company may know yet, they will. Trust me on that one. Every organization I've worked with that has more than 20 employees also had a rumor mill, whether the leaders were aware of it or not. Effective leaders get out in front of these situations and control the narrative.
- **But we can't afford this kind of interruption right now.** Problems like these seem to come at the worst possible time. I've seen them blow up in the middle of a big deal about to be signed or a great new

employee joining the firm. The calculus you have to consider is pretty simple in my mind. If you deal with this problem now head-on, it will be an interruption but one that you control and can put guard rails around. If you wait, it could be much harder to address later and could erode morale and confidence in your firm in ways you won't even realize until the damage is done.

Sword sessions are never easy or fun. But they just might save your company from a stall-out that could take you years to overcome.

Put It To Work Now

All of the greatest ideas in the world won't help you unless you put them into action. Use these questions to frame the action-steps you'll take based on these ideas.

When your leadership team meets today, what do you talk about?

How might you improve this area of your Leadership Operating Model?

How many times, in the last five years, has your leadership team made a decision where, a year later, you struggled to recall why you made that decision?

What situations can you think of, as you reflect on the last several years, that might have qualified for a sword session at your company?

What events can you identify that put you at-risk of employees losing confidence in your leadership?

Strategy 10: Adopt Free-Flowing Information

To Keep Your Teams United And Clarity Front And Center

When I was an employee of a certain organization, I once asked a question in a meeting. The answer I received was as follows: “that’s on a need-to-know basis and you don’t.” You can imagine how that made me feel. The question I asked was not one that would have hurt the organization if I had been given an honest answer. But it felt to me as if my inquiry was shut down because I wasn’t important enough to the organization to be let inside the inner circle. After that, I certainly was not motivated to do my best for that company and I didn’t stay with them very long.

Why do I tell you this story? Information sharing in mid-sized professional service firms is one of the single biggest challenges and opportunities I’ve seen. The challenge is that **most leaders at mid-sized service firms underestimate the gap between what they know and what their team members know.** Over time, this gap widens and erodes the confidence of employees to take autonomous action in line with the goals of the firm. Innovation, risk-taking and taking ownership for outcomes, which are essential to growth, go out the window.

Yet, the opportunity is also very real to create clarity, certainty and confidence, or what I call the big 3C’s, across the entire organization—with every employee from receptionist to CEO. Those three attributes (clarity, certainty and confidence) keep everyone focused on the same targets and united in their actions. It takes a whole lot of com-

munication to achieve this, especially with a distributed team that works remotely. But for organizations willing to adopt free-flowing information, the payoffs can be substantial. What do I mean by the 3C’s?

- **Clarity.** This is about deeply understanding the BHAG, mission and values of the firm and never losing sight of them.
- **Certainty.** This is about knowing that the leadership team is fully, 100% committed to the BHAG, mission and values and will not veer from them.
- **Confidence.** This is about knowing that if you or someone you work with takes initiative in line with the BHAG, mission and values, you’ll likely be rewarded. But it’s also about knowing that if someone takes actions that do not align with BHAG, mission and values, there will be consequences. (See the chapter on Trowel and Sword for more details about this).

TP35 Necessitates A New Communication Model

In the first chapter of this eBook, I introduced the concept of TP35: tipping point 35. Most professional service firms can operate and grow effectively with an ad hoc Leadership Operating Model up until about their 35th employee. The very first casualty I list, for those who don't change their operating model once they've passed TP35, is communication. **After about employee 35, it becomes much harder to communicate with the entire organization and to maintain clarity, certainty and confidence using an ad hoc communications model.** The reason this is particularly damaging is because employees need information for many reasons. Here are just a few:

- They need information to do their daily jobs.
- They need information to innovate, brainstorm and problem-solve.
- They need information so they can make judgment calls in line with what the organization is trying to achieve.
- They need information so they feel like they know what's going on and so they don't feel like they're operating in the dark.
- They need information so they feel like they're part of a valued team that is contributing to the overall success of the firm.
- They need to know the importance of certain events and data points.
- They need to understand the actions, words and decisions of the leadership team to evaluate whether or not they believe leadership is acting congruently with the BHAG, mission and values. Without this, they cannot be certain that the leadership team really means what they say.

