

How Decisive Leaders
Execute Strategy

DESPITE

Obstacles, Setbacks, & Stalls

MOVE

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WILEY

CONTENTS

Introduction: Why Great Strategies and Change Initiatives Fail	xi
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Part 1

M = THE MIDDLE: WHERE TRANSFORMATIONS EITHER HAPPEN OR GET STUCK 1

Chapter 1	The Beginning of the Middle: Why New Strategies Stall After the Exciting Kickoff	3
Chapter 2	Concrete Outcomes: Stop Admiring the Problem and Define Some Specific Actions	9
Chapter 3	Timing and Momentum: Maintaining a Sense of Urgency for a Long Time	25
Chapter 4	Control Points: Metrics That Drive Action on the Right Things	33
Chapter 5	Resource Reality: Your Strategy Is Where You Put Your Resources	47
Chapter 6	Don't Sign Up for the Impossible	53
Chapter 7	Sponsors and Enemies: Reduce Your Personal Risk	61

Part 2

O = ORGANIZATION: ARE YOU LEADING THE TEAM YOU HAVE OR THE TEAM YOU NEED? 67

Chapter 8	The Right Team: The Fundamental Ingredient for a Highly Effective Team	69
Chapter 9	Organize for Outcomes: Create the Ideal, Blank-Sheet Org Chart	79
Chapter 10	The People: How to Attract the Right People and Eliminate the Wrong People	91

Chapter 11	Building Capacity: Performance Management and Delegating for Development	109
Chapter 12	Unstructured Conversation: How to Drive Personal Accountability and Belief	119
Chapter 13	Stop Having Status Meetings: Go Faster and Reduce Risk	125
Chapter 14	Virtual and Remote Teams: Optimizing Performance and Results from Afar	133
Chapter 15	Getting People to Actually Care: Engagement and Context	143

Part 3

V = VALOR: FACING THE HARDEST STUFF WITH COURAGE AND PERSISTENCE 149

Chapter 16	Mission Impossible: Dealing with Obstacles, Fear, and Imposter Syndrome	151
Chapter 17	Burn the Ships at the Beach: How to Keep Moving Forward When No One Wants To	161
Chapter 18	Too Busy to Scale: Use Ruthless Priorities to Enable Growth	167
Chapter 19	Detail: The Momentum Killer: Manage Outcomes Instead	175
Chapter 20	Clarity and Conflict: Expose and Master Necessary Conflict—Don't Avoid It	179
Chapter 21	Decision Stall: Accelerate Effective Decision Making	187
Chapter 22	Tracking and Consequences: How to Identify and Recover from Setbacks	197

Part 4

E = EVERYONE: YOU CAN LEAD A TRANSFORMATION FROM THE TOP, BUT YOU CAN'T DO A TRANSFORMATION FROM THE TOP 207

Chapter 23	Conversation: Change How You Communicate to Make Your Strategy Stick	209
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Chapter 24	Decorate the Change: "Yes, We Are Really Doing This"	219
Chapter 25	Top-Down Communications: Why People Do and Don't Listen	227
Chapter 26	Listen on Purpose: Finding the Insights That Make You Brilliant	237
Chapter 27	Sharing Information: Communicating Across Organizational Silos	245
Chapter 28	Power and Trust: How to Make People Feel Like Superheroes	253
	Acknowledgments	263
	Resources	265
	About the Author	267
	Index	269

INTRODUCTION

Why Great Strategies and Change Initiatives Fail

A while back I was asked to participate in one of those executive leadership programs where you go off-site with your peers and role-play a business simulation over the course of a couple of days.

You found yourself in charge of a fictional business, needing to make smart decisions, trade-offs, and investments to grow your revenue and profits in competition with your peers and their pretend businesses.

One of the tools you had in this simulation was the ability to make investments in various predefined “initiatives.” These initiatives were things like “manager training,” “supply chain cost reduction,” or “accelerating product development.”

Investing in an initiative would result in an advantage, like extra profit from cost reductions or shorter time to market. You couldn’t just apply these initiatives. Just like in the real world, if you wanted to invest in an initiative, you needed to find the money to fund it from somewhere else in the business. You could either make a short-term profit trade-off, or take investment from another part of the operation to fund the initiative.

But unlike the real world, all you needed to do was to choose an initiative and fund it—and then your business gained the advantage in the simulation. You simply wrote the check and collected the benefit. Just like that. Every time.

One of the most senior executives joked, “The great thing about these initiatives is that they actually work! In our world, we just spend the money on the initiative, and then it doesn’t help. I wish our initiatives worked this well.”

