
DAVID M. SHEDD

Work
Through Your
Leadership Team



Build a Better B2B Business

*Winning Leadership for Your
Business-to-Business Company*

ACCOUNTABILITY TEAMWORK TRUST
RESPECT FOCUS COMMUNICATION
INTEGRITY CUSTOMER SATISFACTION
BASIC FUNDAMENTALS RECOGNITION
WORKING WITH EXAMPLES

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CHAPTER 8 – WORK THROUGH YOUR LEADERSHIP TEAM

“Trust but Verify”

President Ronald Reagan

- *Quick quiz about leadership*
- *Aligning the leadership team*
- *Know how your managers are managing*

Congratulations!! You have read through the previous chapters and realize that you use the basic management tools adeptly, that you use situational leadership (even if you did not call it that), and that you generally do what you say and lead by your nearly immaculate example. Great Job!!

Before we move on, let's take a quick quiz:

Quick Quiz about Leadership

- I. Grade your own personal job performance:
 - A = 4
 - B = 3
 - C = 2

- $D = I$
 - $F = 0$
2. Average the grade of your direct reports in their job performance:
 - a. $A = 4$
 - b. $B = 3$
 - c. $C = 2$
 - d. $D = I$
 - e. $F = 0$
 3. Subtract the number in 2 from the number in 1
 4. Write the number in 3 on a piece of paper

I have given this quiz dozens of time to managers at all levels during leadership training classes. The answers have varied from -2 all the way to 4.

What is your answer?

Except where the leader is new to his role, the “correct” answer is 0. If your direct reports are doing “C” work, then you are only a “C” leader as $2 - 2 = 0$.

Extend this concept down to the trenches. If you believe that your company and your sales, operations and other employees are only doing “C” or “D” jobs, then, face reality, you are only doing a “C” or “D” job as a leader.²

In short, you personally can be incredibly dynamic and brilliant, but you are only as good as your team. The fundamental postulate of business leadership remains the same:

² Having once had a 35 minute “discussion” after a training session with one leader who insisted that his answer of 4 was correct (he was an “A” and his team was an “F”), I have also used this test to determine the appropriateness of certain individuals for a leadership position.

For a leader to be successful in the medium to long term, his employees have to be successful, his management team has to be successful, and his business has to be successful.

Some of you may disagree. You may feel that business leaders are great people who move mountains and make all the difference.

- The turn-around expert
- The great entrepreneur
- The “genius with a thousand helpers”

These “superstar” leaders can be tremendously successful at improving a business or building a business to a certain level. But, as the business gets larger and more complex, the daily influence and contribution of any leader trails off and needs to be picked up by the team.

On two of the turnarounds that my team accomplished, we came in and managed directly. Quite frankly, we acted at times like the “geniuses.” With both of these businesses relatively small (average of \$15M in revenue), bleeding money and with such low hanging fruit, I still feel that this was the right course of action.

These times were truly exhilarating. Working eighteen hour days, we could see day to day the improvements that we were making as the businesses stabilized and became profitable. The challenge came once the ship was righted and the low hanging fruit was all plucked. Then, it became necessary to change leadership styles and work with and build the team to ensure long term success. Especially, in the first acquisition, we struggled for quite a while to make this transition.

In most dramatic turnarounds it is this transition from lone hero leader to a

“The hardest part of a business transformation is changing the culture — the mindset and instincts of the people in the company.”

Lou Gerstner

team-focused leader that is the most difficult part. But, for long term success it has to be done.

Later, we will discuss the importance of leading, developing, and aligning your employees into a Winning Team. For now, I would like to focus on you and your leadership team. Does your leadership team share your values and support your business goals? Are you and your leadership team in alignment?

Align Your Leadership Team

In any business larger than \$20M in sales, it is unlikely that you are managing and leading all your employees directly. There is at least one layer of managers between you and the employees on the front line: the engineers, production workers, sales and marketing people, who are actually getting the work done.

So, how do you know that the message that you are sending out is being communicated in the way that you want it to be communicated to your entire team?

This is one of the more challenging and least discussed areas of business. How do you get alignment in values and goals across an organization?

To be as effective as possible, an organization has to have this alignment. It is this alignment and this focus that allows an organization to win by:

- Sharing the same concept of ethics and integrity.
- All aiming to achieve the same business goals.
- Building a team that is greater than the sum of its parts.
- Interacting with one voice and one brand message to the customer.