In just a moment, I'll explain the remedy I recommend—free-flowing information—and how to adopt it. But before we look at that, let me give you an example of what can happen if information does not flow freely. Let's use an example of something that should be a very happy moment for most service firms: winning a big deal. This is good news. So one would think that it would be received by everyone in the firm with the utmost joy. **But I've seen it produce the opposite effect when it is shared ad hoc, where only a few people are in the know, or when it's not shared in a timely manner.** When a big deal goes down, staff want to ask clarifying questions:

- Who is the client for this deal?
- What's the service package the client acquired?
- How much revenue and profit might this yield for the firm?
- How does this impact our annual goal? (This is especially important if bonuses are based on achieving certain milestones).
- Who sold the deal?
- Which team members will be involved in service delivery and how might this impact their schedules and workload—especially if I'm counting on them to help me on an upcoming project?
- Will I be involved in this deal in any way and does it change my job?
- Will this deal add to my existing workload and if so, will I get paid more or will I simply be expected to rise to the occasion?

Let's assume that the leadership team talked internally about the deal and made a plan to absorb this work but didn't talk to employees about it other than to say that it's a big deal that's now closed. This is far more common than you might realize. Usually, employees

who are physically close to a leader might overhear them talking about the deal and ask the sorts of questions I've listed above. But not everyone will be involved in those ad hoc conversations. This could mean that:

- **Rumors about the deal could begin to circulate, spreading a narrative that you don't control and that may not be accurate.** This happened to one of my clients. The rumor was that the deal was much larger than it actually was, causing people to believe that their annual bonuses were already in the bag. When leaders finally communicated the real size of the deal, the disappointment in the room was palpable.
- **Your most valuable service-delivery people, who are often your busiest workers, may get an unhappy surprise.** In nearly every firm I've served, there is a delivery A-team, the best of the best who get pulled into the most important clients and deals. These people are often in-demand, already overbooked and don't appreciate being the last to know that their schedules and workloads are about to change significantly. They want as much advanced notice as possible. Frustrating members of the A-team is never a good idea.
- **Anxiety about how the deal will impact people's daily jobs could become a real distraction.** This can lead to watercooler talk and speculation that drains productivity.

In the scenario above, what should be a moment of great joy across the firm instead becomes an anxiety-filled distraction that the leadership team has to manage. But let's put this in another context for just a mo-

ment. This scenario is a happy one, where the most debilitating outcome is disappointment (about bonuses), frustration (from the A-team) and loss of productivity.

But what would happen if this were a negative event, like the ones I listed in the previous chapter: a co-founder's affair, a deleterious employee making a million-dollar blunder, taking a client to an establishment with scantily clad servers? Since I navigated those waters, I can tell you that the outcomes were of much greater consequence than mere frustration, disappointment and loss of productivity.

My point here is that an ad hoc communication model, one that you make up on the fly and that could be quite different from one leader and one department to the next, will not produce clarity, certainty and confidence. If you've surpassed employee number 35, I recommend that you upgrade your leadership communication model.

The Free-Flowing Information Model

If you want to foster growth at your mid-sized service firm, you need your people to act with clarity, certainty and confidence. For them to do this, they need information and a lot of it. This means that one of the primary jobs of the leadership team is to overcommunicate. **You must anticipate what your employees need to know and develop a consistent message, across everyone on the leadership team, that you deliver at nearly the same time—preferably on the same day.** I cannot overstate the importance of this united-front messaging.

Just as importantly, **you need to deliver these messages to your teams in-person or via video chats so they have an opportunity to ask clarifying questions.** Email will not do. My advice is that you take those questions back to your leadership team and compare notes with other leaders to understand where your employees seem to have collective blind-spots or concerns. Then prepare another round of communication to address those. If that sounds like a lot of work—you're right. It is.