Everyone laughed.

Isn’t that awful? That we can all so easily relate to spending money on strategic initiatives that don’t work? Why do we keep doing this?

STRATEGY WITHOUT EXECUTION = TALKING

At the heart of every execution problem is the fact that there are not enough people doing what the business needs to move forward.

Whether we are talking about transformation, specific strategic initiatives, or overall business strategy, I frequently observe that execution stalls because of some particular, common, and chronic challenges—systemic issues that occur in all organizations, which leaders often just accept as an unchangeable part of the environment.

One of the challenges is being too busy. You can't get to be a \$1B organization if you are too busy being a \$200M organization. When short-term pressures regularly take priority over doing more strategic stuff, you end up burning all your time and resources reacting to issues and opportunities in an ad hoc manner, instead of making progress on the strategic work that will enable you to scale. New initiatives require new work. People (at all levels) are just too busy and distracted to get traction on or even start doing the new thing. It's not that your strategy is wrong or the initiative wouldn't help; it's that it doesn't get done because no one has time to do it.

Mid-Level Manager Stall

If you talk to the executives, they often cite frustration with mid-level managers and directors who are “not strategic enough,” because they do not personally make the decisions and trade-offs necessary to actually get the new work done at their level and below. They keep waiting for direction from above.

Decision Stall

If you talk to the mid-level managers, they often cite that execs fail to provide enough clarity—there are persistent debates and unanswered questions that keep people waiting vs. doing. Also, lack of clarity causes an automatic lack of alignment that results in skepticism, weak support, or passive-aggressive tendencies in the ranks.

Resource Stall

Agreements about what should be started (and what should be stopped) are not clear or not even attempted. Resources stay attached, often

fiercely so, to the current way of doing things—so it's virtually impossible to do different or new stuff.

Organizational Angst

There is no such thing as a perfect organization, but there are also some fatal flaws that will prevent forward progress. When you have the wrong people in key roles or a structure that is competing against itself, you will stall. Or when you have groups or programs that are just not functioning properly, you burn huge amounts of time and energy recovering from work that should have been done better or differently or faster.

WHY I WROTE *MOVE*

I personally find it very frustrating when organizations fail to progress, and I want to help.

There are answers to these chronic, systemic issues that stall forward progress—practical answers and doable things. Strategic investments actually can pay off. But the organizations that make their strategy successful do some specific things on purpose to accomplish it.

I always seemed to have a knack for stepping into stalled organizations and getting them moving forward or turning them around. As a CEO and general manager, I have always had an ability for getting teams focused on what really matters, driving lasting change, and engaging people to join in and go with me.

In my own career I have:

- Executed turnarounds that most didn't expect to succeed
- Transformed organizations whose morale started in the dumps
- Built several successful and highly motivated management teams
- Defined and successfully implemented new business strategies

Through these experiences and, more recently, advising many other organizations on implementing their business strategies, I have developed a very practical view of what makes strategies stall and what makes them go. In *MOVE* I will share that formula for how you can get your whole organization to decisively advance your strategy.

A NOTE ABOUT CHANGE VS. TRANSFORMATION

There is much written about leading and managing change and getting through transitions—getting people emotionally bought in, motivated, and ready to change.

In *MOVE* I go beyond the initial change and focus on what it takes to make a transformation really stick after you start the change, for the whole time required to make it happen. But for a moment, let's review what is important about the initial change process.

The Change Equation

Much of the wisdom about motivating an organization to change is referred to in the “formula for change,” created by Richard Beckhard and David Gleicher in 1969, and then refined and popularized by Kathie Dannemiller in the early 1990s. It is sometimes called “Gleicher’s formula.”

If you haven’t seen it, this is useful stuff:

$$D \times V \times F > R$$

D = Dissatisfaction with Current State

V = Vision of the Future

F = First Concrete Steps to Get There

R = Resistance to Change

Basically, this equation says that if any one of the things on the left is zero, the resistance, no matter how small, will not be overcome, and the change will not happen.

The most common takeaway from this is that you must make an effort to make sure that D is not zero, meaning if people are too comfortable, they will not change. Dissatisfaction helps motivate change.

But the Harder Part Is in the Middle

What I have found, over and over again, is that even if you get through that initial change and get a good start on it, progress often stalls after a short time, and people go back to what they were doing before.

Even sufficient Dissatisfaction, Vision, and First Concrete Steps are not enough to ensure lasting transformation. Vision defines the exciting goals and end point. First Concrete Steps define the beginning.

And then there is the great, vast abyss in the Middle.

