BI Radio
Episode 5: Perspectives on Leadership

(00:00)

Montage:

- "You have to make your organization smart, and you have to make it healthy."
- "If we do that, our companies have a great chance for success."
- "The true performance manager."
- "Obviously there's a difference between leadership and management."
- "Try and achieve the right balance."
- "Plan the way we're going to execute."
- "Executive teams at those business units, and the corporate level needed to be able to make decisions faster."
- "We want to be in control of our own destiny."

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John Blackmore: Hi there, and welcome to BI Radio. I'm John Blackmore. I'll be your guest host today. Ken Seeley is on holiday. On the show today, Perspectives On Leadership, from information sweet spots to executive obsessions. Kelsey Howarth learns how to build a market leading supply/chain in consumer packaged goods. Delaney Turner talks to authors Roland and Patrick Mosimann about the difference between leadership and management in the executive office. But first up, the four obsessions of the extraordinary executive. Kelsey Howarth interviews Patrick Lencioni about communication and clarity, the role of performance management, and how to build an extraordinary team.

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Kelsey Howarth: Hi. I'm Kelsey Howarth. What does your company need to be successful? According to Patrick Lencioni it needs to be smart, and it needs to be healthy. While Cognos focuses on making companies smarter, Patrick is a foremost expert on the steps they need to take to be healthy. He is a best selling business author, acclaimed public speaker, and the founder and president of the Table Group, a management consulting firm that focuses on organizational help. His books include Silos, Politics and Turf Wars, Death by Meeting, and Overcoming the Five Dysfunctions of a Team. Here, he joins me to share some thoughts from his best seller, The Four Obsessions of an Extraordinary Executive.

Kelsey Howarth: The Four Obsessions of an Extraordinary Executive, what are the four obsessions?

Patrick Lencioni: Well these are the four things that executives . . . you know people lose sleep at night when they're running an organization. And actually, that's inevitable. It's an important job. Whether you're running a junior high school, or a deli, or a Fortune 500 company, or a department within an organization, we're going to lose sleep over our business. But the problem is we don't know what we should be losing sleep over. In other words, we need to narrow down the list of things we're worried about. And these are the things we should be obsessed with in a good way. And ultimately, they become the disciplines of a great executive. And the first on is, *Is my team cohesive?* If a leader goes to bed at night knowing that their team is not cohesive that's something they should be laying there thinking about – what am I going to do about that? Because no one but the leader of the team can change that. And whether you're running a department within a company, or a company itself, or a small entrepreneurial venture, your job is to help make your top team cohesive. So that's the first obsession – the cohesiveness of a team. The second one is, *Is the team organizationally clear?* Are we on the same page around some basic issues? So it's when they enter cohesive behaviorally, that's important. But we also have to be intellectually aligned around core purpose and values, and strategy and goals, and some very basic but critical elements. And if you think that your team is not on the same page, that's something that's worth obsessing about. You've got to get them on the same page around these fundamental questions. The third obsession of a great executive is *Are we communicating this enough?* Are we over communicating that clarity? Are we telling everyone often, repeatedly, in different ways, and in different mediums, and in different contexts what we're about? So you've got to get clear intellectually. But then you have to communicate it until you're blue in the face. And you can't get bored with the message. You've got to realize that your job is not to enjoy communicating it. Your job is to make sure people have heard it, understood it, and internalized it. And the research shows that you have to do that, you have to communicate something seven times before somebody will actually remember it and believe it. So the third obsession of an extraordinary executive is over-communication to people throughout the Organization. The forth obsession of an extraordinary executive is *Do we have some basic non-bureaucratic systems in place to support all of this around people?* Human systems we call it, that is systems around hiring, and firing, and managing, and rewarding the end; making decisions and things like that. Any process that has to do with people in the organization – Is there just enough structure to institutionalize it without bureaucratizing it. So the four obsessions of an extraordinary executive, is my team cohesive at the top? Are we on the same page? Have we achieved clarity throughout that team? Are we communicating it more than we think we ought to throughout the organization until people really get it? And have we built just enough human systems to keep it alive even when we're not in the room? So those are the four obsessions. If we do that our companies have a great chance for success.

Kelsey Howarth: And why are these areas often underemphasized by many executives?