But that's the job of a leader. Most of the leaders I've coached have operated under an illusion I'd like to address right here. They believe that their primary job, as a leader, is to make decisions, foresee problems, keep their department humming along and bear responsibility for outcomes. While that is uniquely the territory of an executive leader, it's not where most of your time should go. My advice is that you should expect most of your time will go toward:

- Being in dialogue with other leaders at the firm to craft messages that are the “voice of the company” not merely your individual perspective.
- Anticipating questions that your team members are likely to ask and inserting answers into your messages, before the questions are even asked.
- Delivering the message in-person (or on video) to your team and taking the time to answer their questions so they have clarity.
- Reporting back to the leadership team what you heard and preparing a new round of messaging, if needed.

This is how free-flowing information works. **Everyone is granted need-to-know status.** Everyone gets the same (or as close as possible) message. Everyone gets a chance to ask clarifying questions. **Information flows down—from leaders to their teams—and up—from departments to the leadership team.** How does your organization compare? Imagine how much clarity you might be able to create for your employees if you adopted this kind of information sharing model.

How To Use Free-Flowing Information

There is a question I get asked pretty often. What situations warrant a message from the leadership team? **I believe two types of situations warrant a company-wide message: scheduled and unscheduled.** Scheduled messages emanate from the output of regular leadership team meetings. Unscheduled messages emanate from any situation that might erode the big 3C's: clarity, confidence and certainty. Unscheduled messages require a judgment call from the leadership team. More on that in a moment.

First, let's examine how to create scheduled messages. In the chapter entitled *Form A Leadership Council Of Seven People*, I recommended two types of standing meetings for councils: monthly and quarterly. I also recommended Collective Objectives as an alternative to traditional strategic planning. I believe it is essential that everyone in the organization knows what the leadership team discussed and, especially, any decisions that were made, as soon as possible after these sessions end. Many of my clients have adopted a policy where they talk to their teams within 24 hours of the session ending.

This requires a four-step process, which I usually recommend councils engage in as a wrap-up exercise, at the end of their session:

- **Quickly review** what you discussed and what decisions you made.
- **Identify any topics** that you don't want to share. See the section below about the risks of sharing private information for some guidelines on this.
- **Identify the five most important things** you believe your team members need to know from the session. This can vary slightly from one leader to the next. Usually, the variance is in the order of priority about what gets presented. Some decisions, for instance, may have a larger impact on one department than another. While your leaders should generally talk about the same five points, how much emphasis they give these points is up to them.
- **Craft the message** for each of these five points. Try to be as consistent as possible, from one leader to the next, in how you describe each point.

When I lead these wrap-up sessions, I like to go around the room and ask each leader what they plan to present to their team. It's always interesting to hear the slight differences in emphasis from one leader to the next, based on what they believe their team will want to know. Usually, this is about the amount of detail they believe team members will want to hear about a particular topic, especially one that requires change in their department.

I also think it's important to acclimate team members to expect these information-sharing sessions. Why? When leaders meet, employees are often very curious about

what they discussed, even if they don't ask about it. In my experience, they'd kind of like to be a fly on the wall. In fact, most employees today expect NOT to be communicated with because, like my opening story, they've been acclimated to expect that they don't need to know. They've come to expect that they're somehow not important enough to be on the inside track. But as soon as employees come to expect that they WILL KNOW what the leadership team discussed, they see themselves differently. This makes them feel important and trusted, like they're a valued member of the company. That feeling pays huge dividends over time.

Second, let's look at how to create unscheduled messages. These are usually far more complex and can be of several types. For example, Sword Sessions are sometimes followed by a free-flowing information exercise to the entire company. A top executive departing the company warrants a message. A big client win usually warrants a message. But the guiding rule of thumb here is one that requires a judgment call from the leadership team. When something happens, I like to ask my clients this question. **Will this have any impact on the clarity, certainty or confidence of staff?** If the answer is yes, a message is warranted.

My advice is that you engage in a free-flowing messaging exercise as quickly as possible: the sooner the better. This is how you keep the rumor mill under control and help everyone stay focused. Crafting these kinds of messages is something of an art-form and I find that leadership teams get better at it the more they do it. Here are some questions to guide the development of the message.