“Are We Still Doing This?”

No matter how vitally important a long-term initiative is to a business, the gravitational pull for people to go back to their day jobs is enormous.

The thoughts of not starting, stopping, going back, not changing, and not continuing when it gets tough are so much more powerful and comfortable than the thoughts of *Hey, let’s stick with this new, hard thing.*

To lead a successful transformation, you need to get enough of the people actively moving forward instead of asking, “Are we still doing this?” You also need them to be showing the way forward for others.

I wrote this book to give organizations—the leaders and the whole team—the necessary tools to confront the ongoing hazards of stalled execution at every step along the way.

DOING SOMETHING DIFFERENT

Getting your whole organization to do something different than what they are already doing, and then sticking to it through the “Middle,” is one of the most difficult things in business, and it’s one of the hardest challenges a leader faces. The Middle is where you need not just desired intentions, but real, defined work to happen.

The Middle is where change can begin to really take hold. When you get very clear about what happens in the Middle, then the whole organization can see the progress, and can believe that you really will achieve the vision at the end. The Middle is where you make it stick. The Middle is the hard part.

The secret (which is not so secret) is that you can *lead* a transformation from the top, but you can’t *do* a transformation from the top.

Success lies in getting the whole organization to feel personal ownership in the transformation.

As leaders, we need to figure out how to keep our strategic change alive and moving forward without constant management intervention. How do we make the whole organization not only own the change, but have the ability and the motivation to keep it going?

Inspired by the Gleicher formula, I have created Patty Azzarello's model for successful business transformation: MOVE.

MOVE

The MOVE model is the useful shorthand for the four key elements of a successful business transformation. It defines the four steps for how you get and keep your whole organization moving forward and not asking, "Are we still doing this?"

M Is for the Middle

**Strategies are often stated in end goals. An end goal, no matter how inspiring it is, is not enough.
The "Middle" is the important part.**

A good strategy defines what you will *do*. What you will *do* describes what happens in the Middle and how you will fund, measure, and resource it. In fact, if you want to know what your strategy is, look at your budget. That will speak loud and clear about what you are actually doing regardless of what you say your strategy is.

While you are in the Middle, without the right measures that define your strategy in a concrete way, you can't know if you are making progress. And if you can't see that you are making progress, you will most likely not keep going. Everyone will stay very busy with what they are already doing, and your transformation will stall. The leaders and the team need to get fiercely aligned on the specific, clearly defined, resourced, and sponsored outcomes that need to happen throughout the Middle to bring about the long-term success of your strategy.

O Is for Organization

One of the tough things about a business transformation is that when you initially sign up to do something different, in that moment you still have the same people. Usually the new thing is bigger, more sophisticated, or more challenging in some way. One of the ways I see organizations get stuck is that they try to do the new stuff with the old people. Not everyone will be capable of what the new way requires. Not everyone will be able to step up.

Your job as a leader is not to make the best of the team you have, but to build the team you need.

Everyone in the organization needs to personally invest in understanding what is required and how they can take personal ownership to help lead the change from their roles.

V Is for Valor

This part of the model is about having the grit, persistence, and guts to stick with the change when everyone is losing confidence, questioning you, and presenting emergencies that seem more important in the moment.

As a leader, you need to demonstrate your commitment to the transformation with every decision that you make every single day.

I see too many leaders undermine their strategic initiatives and sacrifice their long-term success by overreacting to short-term pressures. This is another reason why the hard part is in the Middle. Your team will naturally be skeptical, because let's face it, so many strategic initiatives have been abandoned before. Your team will be inclined to wait it out. They may even think that it's a safer bet to wait it out than to start working on new stuff, and risk falling behind when everyone else has switched back to the old stuff. So as a leader, you need to be brave and focused and keep reinforcing decisions to move forward when everyone is tempted to go back or to abandon new work to keep reacting to short-term pressures.

E Is for Everyone

Remember, you can lead a transformation from the top, but you can't implement a transformation from the top.

Success requires everyone—not just management. Everyone. This is critical. To engage everyone requires that you fundamentally change how you think about communicating. Real engagement happens when communication is not just top-down from you, but is a *conversation* that involves *everyone*. You know you have communicated successfully when you are not the only one talking about it! People need to see that their peers have embraced the new strategy before they will feel safe to also get on board. They need to see and feel evidence of transformation throughout the whole Middle, so they will be personally motivated to keep going.

WHY SHOULD YOU READ *MOVE*?