I give two examples that highlight the organizational misalignment that is all too common in business.

“High performance teams and organizations are built of people, plans, and practices aligned around a shared purpose.”

George Bradt

The first example concerns a Divisional President colleague who had a struggling business.

This colleague went down to the facility and spent a day asking just two questions to employees:

1. What are the three critical issues with this business?
2. What are your three biggest priorities?

The questions were asked of the General Manager, individuals in every layer of management and individuals on the front line in all departments (sales, production, engineering, accounting, etc.). There was no agreement or alignment anywhere. As an example, in production, the General Manager, the plant manager, the production leadmen, and the production workers had no commonality to their answers. The three biggest priorities of the workers were not the biggest priorities of leadmen, which were not the biggest priorities of the plant manager, which were not the biggest production priorities of the General Manager. Is it any wonder that the business was losing money?

Second, in his book, *The 8th Habit*, Stephen Covey discusses the results of a survey that measured the level of alignment of employees in businesses to the business goals.

If, say, a soccer team had these same scores,

- Only 4 of the 11 players on the field would know which goal is theirs.
- Only 2 of the 11 players would care.
- Only 2 of the 11 would know what position they play and know exactly what they are supposed to do.
- And all but 2 players would, in some way, be competing against their own team members rather than the opponent.

Wow!!

Quick Quiz: In both examples, who is responsible for this atrocious lack of alignment and the resulting dysfunction?

Answer: the business leader

So, how can you really know how your key managers are managing and whether they are in alignment with your values and goals?

Know How Your Managers are Managing

With a business larger than \$20M, you have also delegated a large part of the running of the business to your key leadership team, some of whom may not be located in the same office, state or even country as you are. Most likely, you have a profit and loss statement and other accounting measures to determine whether the members of your leadership team are making their numbers. But, do you really know how these key managers are managing?

- Does your leadership team understand and share your values and goals?
- Does your leadership team interact with their subordinates in the outstanding, responsive, and enlightened way that you interact with them?
- Does your leadership team lead by their example?
- How do you know?
- How can you be sure?

A True Story

A number of years ago, I took a 360 degree evaluation along with a group of other “high potentials.” For those that may not know, a 360 degree evaluation combines a self-evaluation with the results of a survey and interviews with your supervisors, peers, and direct reports to give a complete picture of how you are as a leader. In any event, we received our 360 feedback at a leadership training seminar that

we all attended. As we were walking out of the meeting, a colleague pulled me aside to ask a sincere question about his results.

In my 360, my supervisors and I both rated myself very highly. But my direct reports gave me very low marks. How can my supervisors and I be so right and my direct reports be so wrong? Since I am obviously doing well in my supervisor's eyes, why should I change my behavior based on the results of this 360?

This colleague is an example of every leader's fear about their key leadership team. Leaders fear that they have an executive who makes the numbers and looks good in the upward direction while destroying the culture and values that the leader is trying to embed in the organization. Kiss up, but kick down.

So, how can you get to the truth about your key executives, not only in terms of their results, but in terms of their example to their employees, their values and their goals?

As President Reagan said: "trust but verify."

There are three things that all leaders should be doing in managing their leadership team:

1. Ensure that your message is heard throughout the organization
2. Develop relationships with stakeholders down, across and outside the organization
3. Look the gift horse in the mouth

Ensure That Your Message is Heard Throughout the Organization

As the business leader, you define the values and goals of your company. And you need to ensure that everyone has heard and understood these values and goals, not only your direct reports, but also their direct reports and all stakeholders. If not, employees many

levels down in the organization may just accept the toxic values of a poor supervisor as being your values as a leader and the values of the company.

But, defining values and setting business goals does no good unless these messages are heard. To ensure that your values and goals are heard you need to communicate, preach, discuss, teach. Jack Welch, the former CEO of GE, writes:

There were times I talked about the company's direction so much that I was completely sick of hearing it myself.

While posters, signs and slogans may be nice and have their place, the message is best heard in person, face to face.

- *Manage by Walking Around (MBWA)*

Get out of your office and engage with and ask questions to employees throughout the office, in the field, and on the factory floor. Preach the message. Share stories with the employees that embody the values and clarify the goals.