- **What happened?** Try to be as straightforward in describing this as possible. This is especially important if the news is bad. People hate it when their leaders sugar-coat messages and this erodes trust. A bitter pill is best swallowed all at once.
- **How does this impact us?** Employees, like all of us, are dialed into channel WIFM—what’s in it for me. So try to be as straightforward as possible when describing how the event will impact the company overall and how it might impact certain departments. It’s okay to admit that you don’t know how the event might impact you.
- **How do we see it?** This is where the leadership team gets to interpret how you see the event. This gives context and helps team members see things from your vantage point. The way you interpret events, whether positive or negative, will have a huge bearing on how your employees see those events.
- **What will we do?** If you’ve already developed an action plan, this is the time to share it. But in many instances, you’ll have to admit that you don’t have enough information yet, or that the situation needs to more fully develop, before you’ll take action.
- **When will we get back to you?** Most situations require future reports to ensure that the big 3C’s are not eroded over time. This is especially important for fluid situations where things can change quickly. Once you’ve committed to a time, keep it. Even if you have nothing new to add, still send the message and then state when you’ll provide the update later.

What About Private Information?

In general, my counsel is that you should talk to your teams about pretty much everything. **Transparency fosters trust and goodwill.** It makes people feel important and connected to the company. It empowers them to make judgment calls in line with your goals. If your organization hasn’t adopted free-flowing information, this could mean that communication with employees could go up substantially, by as much as 90% or more. This strategy alone can dramatically transform your organizational health and employee good will.

When I led this strategy for a client, they saw almost immediate improvement in trust and psychological safety. Staff spent far less time shooting emails and private messages back and forth, especially across departmental lines. When an employee in department A hears pretty much the same message as an employee from department B, they no longer need to compare notes to uncover “the real message.” This company also saw a bump in production of client work-product. But more than anything, **they experienced an enhanced sense of unity, like they were all going through the same thing together and that somehow they’d be fine.**

That being said, there are some things that you may not want to share, especially if employees are not aware of them and talking about them. Here are some examples:

- **A leader’s health event.** I’ve experienced this on several occasions, where a leader may or may not have a terminal illness, an unexpected condition or even an ongoing condition that appears to be deteriorating. While this event could have a broader

impact on the company, it's also a private health matter that the leader should be in control of.

- **A private family matter.** Leaders and valued employees often experience family crises which may require them to leave work for a while. While this can set off the rumor mill, it's usually in the best interest of the person experiencing the event to determine how much to share, or possibly nothing at all.
- **Potential bad news of an uncertain nature.** Leaders have a purview that employees often don't see. Sometimes, this means that leaders see potential threats on the horizon, threats that may or may not be realized. This requires a judgment call about how much to share with staff. If a threat is not particularly potent or imminent, I usually recommend not to send a message because it can be an unnecessary distraction.

There is one additional criterion I'd like to recommend for deciding whether or not to communicate about a particular topic. Here is a question I sometimes ask leadership teams struggling with this conundrum. What would happen if employees found out that we knew about this situation quite some time ago and did not tell them? How might this impact their trust-meter?

How Strong Is Your Trust-Meter?

I believe employees come to work everyday with an invisible thermometer attached to their body. I call it the trust-meter. The trust-meter is the ultimate determinant of their:

- **Commitment.** When an employee has a full-to-the-top trust-meter, they're not looking for another job. They want to stay for the long-term.
- **Grit.** Many jobs in professional service firms can be a real grind. Employees with a topped-off trust-meter often relish the grind. They dig in harder when the job gets tougher.
- **Resilience.** Every professional service firm I've ever served has gone through good and bad times. Every single client. Employees with a strong trust-meter tend to ride out the bad times with greater resilience. They don't seem to worry as much as those with a low trust-meter.
- **Performance.** Staff with a full-up trust-meter perform far better than those with a low trust-meter.
- **Innovation.** Problem-solving and creating some new approach works best when employees have a topped-off trust-meter. This is especially true when they know that going above and beyond will be met with rewards.
- **Happiness.** Employees with a high trust-meter are happier than those with a low trust-meter. This has implications well beyond the world of work. When leaders finally realize that the way they communicate impacts their employees' families, friends and even the larger community around them, those leaders begin to feel the weight of responsibility.

As I said at the start of this chapter, communication is both a challenge and an opportunity. I am highly confident that if your organization adopts free-flowing information, you'll see a dramatic improvement in clarity, certainty and confidence among your employees. Growth will then be almost inevitable.