MOVE is a successful leader's execution handbook, but because a key part of the *MOVE* model is to involve everyone, it is also an important guide for the whole organization. The whole organization will benefit from reading *MOVE* because your transformation must be planned and fueled from the beginning by engaging *everyone* in the process.

CEOs, general managers, leaders of nonprofits, and any manager at any level aspiring to move their business forward will benefit from the ideas, lessons, and real-world examples in *MOVE*. And your whole team will also benefit from understanding what their role is in implementing the business strategy—because you can't get there without them. They actually hold the cards. So invite them in from the beginning.

Where my prior book *RISE* was targeted at individual effectiveness and success, and how to create value and satisfaction in one's career, *MOVE* is targeted at organizational effectiveness and success: how to implement strategy, how to create business value, and how to develop focused, motivated, high-performing teams in one's business.

You and your team could be reading this book because:

- You need to scale your business, but you can't seem to make it happen because everyone is so busy. Your organization has trouble prioritizing.
- You have been talking about important initiatives for a long time, but you are not accomplishing them. You are having trouble getting traction.
- You want to improve how your organization communicates, functions, and executes.
- You want to motivate and engage your team in a more powerful way. You want to see more ownership, accountability, and strategic decision making.
- You have the nagging sense that your business is not reaching its full potential.

THIS BOOK IS NOT ACADEMIC

Everything I talk about in this book is based on real-world experience and examples. If you are looking to learn specific things you can do to **MOVE** your organization and strategy forward decisively, this is the book for you.

MOVE

PART 1

M = The Middle

Where Transformations Either Happen or Get Stuck

Latin proverb: Virtue is in the middle.

It's easy to get excited at the beginning and define long-term goals at the end. It's the "Middle" that's the problem! It's hard to keep an organization focused on doing something new and difficult for a long time. Since real transformation takes time, you need a strategy to maintain execution and momentum through the Middle.

CHAPTER 1

The Beginning of the Middle

Why New Strategies Stall After the Exciting Kickoff

Before we begin, let's talk about the very first moments of your new strategy. The beginning is great. You are clear, focused, ambitious, ready—and your motivation to move forward seems like the most natural and obvious thing in the world. This new initiative is seriously important to your company and your career. Everyone is on board. You are very committed.

But at this point—at the beginning—it's important to realize that your new strategy is fragile. It hasn't taken hold yet. Think of the launch of your new strategy like your first week of a gym membership: Will you really go to the gym every week and transform your life? Or will you go back to your old habits, and get busy with all the other stuff in your life after the initial inspiration wears off?

What you are facing is the long and vast abyss of the “Middle.” The Middle is where the transformation will happen—or not. One of the undeniable realities of the Middle is that it's the long part—and the simple, human fact is that:

It's really hard for anyone, not to mention a whole organization, to stay focused and motivated on doing new and difficult things for a long time.

This is the challenge your business transformation is facing. How will you and your team keep the focus and motivation to do the new, hard work every day, for the next 12–24 months, when it's just so much easier to . . . well . . . not to?

As the leader of a transformation, you are committed and probably feeling substantial pressure to drive this transformation. You may have been brought into this role because others before you have failed. It is very clear in your mind where the business must go, and how it must transform to meet the needs of a changing market or new opportunity. You are ready to forge ahead. So you launch your new strategy with great fanfare in a big, company-wide, all-hands meeting with ice cream . . .

WHAT EVERYONE IS THINKING

I've eaten the ice cream . . .

This is a new thing I'm hearing about for the first time. It sounds like a new important strategy, but who knows for sure. I've seen new strategies come and go; most of the time it doesn't impact my life very much. In a few weeks or months, probably no one will be talking about this anymore. And since I'm already overworked, why bother investing more energy at this point. I'll just wait this one out.

Tell Me If You've Been in This Meeting

You're at a strategic off-site meeting to clarify your new strategy. You talk about the key, long-term things your business must invent, optimize, fix, change, or create. You use the words “game changing” and “innovative” when you talk about these ideas. You may have hired expensive consultants to create your new innovative and game changing strategy. There is tremendous investment, effort, and energy that goes into the beginning of a new strategy. Reaching the point of defining and aligning on a new strategy seems like a huge achievement in itself—and it is.

But then . . .

Everyone goes back to work.

Everyone stays busy on what they were already working on.

The new thing falls victim to the Middle.

The *beginning* is really clear and strong, with lots of investment, excitement, and great intentions. And the *end* is really well defined. But the problem most strategies face is that there is no real plan for the Middle—which is where everything needs to happen!

I have led several successful business transformations in my career. One of the things they all shared was a broken beginning and an inspiring end goal. But as with all transformations they also all shared a long, scary abyss in the Middle.