- *Teach Classes to Employees at All Levels of the Organization or Hold Skip-Level "Lunch and Learns"*

By teaching and meeting directly with the team you can reinforce and explain the values and goals in more detail. This also gives the leader an opportunity to get to know individuals and to be known.

- *Repeat*

Consider the "Power of Ten." This maxim of communication advises that a new concept or idea may need to be communicated as many as ten times before being internalized by the listeners. This repetition helps convince the team that the message is important to you and that you mean what you say.

Develop Relationships with Stakeholders Down, Across and Outside the Organization

You need to develop relationships with individuals one, two, three, four or more levels down in your organization. There need to be individuals many levels down in the organization that you can ask how things are going and get a reasonably honest answer. Likewise, you need to develop relationships with key suppliers and some key customers that will honestly tell you how your company is delivering on its promise.

Especially with individuals lower in the organization, you need to be careful that they are not perceived as spies. It is important not to undercut the authority of their supervisors, especially if you hear of a problem. And it is important that they do not take what you say out of context and run to their supervisors saying the equivalent of: “we can’t do it this way. I just spoke with the President and in our discussion, he said that he disagreed and...”

There is a fine line between getting the truth from stakeholders and over-stepping your bounds, usurping the authority of their supervisors and micro-managing. But, it is a line that must be approached.

Some good questions to ask the employees in your organization:

- What is your biggest challenge today?
- Tell me what the values and goals of the company are? (This is a good question to measure alignment and confirm whether your message has been heard).
- What are your three biggest priorities? (Another alignment question)
- What can we as management do to help you do your job better?

After asking the questions, listen closely to the answers and don’t offer to solve their problem (that is their supervisor’s job). But, by listening you will get a clear picture of how things are going in that business unit.

Look the Gift Horse in the Mouth

The test in managing managers is not the manager who does not deliver on their numbers. We should all be able to deal with that. The challenge is with the manager who delivers on his numbers, but is toxic to the culture of the company.

Look these gift horses in the mouth. Trust and verify their behaviors and values with their subordinates and other stakeholders (as above). And importantly, listen and observe them in action.

- *Listen and Observe How They Get Their Job Done*

Do they work in accordance with your values and goals? What do they say they spend their time on? What are the problems that they continue to have?

- *Listen to the Stories They Tell About Their Business and Their Team*

Who is the hero in the story? The manager or the team? Do the stories show empathy to team members?

- *Observe Their Behavior With Others in the Office*

In general, do they seem to be good guys or jerks? Are they friendly? Do they greet people by name? Do they know people's names?

If you still cannot get a comfortable feel about a manager and his values and style, then I would recommend doing a 360 degree evaluation for him. It is not a perfect tool; some stakeholders (especially subordinates) may not believe that the answers will remain confidential. But, it will give a fuller picture of the leader. There are 360's that can be taken on-line and ones that are taken with an outside firm. It does not need to be expensive; but can be quite useful.



In summary, the true strength and power in any successful organization comes from having all parts of the organization rowing in the same direction and in sync. This must start with the leadership

team being in alignment with the values and goals of the leader. This does not mean that you want to create an organization of clones; you want and will almost certainly have leaders and managers with different styles and different personalities. Nevertheless, these key leaders must share and be aligned with the core values and support the direction and goals that you as the leader have chosen for the organization.

Contact David for assistance in any
of the following areas:

- *Executive Leadership*
- *Interim Leadership*
- *Strategic Business Consulting Day*
- *Consulting Engagements*
- *Business / Strategy Critique*
- *Personal One-to-One Telecoaching Calls*
- *Speaking*

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How does a business leader win?

In today's complex world, the overwhelmed leader needs to tune out all the extraneous noise and excessive hype, and focus. Simplify and focus the business relentlessly on three fundamentals - doing the right thing, developing winning teamwork, and satisfying the right customers.

Alive with ideas, anecdotes, quotes and personal experiences (both the successes and the failures), *Build a Better B2B Business* vividly and candidly describes the Winning Leadership that will help you lead your company to success.



DAVID SHEDD has ten years of success as President of an up to \$200 million group of manufacturing and services companies, having overseen 19 different B2B businesses. Currently, he is Principal of Winning B2B Leadership, an advisory firm serving small to middle-market clients. David has an MBA with

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