Put It To Work Now

All of the greatest ideas in the world won't help you unless you put them into action. Use these questions to frame the action-steps you'll take based on these ideas.

How does your leadership team communicate with staff today?

How similar are the messages, sent by the leadership team, from one leader to the next?

Where do you see information black holes in your company today?

What impact do you believe free-flowing information could have on your company?

How would you describe the trust-meter of your employees today?

Conclusion: What Is A Leader?

How Do You Define The Word Leader?

As I engage with mid-sized service firms, I like to ask staff to describe what the word “leader” means to them. Here are the kinds of answers I tend to hear:

- A leader is the person who hired me and makes sure I do my job right.
- A leader makes decisions and keeps the rest of us informed about what’s going on around here.
- A leader is the person who gives me my annual review.
- A leader is a person in the limelight who gets credit, sometimes for things they didn’t work for.
- A leader is someone who tells me what to do.
- A leader is someone who could fire me if I screw up big time.
- A leader is an owner in this business.
- A leader is someone I call the boss.
- A leader listens to me.
- A leader is a person I can really trust.
- A leader tells me the truth so I always know what’s going on.
- A leader praises me when I do well but also holds me accountable when I make mistakes.
- A leader takes my ideas, runs them up the ladder and when they get approved, gives me credit.
- A leader reminds me where the business is going and how my work helps us get there.
- A leader regularly asks for my input and listens to it.
- A leader is someone who looks out for me and gives me opportunities to advance.
- A leader is someone I enjoy being around pretty much every day.

While these answers certainly make sense, any organization who responds this way—where these statements are top of mind with staff—is not likely to grow very much. These answers tend to come from organizations where a “command and control” mindset guides leaders. Command and control stifles innovation and risk-taking, which are essential to growth.

What if instead, your employees answered that question this way?

Any professional service firm whose staff answer this way is likely to grow a whole bunch. The practices for your Leadership Operating Model that I’ve outlined in this eBook will certainly help you get there. But there is yet another level to strive for. If you really want your professional service firm to grow, I cannot encourage you strongly enough to adopt Servant Leadership. Here is how I define this:

Servant Leadership is about acting in the best interest of others, as best as we can understand this.

This is particularly true of staff we are entrusted to lead. Practicing Servant Leadership requires three things from leaders:

- **Listening:** a proactive willingness to get to know your people at a deep level—who they love, what they fear, why they work and what they want to achieve in their careers.
- **Strong EQ:** knowing when to push, pull or give people space to figure it out for themselves.
- **Good judgement:** providing people the right opportunities for their skills and career goals and helping them avoid the wrong ones that could set them up for failure.

A good leader is a good steward of the talent of their people.

Maintain The Bus Often Equals Command And Control

Over the years, I've noticed, for numerous professional service firms, a connection between a maintain the bus leadership mindset and command and control practices. In many of these firms, the arc of career advancement looks a lot like this:

- Do your job really well and keep your head down.
- Bide your time until your boss leaves.
- Become the department head.
- Get a spiffy new title like Director of this or VP of that.
- Make all the decisions for your department.
- Ascend to the leadership team to gain even more power.

I know this career arc pretty well because I followed it for several years. Once I hit that apex—being a department head with a big title and a seat on the leadership team—I looked around and asked myself “is this all there is?”

Personally, I found it to be pretty hollow. As I said earlier in this eBook, I was nowhere close to being a real leader. From the outside I looked like a success. On the inside, I was hungry to actually become a success. I felt like a fraud.

What The Word Leader Means To Me Now

After all these years of working with and coaching professional service firm leaders, I've come to define leadership in one simple word—influence. It's not power, decision-rights, ownership share or title. True power, true leadership, is influence. If there is one piece of advice I would offer to young professionals who want to advance their career and ascend to the C-Suite, it would be this—work on your influence.

True leadership is influence.

Influence doesn't tell people what to do. It makes suggestions, asks which option feels right, walks away to leave people to ponder their choices, but leaves the door open for further dialogue—especially when things don't work out as one had hoped.