Patrick Lencioni: In order to maximize the success of any organization you have to do two things. You have to make your organization smart and you have to make it healthy. Smart is the decision science, which is marketing and strategy and technology and finance. Critical stuff. But frankly, most executives spend about 95% of their time on that because that's how they're trained, and that's what business media focuses on, and it's easier to measure, and we're more comfortable with that because it's not emotional. The other side of the equation, the organizational health side, is minimizing politics and confusion, and raising levels of morale and productivity, and ensuring that good people don't leave – that you have low turnover among your best people. When you look at the healthy side, that's a lot less quantifiable, and a lot more behavioral. It's hard to measure. And frankly, most leaders have not been trained very well in that. So when it comes to looking at these two sides of the equation, the smart and the healthy, we place too much attention on the smart side. Well, the four obsessions of an extraordinary executive are all about making your organization healthier. It's, is the team cohesive? Are they on the same page intellectually? Right or wrong, are they just aligned? Are they communicating and are they building human systems around this? Well, most executives don't see or quite understand how to do that, and they find that potentially emotional and difficult to measure. So they go back and they spend their time on the other side – on the smart stuff. And frankly, most of the organizations that I work with are plenty smart enough to succeed. Usually what holds them back is the lack of organizational health. I mean in this era of ubiquitous information and the internet and information transfer is so fast now, to try to be smarter than your competitors for any given length of time is pretty difficult. It's really the organizations that are healthier that practice those four obsessions of an extraordinary executive that develop sustainable competitive advantage.

Kelsey Howarth: We spoke with Steve Farber recently and he was talking about some of the ways that non-executives can be leaders way past their title. Can you explain some ways that everyone can use your advice to build a healthier workplace?

Patrick Lencioni: Well, I think the first thing we have to do is recognize that most leaders want to get better. Even if they don't seem to be inviting it because they're just human beings and it's difficult to admit when you don't know something. But if we can realize that most leaders want to get better and that we do have permission to help them get better, and that if we can go to them with the kind truth about what they need to know, they'll actually reward us for that. So I think that most people who are not in leadership positions need to realize leaders are hungry for people that will tell them the truth, but will do that with kindness, and respect, and appreciation for that person's sometimes fragile ego. So one of the things we can do is just be a truth teller and have the courage to do that in a kind but honest way. The other thing that we can do is recognize that on a team, as a team player, we do have a role in holding our peers accountable and being open to them holding us accountable. And if we demonstrate that, it's going to spread. People will see that and we can have an influence that way as well.

Kelsey Howarth: You place great importance on the role of performance management tools, but you mention that companies often lose sight of what performance management is all about. Why is performance management so important and what mistakes should we avoid?

Patrick Lencioni: Well performance management is key. It's nothing more than letting people know what they're doing well so that they'll keep doing it; and letting them know what they need to do differently so they'll stop doing it, or change it. The problem is we over-structure performance management and we allow too often times lawyers to be the people driving the process. And understandably their goal is to make sure that when a person gets fired they don't sue the company. If we design our performance management systems around avoiding law suits, or even determining compensation in some quantitative way, we are going to turn the process into just a bureaucratic requirement as opposed to creating something with just enough structure, and no more, that allows people to have the honest conversations they need to have. So too much structure, too much detail, too much quantifiable and approval oriented . . . like people having to sign off on documents as opposed to a process for provoking conversation.

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Kelsey Howarth: To find out how you can get Patrick to speak at your next event please visit the Sweeney Agency at The Sweeney Agency dot com. To read more interviews with Patrick and other leading business authors please visit Cognos Performance Perspectives at www dot cognos dot com.

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(11:15)

John Blackmore: Welcome back. It's definition time. Specifically, the difference between management and leadership. Delaney Turner joins authors Roland and Patrick Mosimann in a conversation about management, leadership and the places in a company where they can intersect.

(11:40)

Delaney Turner: Hi. I'm Delaney Turner, editor of Cognos Performance Perspectives. Roland, I would like to direct the first question to you. There are many models for leadership and just as many books on the topic. You've called the book, The Performance Manager and not the performance leader. Do you see a difference between leadership and management or is it just a difference of aspiration versus practicality?

Roland Mosimann: Interesting question. I would say that obviously there is a difference between leadership and management. But the focus of the book is really to manage performance as opposed to thinking it so much as a managerial title or role. And in that sense the book is meant to be very practical that we're looking at all the different roles in an organization who need to manage performance at their level in a company. So if it's a functional role within marketing or sales there are going to be different types of decisions that they make, what we call decision roles. So in that sense everybody pretty much in an organization that's well aligned is a performance manager.

Delaney Turner: Patrick, I would like to bring you in on this. Help me see a day in the life of a performance manager. What does it look like? And how is it different from the status quo?

Patrick Mosimann: I see it as the difference between a proactive verses a reactive ability to manage the organization. You can imagine a manager who's got his monthly discussion about meeting certain targets. He needs to tackle senior management. He needs to tackle junior staff in terms of getting execution on these. And I guess what we're talking about here is a level of clarity that gives both a balance between managing the facts and understanding the detail of what's going on within an organization, as well as the confidence of giving the right instructions and actions for those below you. So it's a more composed, better structured and, in a sense, more proactive manager that we see in terms of the true performance manager.

