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– Howard M Guttman

- Congratulations on your latest book, *Great Business Teams: Cracking the Code for Standout Performance*. In it, you have examined the inner workings of over 30 business teams, at top-management, business-unit, and functional levels, to offer a radically new vision of the emerging horizontal organization and of the high-performing teams that are the cornerstone of its success. What are the insights from this book on great business teams?

I think readers will be struck by how deeply people change when they are exposed to this model. There is a fundamental difference in the way they view themselves vis-à-vis the other players on their team, their leader, and, ultimately, the organization. Functional and self-interest take a back seat to “winning for the business”; responsibility and accountability are no longer avoided, but em-

braced; and every team member behaves as though he or she were an owner of the business.

There has been a lot of talk about how to improve performance at both the team and the organization levels, but you rarely hear first-hand stories from companies who've done it. Great Business Teams provide lots of them – along with proven ways to overcome the challenges that inevitably arise.

➤ **Can you take us through the background research for this book? What was the trigger point for this book? What was the tipping point of this book?**

After almost 30 years of consulting with senior executive teams throughout the world, we realized that there is a code for standout performance: one that applies to every organization, regardless of size, type, or industry affiliation. We wanted to share this code with organizations that were trying to change their game. Cracking the code will help them acquire a sustained competitive advantage and the ability to excel in a very difficult marketplace.

➤ **What according to you are great business teams? What is 'great'? What are the differences between ordinary business teams and great business teams? What are the classic behaviors exhibited by non-high-performing teams?**

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Underperforming teams, on the

other hand, are teams made up of followers. They generally defer to the leader, whom they see as the one primarily responsible for results. They view themselves first and foremost as functional ambassadors to the team. Their behavior is characterized by inter-functional rivalry and competition for resources. They are often wary of one another, and conflict may be expressed either overtly – in unproductive confrontations – or covertly – as subterfuge and underground behavior.

➤ **In the book, you talk a lot about "aligning" teams? What is this process and what does it accomplish?**

When an organization is properly aligned, its parts move in sync to achieve results. There is a straight line of sight that goes from the organization's strategy to its customers. Scarce human, financial, and capital resources are deployed along that line of sight, so value gets created and added quickly, consistently, and cost effectively. This makes the aligned organization fiercely competitive and an ultimate high-performance entity. And you can't have an aligned organization without aligned teams. The first step in moving a team to higher performance is "aligning" it, or making sure that all its members reach agreement, in five key areas: business strategy; business deliverables coming from the strategy; roles and responsibilities; protocols, or ground rules, for decision making and conflict resolution; business/interpersonal relationships. The resulting clarity and congruity eliminate a large part of the conflict that keeps teams from resolving issues and achieving results.

➤ **Can you give an illustrative example of a 'great' business team? What specific lessons can be learnt from it?**

When Catherine Burzik became president of Applied Biosystems (AB), the company had been stagnant for several years, with little revenue growth and falling stock prices. Despite significant R&D expense, there were few new products in the pipeline. Both Wall Street and AB employees had lost confidence in the company. Burzik quickly moved to push decision making down from her office to her EVPs. She created sub-teams and gave them the authority to deal with issues that didn't require the full participation of the team. Speedy decision making and implementation began to replace bottlenecks and impasses. She was able to focus on the strategic issues facing the company. As a result, business accelerated. AB's stock price nearly doubled, as did its market cap. Revenue began to grow and the bottom line has seen double-digit performance. After several years of no acquisitions, two significant ones were successfully completed.

The lessons: First, the CEO – or any other team leader, for that matter – has got to let go. Decision-making power needs to be distributed, not hoarded. Second, Burzik's predecessor had become so entangled in the day-to-day operations of the business that he lost sight of his strategic responsibility. By creating a team that could be trusted to deal with the tactical, she was able to refocus on the strategic.