Influence doesn't make all the decisions. Instead, it tries to extend decision-rights to as many people as possible. It coaches people in the values of the organization, the mission and the BHAG, so they can make decisions

in line with what the business is trying to achieve.

Influence doesn't try to control people. It recognizes the importance of giving people space to take autonomous action, especially to be innovative. Influence asks people to share their reasoning for the decisions they made. It then coaches them to make even better choices in the future.

Influence doesn't see only the person in front of them. It sees the goals, aspirations and dreams of the person in front of them. It seeks to be a partner to those dreams and to identify opportunities for the dreams to come true.

Influence asks questions more than making statements. Influence wants to know why someone feels the way they do and why they make certain recommendations. Influence doesn't need its opinion to be the dominant one.

Influence doesn't threaten people. It asks people to raise their game to be in line with the minimum standard values of the business. It coaches and provides a pathway for people to improve their performance and attitude.

An influential person is trusted, admired, and dare I say it, even loved. If you want to increase your power as a leader, focus on becoming more influential. I promise you that it works. And, by the way, you will never feel hollow on the inside.

Leadership Operating Model Comparator

Traditional Operating Model

| Practice Area | Practice | Outcomes |
|-----------------------------|--|---|
| Leadership Team / Council | Maintain the bus | Very slow growth, little innovation or risk-taking |
| Strategic Planning | Pick initiatives once a year, one goal = one owner | Overwhelmed leaders give each other the team pass, 10% success |
| Monthly Leadership Meetings | Primarily departmental reports | No forward progress toward growth goals |
| Behavioral problems | Delayed decisions by department leaders hurt morale | Staff lose confidence in leaders, morale & productivity plummet |
| Culture / Org. Health | Benefits, perks, packages | Little impact on morale, goal achievement or growth |
| Leader alignment | No formal plan for achieving this | Trust fissures slowly grow, leadership fractures, growth stalls |
| Team Cohesion / EQ | No formal plan for fostering this | Leaders don't understand each others' motives, deliberation falters |
| Decision-making | Leadership can't agree, CEO makes default decision | Decisions take way too long, opportunities consistently missed |
| Information sharing | Need to know, silos, lopsided knowledge holes | Little innovation, low morale & collaboration, growth stalls |
| Employee Communication | Information flows down in ad hoc fashion, little up-flow | Some departments in the dark, leaders rarely hear staff concerns |

Leadership Operating Model Comparator

Recommended Operating Model

| Practice Area | Practice | Outcomes |
|-----------------------------|---|---|
| Leadership Team / Council | Drive the bus toward growth | Controlled growth year after year from risk-taking and innovation |
| Strategic Planning | Collective Objectives: one goal for the whole team, new goals added as others are completed | Leaders contribute to one goal that is fully achieved, 100% success |
| Monthly Leadership Meetings | MOOS records leader sentiment & judgement, problems quickly addressed, new goals identified | Enhanced leader alignment, nimble responses to real-time events, collective memory recorded |
| Behavioral problems | Use Sword Sessions to quickly identify and address behavioral problems | Staff increase confidence in leaders & remain loyal, productivity remains high |
| Culture / Org. Health | Emphasize organizational health outcomes | Huge impact on morale, goal achievement, retention & consistent growth |
| Leader alignment | Hammer out alignment on BHAG, mission & values | Leaders' long-term unity is rock solid, year over year growth occurs |
| Team Cohesion / EQ | Leaders tell each other personal stories to enhance vulnerability & trust | Deliberation is 100% successful, best-idea-wins consistently |
| Decision-making | Use the meat grinder to discard bad ideas and reduce weaknesses in good ideas | Timely decisions, no regrets, crisp execution, growth consistently follows |
| Information sharing | Free-flowing information, scheduled and unscheduled messages, straight talk from leaders | Staff feel in-the-know, productivity remains strong, rumor mill dies |
| Employee Communication | Information flows down and up, leaders have their thumb on the pulse of staff concerns | Staff trust leaders more & feel heard, solid retention, enhanced team work, growth |

Addendum: Sample Leadership Council Invitation

Dear (first name)

As you may have heard, ABC Corp is forming a new leadership council. I would like to formally extend an invitation to you to join this council. Please know that I/we have carefully considered who should be on this council and you have been handpicked from amongst all employees at ABC. Before you make your decision, I'd like to encourage you to read this entire letter. It's important that you understand what you would be signing on for.

