

Building a High Performance Team

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Overview

Businesses are always looking for ways to make their management and staff more productive and their companies more profitable. Many companies have turned to training and development only to be disappointed. Others have created rigorous strategic plans that don't come close to delivering the needed outcomes. According to authors Michael C. Mankins and Richard Steele in their August 2005 *Harvard Business Review* article titled "Turning Strategy into Great Performance", **the average team achieves only 63% of the objectives of their strategic plans.**

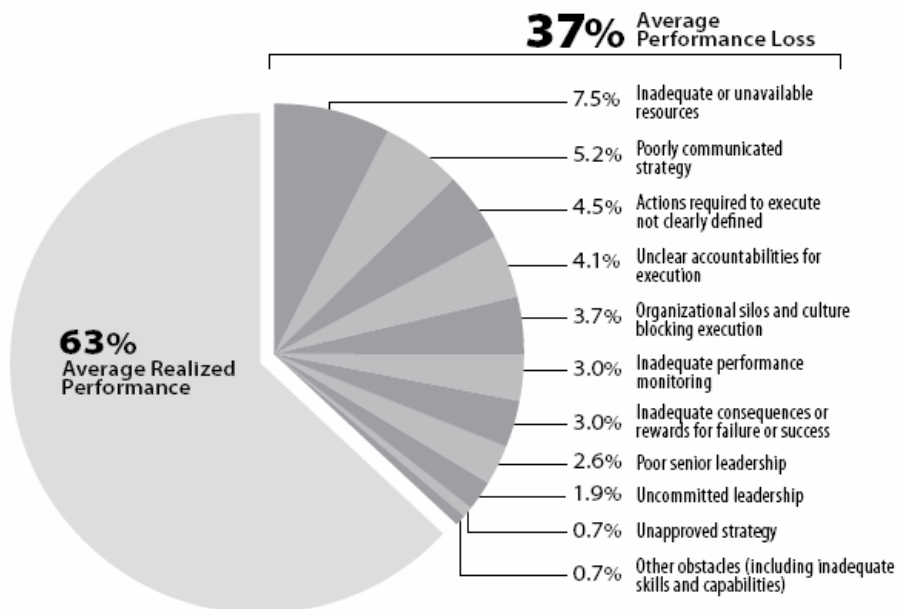
Why is there a gap? What gets in the way?

The key issues **are how well the team communicates, aligns around top initiatives, creates short term and long-term plans, and holds themselves accountable to deliver the results.**

The amazing thing is that you know this and yet like most others may lack the know-how or discipline to make sure these issues are addressed each and every day. Like others you may refer to these skills as the "soft issues" because you don't see how they are measurable or quantifiable and therefore don't believe they are as important to performance as more typical indicators of success. Yet their research shows clearly that these skills and disciplines are the biggest levers that enable high performance teams close the performance gap.

Where the Performance Goes

This chart shows the average performance loss implied by the importance ratings that managers in our survey gave to specific breakdowns in the planning and execution process.



The authors summarize the results of their findings by listing **the five top issues contributing to this performance gap**:

1. Companies rarely track performance against the top annual priorities
2. Multi-year results rarely meet projections
3. A lot is lost in translation due to poor communication and follow-through
4. Performance bottlenecks are invisible to top management
5. The strategy-to-performance gap fosters a culture of underperformance

What exactly do these mean and what can you do to close the gap in your business?

How to Build a High Performance Team

Start by accepting that **your people are your business**. More than your strategy, your marketing plan, your IT system or an entire finance department full of spreadsheets, management information and predictions, *people* are the key to your success. **To transform your business, transform your people.**

Getting your people to work together in a powerful way, taking personal responsibility for their own performance, as well as that of the overall business, will generate measurable improvement every time. **The secret lies in making sure that everyone in your business – including you – has the right attitude and is taking the right actions to produce results, time after time.**

Here are the key disciplines to make this happen in your business.

1. Include everyone in an annual planning session

While you may know best what's needed in your business or team, don't make the plan on your own or with just a few key people. It may be necessary to think about the key strategic objectives, but as soon as possible **include everyone in your top team in the creation of the real plan** that's going to drive the business for the next year.

Including people makes all the difference to their performance. They have a chance to let you know how things look from their perspective, giving them the experience of being valued and giving you the benefit of their experience and insight. We've learned time and again the truth of the adage that *people will not destroy that which they have helped to create.*

Allow a full day for this session. **Let everyone know that you value their input** and want them to be part of planning the next year. While you may be right that you know best, there is little evidence that plans made in isolation lead to high level performance.