Howard M Guttman is principal of Guttman Development Strategies, Inc. (GDS), a Mount Arlington, NJ-based management consulting firm specializing in building high-performance teams, executive coaching, strategic and organizational alignment, and project implementation (www.guttmandev.com). GDS has been ranked #11 among Leadership Development consulting firms by Leadership Excellence magazine, which also named Guttman to its list of "Excellence 100 Top Thought Leaders."

Among GDS's US and international clients are Calvin Klein; Chico's FAS, Inc.; Colgate-Palmolive; John Hancock; Johnson & Johnson; L'Oréal USA; Mars Inc.; Novartis; Pepsico; and Schering-Plough. Guttman is a frequent contributor to professional journals such as *Harvard Management Update*, *Human Resource Executive*, *Chief Executive*, and *Leader to Leader*. He is quoted frequently in the business press and in broad-interest magazines and newspapers such as *TIME* magazine, *The Washington Post*, *US News and World Report*, *USA Today* magazine, and *Investors Business Daily*.

His most recent book is *Great Business Teams: Cracking the Code for Standout Performance* (John Wiley; www.greatbusinessteams.com), named one of the Top 30 Business Books of 2008 by Soundview Executive Book Summaries. He is also the author of *When Goliaths Clash: Managing Executive Conflict to Build a More Dynamic Organization*. Guttman is a sought-after speaker who addresses corporate and academic audiences on such topics as "Great Business Teams: What Does It Take?," "Conflict Management as a Core Leadership Competency," "Putting Performance into High-Performance Teams," "Executive Coaching: Lessons from the Firing Line," and "Alignment: From Strategy to Implementation."

➤ **What is their code for standout performance? What is their DNA?**

All great teams have five characteristics embedded in their “DNA”. They have a unique kind of leader: one who is willing to distribute power; puts a premium on open, honest communication; and insists that team members hold him or her accountable for commitments made. Members of high-performing teams are unique as well: playing for the team, not themselves; willing to accept the power and responsibility that have been entrusted to them; willing to accept accountability for their performance and their peers; willing to give and receive honest feedback. In addition, great teams have rules in place for decision making and interpersonal behavior; they are continually raising the performance bar; and they have in place a performance system that rewards not just what they accomplish, but how they achieve it.

➤ **You have outlined five requirements for successfully creating great teams on every level. For the benefit of our readers, can you please elaborate on these?**

First requirement: keep it simple. What drives this model is the way in which people interact with one another. By creating an atmosphere of mutual trust and respect, transparency, accountability, and agreed-upon rules of engagement, you automatically eliminate many of the barriers to efficient teamwork. Second, remember that moving to this model isn’t a step-by-step process from which you can’t deviate. There is no single “right way” to do it. When it comes to cascading the model down through the organization, we tell our clients, “Do what works for you.”

Third, you also need commitment from the organization’s leaders – starting at the very top. They need to provide the vision and the passion to make it a reality. Fourth, leadership also needs to communicate clearly, to every level, what they are trying to do and how they are going to go about it. Transparency is key to obtaining buy-in.

Lastly, create a high-performing culture. Begin by asking: How can we

reinforce the existing positive cultural values, such as a focus on results; a horizontal orientation; the willingness to be held accountable, to confront, and to be transparent; and other attributes of high-performance teams and players? Next, ask: What implicitly held values need to be brought to the surface, examined, and, if need be, modified or put aside. Some common inhibitors: niceness that gets in the way of candor; the tendency to over-analyze, a focus on consensus decision making, risk aversion, and the like. Build on the positive and eliminate the negative aspects of your existing culture in order to create a robust culture of high performance throughout your organization.

➤ **What is the role and importance of leadership for great business teams to achieve standout performance?**

Leaders must provide the vision and the passion if the effort is going to succeed. But another responsibility of leadership is to role-model the desired behaviors. Leaders who ask for honesty must prove that they really want it – even if it is directed at them. They do this most convincingly by listening to critique of their own performance and acting on it, by changing the behavior that the team tells them is unacceptable, by not cutting off dissenters or denigrating their opinions, by not pulling rank when it’s time to make a decision. As Chuck Nesbit, executive vice president and COO of Chico’s FAS, Inc., puts it, “If a lieutenant in Iraq doesn’t have the courage to ride the Humvee down the road, he can’t expect his troops to do it.”