Please know that if you say no, this will not in any way diminish my appreciation for all you do and have done for ABC. Declining will not hurt your career opportunities with us. But if you say yes, you will be in a position to shape the future direction of this company, giving you a purview into exciting new opportunities that might not be visible to you today.

This is an exclusive, invitation-only leadership body. Please do not discuss this offer with anyone but me. I will gladly make time to answer any questions you may have. I appreciate your consideration of this offer.

What is a leadership council?

A leadership council is a small body of leaders from ABC Corp who will guide the growth of this business and steer us toward the best possible future opportunities. Our council will only have seven people total on it. Each person will bring their perspectives, their judgement and their voice to the council.

Why are we forming this council?

Because we want to grow even more than we have in the past. The singular focus on the council will be to stimulate the growth of this business. We will also engage in monthly meetings to track the performance of the business across the key metrics we need to keep an eye on. But the overall purpose of the council is to foster growth. I/we believe you can help us do this.

What does a leadership council actually do?

To foster growth, we'll be brainstorming and making decisions, primarily as a team. When you become a council member, you will be asked to think, speak and vote. We will be making judgement calls about new initiatives to try and innovative new ideas to explore.

To make this practical, there are four primary types of activities that the council will engage in:

- **Monthly meetings:** we will document the sentiment of council members about the operating objectives that are most important to our business. These sessions will usually last no more than an hour and a half.
- **Quarterly sessions:** we'll meet in person for two days twice a year. We'll also meet virtually for about half a day twice a year.
- **Ad hoc meetings:** from time to time,

and as specific needs arise, we'll meet to discuss and make decisions about important topics that cannot wait until our next meeting. These will be infrequent and we'll try to make them as short as possible.

- **Collective Objectives:** this will become an alternative to our normal annual strategic planning process. We'll be picking one objective at a time that all council members can contribute to.

What would be expected of you?

This is a performance-oriented team so you will be expected to do some work above and beyond your day job. You will be asked to participate in Collective Objectives, to do research and to come to sessions prepared to offer your counsel and advice about important initiatives. You will be expected to attend meetings and to speak up. You will also be expected to vote. (Please note that the vote of the council will not automatically define the direction of the company. But I/we do want the councils' judgement on important matters).

You'll also be asked to communicate what the council has talked about to other people on your team. At the end of each council session, we'll make plans to tell everyone at the company what we've discussed. This type of transparency keeps the rumor mill under control and helps people feel connected to the mission. You'll also be asked to bring back to the council any questions from people that you can't answer. This may prompt a new round of message back out to everyone.

We will be actively fostering trust, camaraderie and collaboration between council mem-

bers. To do this, we will ask council members to tell personal stories so we can get to know them better. We are also looking for council members who practice inquiry more than advocacy. Inquiry is about understanding why someone feels the way they do. Advocacy is about taking a position and building arguments for why that position is superior.

Why should you say yes?

In exchange for this effort, what will you get? You'll get to be part of a very exclusive team of movers and shakers within this business. You'll get access to information and conversations that almost no one else in the business will witness first-hand. You'll get an opportunity to shape the direction of the company and to vote on some of the most important decisions we'll make. You'll also get a chance to shape the culture of the business and to ensure job security for many years to come.

Please take a few days to think about all of this before you decide. My door is open if you want to talk about anything or have questions.

About The Author

Randy Shattuck is a serial entrepreneur and founder of The Shattuck Group. For more than 25 years, leaders of professional service firms have turned to Randy for guidance and partnership in growing their businesses. He specializes in mid-sized professional service firms, those with 25-100 staff. Over the course of his career, Randy has worked hand-in-hand with more than 70 mid-sized firms, giving him perspectives and purviews that makes him in-demand as a speaker, coach and thought leader in this space.