Delaney Turner: Let's look for the people who work for a performance manager. If I'm working for a performance manager how is my day different? Or if I am a performance manager what is life like for my team?

Patrick Mosimann: Well again, I think we're building on this clarity and these facts that in a sense we have at our fingertips because we actually have visibility on what's going on within the organization. So we have a more structured discussion and a better sense in terms of the communication of what actions and the execution that's needed. So rather than running around and being in firefighting we are, in a sense, being able to plan the way we're going to execute on a number of different targets and goals. So I would say we're in a team that is, in a sense, in control of their destiny as opposed to being simply reacting to what is often a top down edict.

Roland Mosimann: I think, just to jump in here, Delaney, I think the word that was just said there is key: The people who work for the performance manager is really the performance team. You need much more of a collaborative group that know each other's roles and contributions much more clearly, and therefore can collaborate along a common goal.

Delaney Turner: That's interesting that you raise that. I'm hearing a lot of words that seem to be elusive qualities in business. I hear control, structure, clarity, collaboration. These are all laudable goals. It seems like anyone would want to be a performance manager. So what prevents people from being one? And why are we not seeing more of them?

Roland Mosimann: The short answer is technology and culture. Technology has been a constraint for a number of years, although the principles and many elements of this have been around for a long time. But it's only more recently that companies have actually had the wealth of information available in their systems, and more importantly, the ability to get it out and get it to managers across an organization in a way that was cost effective and manageable. It's really less about technology constraints than it is about cultural constraints. Time and time again what seems to be the limitation is the cultural readiness of an organization. In most cases we see a combination of leadership aspiring and giving guidance; but really, a bottom up success story that catches fire. Word of mouth people see how this has worked in a given department and they get intrigued. And there's nothing like seeing for yourself, experiencing for yourself how a good connected flow of information between what you're doing, how you're doing, why are you doing this; these sort of questions and how that can help you in a focused effort.

Delaney Turner: One of the big departments that you look at in the book is the executive management area. How does the performance manager approach apply itself or work for senior executives?

Roland Mosimann: How it then works for senior executives is really about calibration. An executive can define the leadership and the vision and the strategic goals. But the devil in the details for the executives team is to try and achieve the right balance between all these different opposing forces, potentially; managing the tradeoff between revenue and expense; managing the tradeoff between the short term and the longer term investments in assets; certainly acquisitions, major systems, but also people. And that continuous balancing act is really the ultimate responsibility of the executive office.

Delaney Turner: Patrick, I would like to bring you back in. One takeaway I see especially for the executive management team is the importance of linking financial data and reports with operational reports. How difficult is that to achieve in real life?

Patrick Mosimann: Well I guess this is where there's been a lot of criticism in a sense because we have, in many ways, been successful in the financial sphere in terms of reporting and getting at the type of insights that are necessary for financial control, accounting, and audit. But where we seem to be still missing is how we integrate and link this to operational and business issues. So for example, if we take a general ledger that has perhaps a lot of detailed level of marketing spend, or some kind of advertising or promotion spent, the way that you would account for this is not the way you would want to look at it from a business perspective. You would want to look at this from a business perspective more in terms of direct and indirect spend and try and link it to a better understanding of what the return on investment of that is. So the way you structure the information, even if it's coming from the same source has to be rethought and put into a different perspective to allow, let's say for sales and marketing, to make the right decisions or give them the right insights to understand better whether what they are doing in terms of their spend is actually achieving the type of goals and results. So it's a different way of laying out and viewing the data and a different way in the sense of integrating some of the parameters or drivers that effect both marketing and sales.

Delaney Turner: Well it certainly lays out a new mandate and a new challenge for managers and everyone in the organization. Patrick Mosimann, Roland Mosimann, thank you for taking with us today.

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John Blackmore: Up next, we focus on a customer showing real leadership in performance management. You'll hear from Carl Try, manager of information systems at Fiskars Brands. Kelsey Howarth discovers how their organization creates real competitive advantage in the consumer packaged good sector. You'll hear how Fiskars uses performance apps, the benefits they've realized, and some lessons they've learned along the way.

(21:00)

Kelsey Howarth: For starters, could you give us an overview of Fiskars Brands?

Carl Try: Sure. Fiskars Brands is a global enterprise organization headquartered in Madison, Wisconsin. We market branded products to a wide range of retailers, ranging from the world's largest chains to local boutiques, outlets and independents, in over 20 countries today. We have a rich history that goes back 366 years to our founding fathers in Helsinkin, Finland.

Kelsey Howarth: Take us back a few years before you started using Cognos. What challenges were being faced by your organization?