➤ **The world is in the midst of an unprecedented crisis created by a few greedy investment bankers. The effects of this crisis are quite pronouncing. What is the importance of team work and high performance in such troubled times?**

In these challenging times, great teams are more important than ever before. One international beauty products company we work with experienced a dip in sales during 2008. All seven brands in its Professional Products Division suffered, but one declined a

lot less than the other six. The general manager in charge of that particular brand attributes its relative success to the fact that it moved to the horizontal, high-performance model more than a decade ago. As he explains it, “If you have an organization where strategy, business priorities, and roles and responsibilities are clear, and people are held accountable, you will have a relatively stronger business. In a downturn, you probably won’t be able to avoid losing some business, but you will have smaller losses than the competition.”

➤ **What happens to all such high-performance teams in these economic crisis times?**

Leadership teams that were operating horizontally enjoyed a distinct advantage when the tide turned last year. Having transferred a great deal of tactical responsibility to their direct reports, they were free to focus on the unfolding changes in the marketplace, think through the strategic implications, and then prepare their organizations to move smartly into “first-responder” mode to deal with the situation.

➤ **What, according to you, are high-performance teams? What are their unique characteristics? Can you give examples of a few companies that have created and nurtured high performance teams?**

A high performance team works like a miniature managing board of directors. Every team member operates as though the team’s salary were coming out of his or her pocket. The team brings issues to closure quickly, openly, and effectively because every minute that an issue is unresolved they are losing money. Each individual accepts responsibility for the overall performance of the team and, therefore, feels that he or she has license to speak on any matter concerning how the group functions. What is truly unique about such a team is that members don’t just hold one another accountable: they also hold the leader accountable.

Mars Incorporated is an example of a large, global corporation that has developed great teams in several ar-

eas. The company's current president, Paul Michaels, started the ball rolling when he was head of its American team; he has now extended it to the international operation. And the head of Mars Latin America, Brian Camastral, has been using the model with great success in his region. Some others that have had great success with it are Colgate-Palmolive; John Hancock; Johnson & Johnson; L'Oréal USA; Novartis; PepsiCo; and Schering-Plough.

- **How important is it to sustain high performance teams? How do you think these teams have to be kept focused? What do you think companies should be doing to keep their tempo and temperaments going in these tough times?**

High performing teams are a company's best chance of riding out tough times better than the rest. Teams and organizations that are aligned in the five key areas, that are clear about goals and roles, and that aren't hampered by internal conflict are at a distinct competitive advantage, especially in turbulent times. The same

competitive advantage will serve them well when the tide finally turns. When new business opportunities present themselves, high performing teams will be off and running while competitors are left wondering about how to rebuild.

If leaders want to keep such teams motivated and focused, they need to continue to role-model high-performance behaviors – especially candor and transparency. As painful as it may be, employees would rather hear the truth than have their leaders sugar-coat reality for them.

- **What is the role of business schools in equipping the students with the necessary skills and attitudes to be part of either virtual teams or high performance teams?**

Business schools have got to stop perpetuating the myth that a senior executive has to be Superman or Superwoman. In business today, it's not about individual achievement; it's about team achievement. B-schools need to develop in their students the mindset and the skill set they need to

achieve high performance as a member of a team rather than as an individual.

- **A word about your other book, *When Goliaths Clash: Managing Executive Conflict to Build a More Dynamic Organization*.**

When Goliaths Clash examines in depth one attribute of high-performing teams: the ability to manage conflict. And make no mistake about it: conflict between and among team members is possibly the greatest impediment to achieving results. When *Goliaths Clash* (Mt. Arlington Business Press, Mt. Arlington, New Jersey) examines the sources of conflict and discusses the specific skills that can be used to defuse it. Like *Great Business Teams*, it does so through real-life examples of teams that have turned conflict into a positive force for business success. 📖

The interview was conducted by
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