If you'd like to connect with Randy on LinkedIn, please send a connection request at:
<https://www.linkedin.com/in/randyshattuck>

About The Shattuck Group

The Shattuck Group is a management consulting and executive coaching firm exclusively for mid-sized service firms, those with 25-100 staff. We coach, inspire and guide clients to break through to their next level. After working with more than 70 mid-sized service firms over the last 25 years, we've learned a great deal about what TO do and what NOT to do. To see our complete roster of services, please visit: <https://theshattuckgroup.com/services/>

Here is partial list of some of our more popular services:

PRINCIPAL COACHING

A SOUNDING BOARD AND TRUSTED ADVISOR FOR COMPLEX SITUATIONS

Our Principal Coaching service empowers leaders of mid-size service firms to develop clarity of purpose, make decisions with confidence, explore complex situations to uncover the best path forward, become a powerful and effective coach and simply get more done. This service impacts the entire business by guiding principals to use their focused energy in the most effective manner possible.

LEADERSHIP COUNCIL

GROW FASTER & STRONGER WITH THE GUIDANCE OF AN EFFECTIVE LEADERSHIP COUNCIL

Our Leadership Council Formation service empowers already-successful mid-size service firms to keep growing and even accelerate the pace of growth. For more than 20 years now, The Shattuck Group has coached upwards of 70 mid-sized service firms, those with 25-100 staff and 10-50 million in revenue. We've borne witness to what happens when Leadership Councils make great decisions and lead with clarity. Leadership is the difference between an organization that thrives and grows versus an organization that stagnates and withers. In any economy, any industry and any circumstance, leaders make all the difference.

LEADERSHIP DEVELOPMENT

INVEST IN YOUR MOST VALUABLE ASSET – YOUR PEOPLE

Our Leadership Development service empowers mid-sized service firms to intentionally identify, coach and mentor leadership talent. This service provides a framework and formal program for unleashing human potential to achieve the outcomes that matter most in business. If your service firm does not have a formal Leadership Development program, you are most certainly missing opportunities to grow.

LEADERSHIP ALIGNMENT

ACCELERATE GROWTH BY ALIGNING STRATEGY, VISION & VALUES

Our Leadership Alignment service empowers successful mid-size service firms to accelerate growth and enhance resilience for the long haul. For over 20 years now, The Shattuck Group has coached more 70 mid-sized service firms, those with 25-100 staff and 10-50 million in revenue. We've seen what happens when leaders of these firms develop deep trust amongst team members. We've also seen what happens when trust and transparency are not actively nurtured.

ORGANIZATIONAL HEALTH

UNLEASH YOUR GROWTH POTENTIAL BY FIXING THE REAL PROBLEM

Our Organizational Health service empowers successful mid-size service firms to get healthy, stay healthy and take control of their future so they have a long run of success. This service unlocks your growth potential and pushes through stall-outs. The Shattuck Group has served more than 70 mid-size service firms, those with 25-100 staff and 10-50 million in revenue. We've noticed that certain firms just seem to do better: high employee engagement, low turnover, long-term stability, plans that actually work and above average productivity and profitability. What makes these organizations different? In a word—health. Their employees love the firm and want to see it succeed.

MENTORSHIP COACHING

ENHANCE PROFITS BY MENTORING, MOTIVATING AND RETAINING STAFF

Our Mentorship Coaching service empowers mid-sized service firms to break through organizational and cultural barriers to keep growing. After more than 20 years of serving mid-sized firms, those with 25-100 staff and 10-50 million in revenue, we've noticed that many firms hit a plateau that they can't seem to rise above. Growth begins to stall out once the organization adds somewhere between their 35th to 50th employee.

GOAL ACHIEVEMENT

TO BREAK-THROUGH TO YOUR NEXT LEVEL

Our Goal Achievement service empowers mid-sized service firms to actually achieve their most important goals so they keep on growing. After more than 20 years of serving mid-sized firms, those with 25-100 employees and 10-50 million in revenue, we've noticed a trend. Most leadership teams at these types of firms engage in annual strategic planning exercises. But year after year, very few of the top goals they've identified actually get achieved. This is quite frustrating for stakeholders. This service offers a far better approach.

THE SHATTUCK GROUP

PLAN. BRAND. EXPAND.



www.theshattuckgroup.com
info@theshattuckgroup.com

877-296-5301