Case Study

Although great at design and customer service, a high-end software company was **unable to get prospects in the pipeline for their \$50,000 product**. Company morale was low and the owner was on the verge of giving up. He was tired of dealing with the sales problems and discouraged about his feelings of incompetence in creating a system that would work for his company.

He agreed to bring his entire team together to review the situation and create a plan they felt they could achieve. By the end of the day everyone was aligned on a breakthrough. Within months

sales numbers were more than double from a year before. This company that was lucky to be making one and sometimes two sales every couple of months, was soon achieving as many as two and three sales each month!

2. Review what happened in the past and learn from it

Start with a thorough review of the past year – *what did we achieve together and where did we fail?* Give all people on the team time to make their own list before gathering responses.

Make sure that you **first focus on achievements** – just the good news. One of the factors that makes working together so difficult is our habit of focusing on issues and problems to the exclusion of achievements and successes. In such an environment people feel undervalued and unmotivated and a feeling of *Why bother?* shapes the culture.

Next take time to review failures, asking the team to make a *full* list of disappointments. Let them know that this exercise has **nothing to do with pointing fingers** and everything to do with creating a realistic picture of the current status of the team and the business.

Finally ask each team member to **consider what can be learned from what happened.** Discuss the potential lessons and align on the top three guidelines that would make the most difference to your success. Keep these alive throughout the year by regular review and public display with news of the difference the lessons are making to performance.

Case Study

An **executive search partnership, a subsidiary of one of the largest search companies in the world,** was a strong company of 25 young people with a great track record. Then things took a turn for the worst. They were having their worst year ever and the phone had stopped ringing. **When they took time to review their situation, they realized they were nearly frozen into inaction** with some team members engaged in arguments and sarcasm to mask their true thoughts and feelings.

Once they took the time to take stock, talk openly and identify key lessons, the culture gradually shifted to a more positive framework. By the end of the year their most cynical member announced that they ‘had achieved miracles’. They **not only matched their best performance ever, but exceeded it.** Above all the **team dynamic became positive, cooperative and focused on delivering results.**

3. Examine limiting attitudes and assumptions and shift them

You may have noticed that sometimes it seems as if you’re doing everything right and yet you still don’t have the results to show for it. Too often the source of this frustration is found in the **underlying attitudes that shape the culture of your business.** For example, imagine your chances of success if the key people in your business have beliefs such as

*We used to be great, but now it’s impossible to keep up with the competition!
It’s OK not to deliver as long as there’s a reasonable explanation.*

Your **most rewarding task is to discover the beliefs and assumptions that limit you**. One approach is to ask your team to describe the culture they'd like to have in the business and then the one that exists now. In most instances there is not a match. To uncover limiting attitudes and paradigms, discuss the underlying beliefs that might be shaping the current culture. *How do we explain our failure to have the culture we want?*

The next step is to **write a statement that describes the new attitude or paradigm that generates the culture you want to generate together**, for example, *We keep our promises with one another – no matter what!*

Case Study

A sales team responsible for marketing and selling a top global beer in a South American country had 90% of their market share. Although it was obvious to the home office that the **only possibility was decline in this emerging country**, the culture in the team ranged from 'we're invincible' to 'no problem, man!' The new General Manager **saw the threat from new competition as well as the lack of discipline throughout the business**.

But the **biggest job was to tackle the limiting cultural beliefs** that drove the entire business. Although difficult to imagine that *We are invincible* could be a limiting paradigm in any sales team, that's what it was. Once they realized how inadequate their approach had been, they became a team committed to doing the impossible. By the end of the year, they had surpassed their key target and achieved their highest result for 14 years. The team was working together in an enthusiastic way they could not have imagined 12 months before. *They were winning!*

4. Align on the top ten priorities at every level of the business

Ask all managers on the team to identify the one or two top priorities for their area/s of responsibility. Have each manager present the goals to entire team and explain the choices. Once all the goals have been presented, **together select the top ten goals for the year**. Although all goals will be pursued, your team will benefit from a focus on the ten that most ensure overall success.