Carl Try: The organization about five years ago made a decision to consolidate our applications. You could call it ERP. You could call it quite a few different things. A lot of those buzz words have changed. But the primary focus was to bring in an ERP application to consolidate our pick-pack ship, customer service, financial modules, if you want to call it that. And along with that they wanted central reporting. And with the ERP package that we selected the organization needed a reporting package that allowed us to do web reporting, browser based, easily accessible information views. And the ERP that we selected did not have that. So the organization went down the path of looking at three to five different vendors out there, Cognos being one of them. And at the end of the assessment Cognos was the solution that we selected.

Kelsey Howarth: How did you begin rolling out the solution to your users? Did you start with a certain department or capability?

Carl Try: Yes. Four and a half, almost five years ago when I started, during our first implementation of our ERP system we went and the focus for most organizations was sales. So the sales cubes within the PowerPlay environment were the focal point. The executive teams at those business units and at the corporate level needed to be able to make decisions faster, and what our key accounts were doing, what our key brands were doing, and how specific sales managers and sales representatives were doing for the business as a whole.

Kelsey Howarth: You mentioned sales as a power user of Cognos. What other departments use this system?

Carl Try: Our purchasing department, our buyers and our planners. Pretty heavily within that purchasing and supplier, say quote-unquote "supplier scorecard" type of set of cubes that allow us to actually track the promised delivery dates that our suppliers are providing us product to track their shipments and on time. We also have our forecasting team, our heavy super users. And they're actually, if you look at what we're planning on doing with Cognos 8, they are going to be the report builders outside of IT that are going to take advantage of a lot of that functionality. So definitely the forecasting team. Obviously the sales and executive folks with the sales and some of the budget information we've placed into the cubes. We also have some new users within the accounts receivable and credit areas. We definitely have a good set of key super users and some pretty medium to high level users within our global environment.

Kelsey Howarth: What have been some of the key benefits?

Carl Try: I think the number one key benefit which is actually a kind of kudos to the overall vision and implementation is our teammates, my internal customers, and my external customers are able to view that information, their information faster to make decisions. If they see any problems they can react to it. If everything looks great they continue on with their day. So I think that's part of the largest benefit. Some of the additional benefits are the scalability of it being able to be rolled out to multiple functional areas, the integration with some of our other key partners like IBM. I think that's a huge benefit.

Kelsey Howarth: The consumer packaged goods sector is harshly competitive. You mentioned that with Cognos you're tracking accounts, brands. What are some of the other key metrics that you need to keep track of?

Carl Try: A good success story there – You talk about how we stay competitive is we're able to pull in our category management and point of sale information and report on that within our Cognos environment. And what that provides us is real time information to the sales figures and our key customers.

Kelsey Howarth: Do you have any lessons learned along the way that you would be willing to share with us?

Carl Try: Yes. The primary lesson that we learned here, and we do this for quite a few of our applications, is that we want to be in control of our own destiny. And what that means is we want to be able to own a product and run with that product when we need to. And what I mean by that is if we need to update, enhance, develop something new, we want to be able that our resources internally can do that. And with Cognos, it was no exception. What we did was upfront, from a proactive standpoint, we invested early and often in Cognos training. So we were able to solve a business problem or enhance a business solution without having to spend money on external consultants. Now granted, we still bring in an extra consultants to do some optimization. Or, if we get in a bind we bring them in to actually do some developing with us. But my team is aware of everything they're doing and are actually able to provide them some feedback, some recommendations. That's the best possible way of doing some of this. But again, to summarize that's all because of our investment upfront with the Cognos training.

Kelsey Howarth: Any thoughts on the scalability and the performance of the system? Has it performed as well as you had hoped?

Carl Try: Yes. Our Cognos environment is second to none right now in our organization. And within Fiskars globally, within those 20 plus companies that we operate in, we have two global applications and one of them is Cognos.

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John Blackmore: Well, that's a wrap for our look at leadership. But it's a topic we'll be coming back to again. I would like to thank our guests today. From the table group, Patrick Lencioni. From BI International, Roland Mosimann. From PMSI, Patrick Mosimann. And from Fiskars Brands, Carl Try. A special thanks as well to our contributing producers, Kelsey Howarth and Delaney Turner. And as always, thanks to producer and audio engineer, Derek

Schraner, who composed all the original music you hear on BI Radio. A reminder to check us out at radio cognos dot com where you can listen to previous shows, download individual segments, and view the transcript of each broadcast. If you have a question or care to comment about what you hear on BI Radio please send us an email at radio at cognos dot com. I'm John Blackmore. It's been a pleasure being your guest host today. Thanks for listening. We'll see you again in six weeks.

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