Accountability is key to your success so make sure that each goal has one team member who has the overall responsibility for its achievement. Make sure each manager sets and achieves monthly goals to progress their annual goal/s – in other words, *make sure everyone knows who's on the hook for what!*

If the members of your team have their own teams, **make sure that they each schedule a planning day for their teams to replicate the process**. The first step in each of these days is a presentation of the overall business plan as created by the top team, followed by a day of review and planning in which each team develops their own plan in alignment with the top team plan but focusing on the key issues and goals they must achieve to contribute to the overall plan.

Case Study

A major bank was **threatening to outsource most of the services of its IT division of 3,000 people**. Recent performance had fallen to 64% of their annual objectives and managers and staff

knew that severe downsizing was coming. Although the new General Manager was taking the situation seriously, most of the key people were blaming the parent company for their lack of “understanding and appreciation”.

He gathered the managers at the top of each part of his business and clearly communicated the challenges in their first planning meeting. After an exhaustive review, the team began the process of taking responsibility for the situation. They examined all possibilities and aligned on the ten results that they knew had the best chance of reversing the decision of the bank. **Each of the top team then made sure his or her team replicated the review, learning and planning process and key priorities were agreed throughout the division.**

By the end of the year **performance had risen from 64% to over 100% delivery** of each key target. Although some downsizing was necessary, it was a small challenge compared to **the pride of working in the performance culture they had created.**

5. Establish monthly review sessions to monitor progress and learn from what happens

Review all team plans to ensure that they are aligned in pursuit of your plan for the year. *If these plans are achieved, will our strategy for the year achieve the outcomes we hope?*

The most important discipline is to **ensure – no matter what – that each team has a monthly review session to assess progress against their annual plan.** At the top of the agenda is a review of the monthly goals set on the way to the achievement of each annual goal. For example, an annual goal might be *Achieve an overall Customer Satisfaction rating of 80% or more* with a goal in the second month of *Establish a Customer Satisfaction benchmark based on our latest survey and identify areas where improvement is needed.* This public review forms a basis for team discipline about delivering key goals, above all.

To ensure that you and your team know what’s happening in the business in time to make course corrections, **include a review of performance on monthly plans for every second-level team.**

Although progress on your top ten priorities is your first priority, include a review of your guidelines and the difference they are making at each month’s meeting. In addition, talk about your new paradigm or mindset and the evidence that you’re on track to bringing this new reality alive.

Case Study

When the new General Manager arrived at his factory, he found an explosive situation. He had been told that **if the factory didn’t turn around in one year, it would be closed.** The decision of the parent company was understandable as the business was **losing \$1 million per month and had a worker absentee rate of 25%.**

When he first tried to get the managers and factory workers to align on a plan, there was revolt – the workers stopped the engines and shut down the factory! **The lack of trust was palpable. However, the top team stayed with their plan and communicated their commitment to the entire workforce.** The personal results of the top team were posted on the factory walls, month after month, and gradually the tension eased.

Within two months the **absentee rate had dropped to 5% and within three months it fell to 3%** where it stayed. The workers could see that management meant business, trust was restored and the turnaround was achieved. Not only did the business break even, but they **achieved the General Manager's personal target of \$1 million in annual profit.**

Conclusion

These five strategies are designed to resolve the five issues identified in the HBR article:

1. Companies rarely track performance against the top annual priorities
2. Multi-year results rarely meet projections
3. A lot is lost in translation due to poor communication and follow-through
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With the disciplines described in the [How to Build a High Performance Team](#) section of this document,

1. Top priorities are identified and tracked on a regular basis
2. Achieving these priorities, year after year, contributes measurably to multi-year growth,
3. Communication and follow through is guaranteed,
4. Top management has a simple system for tracking performance and making course corrections, and
5. Individual and team focus on the delivery of the vital few *automatically* generates a performance culture.

If your business is suffering from one or more of the issues identified in the HBR article as the root causes of the performance gap, there are solutions.

About Best Year Yet

Since 1990 Best Year Yet has been working with business teams in organizations of all shapes and sizes -- and in nearly every industry. Our approach has been proven to unleash the human potential, time after time and doing so leads to results -- time after time.

Best Year Yet Franchise Owners have been trained to lead team programs in a wide variety of situations, dealing with a large range of challenges. Each of the case studies above was led by one of these highly experienced Best Year Yet facilitators. To find out about how to use our support to build your own high performance team, contact us at 877 972 7897 or visit us at www.bestyearyet.com or call Donna Price, our New Jersey based Best Year Yet facilitator and program leader at 973-948-7673 and visit us at www.compassroseconsulting.com.