I learned early on from mentors and trial and error that, if you want to get anything serious done, it's not the goal setting and strategy that is the problem. It's the doing. And the doing is hard because it takes doing for a long time. Without the element of time, there is no real transformation.

It's easy to get an organization focused on a sprint. But in a transformation, you need to keep a whole organization moving in an often unnatural direction for a long period of time. And since human nature is not really built to naturally keep people engaged and focused over a long period of time, to succeed you need to really focus on this ambiguous expanse in the Middle and do many things on purpose to keep people in the game.

Later, in Part 4 (E = Everyone), I'll talk about how I convinced a whole organization of the need for change, and in Part 2 (O = Organization), how I restructured the team; but it's important to note that both of those things, while critical, are still only *beginning* things. Even though creating the right organization and engaging employees required work that is far from obvious and trivial, doing them well still left a long journey through the Middle that no one would be able to see, feel, or measure unless we clearly charted the points along the way to remove the ambiguity.

A GOOD STRATEGY DESCRIBES WHAT YOU WILL DO DURING THE MIDDLE

A big reason for the stalls that too often occur in the Middle is that many organizations mistake listing end goals as a strategy: *Our strategy is to double our revenue in these two key market segments. Our strategy is to provide innovative products that create a new market. Our strategy is to develop the strongest indirect channel.*

You become excited about the wonderful achievement at the end, but there is nothing in the definition of that end goal that tells you specifically what to do, which way to go about it, what problems you

need to solve, or what you need to fix, change, stop, or invent to get there—these are all things that need to happen in the Middle. These are all things that describe what you will *do*. I'll talk about how to accomplish this in the next chapter: Concrete Outcomes.

LEADERS: EXECUTION IS NOT BENEATH YOU

But first, here is an important point about leading execution. I see so many executives who keep their role in strategy at the big, exciting goal level. Many leaders resist getting involved with execution. It's as though they believe that once they communicate the strategy, people throughout the organization will suddenly understand what new work they have to do; resources will be automatically reassigned without any pain; and individuals will understand how to prioritize new tasks over current work, so it will just get done. It won't.

Just because you said what the strategy is, it doesn't mean people will do the right things to implement it.

Your job at making the strategy come true does not stop after you announce it. One of the hardest things to do is to get an organization to *stop* doing what it is currently doing and *start* doing the different thing that it needs to be doing. You can't just expect your team to find its way through the Middle. Without your involvement, your organization will go back to doing what it is already doing.

As a leader you need to get involved enough in defining outcomes and measures and holding people accountable to specific things, to make sure that the strategy is taking hold and is moving forward through the Middle. Managing execution is not micromanaging, and it is not beneath you.

You need to take personal responsibility for what happens in the Middle, because what happens in the Middle is the part where stuff actually gets done!

I see leaders struggle with two things when it comes to managing execution:

1. **They feel like it's low-level work.** They act as though it's not worth their brilliant strategic time to focus on what people are actually doing. They view execution as a low-level job for other, less important, less strategic people to deal with.
2. **It's hard and boring.** Measuring, tracking, and communicating something that has already been defined is not nearly as exciting as pursuing a big, strategic deal or creating something new.

This “above it all” approach is dangerous. Execution does not happen without leadership involvement. Period.

TEAM: DON'T WAIT—START HELPING

You can choose to wait, or you can choose to proactively help. You can choose to stay in the shadows and be invisible; you can choose to resist or undermine; or you can choose to step forward and help, and to be a bright spot moving the transformation forward.

What strong personal leadership looks like at the beginning of the Middle is keeping yourself educated on the business drivers that are causing the need for this change in the first place. This knowledge will give you the insight and power to lead your own piece of this transformation, and to never be caught off guard by changes you didn't anticipate.

Remember, executive management can lead transformation, but they can't *do* transformation without you. You have a real opportunity to stand out by helping define what is required in your part of the organization through the long Middle. You can stand out by helping your peers get on board as well. The success of the business depends on getting you and enough of your peers and teams to take personal ownership to define and do new things.

Don't wait to be asked and certainly don't wait to be pushed. Personal leadership in transformation is important at every level.

It's not only the job of executive management to think strategically and creatively about implementing strategy. We all must. The following chapters in Part 1 (M = The Middle) will give you the tools to contribute, at a more strategic level, to getting your own team ready to lead your part of the transformation to move the business forward. And by contributing to the forward progress of the business at a more strategic level, you'll add real value and develop your career in the process.

NEXT

Now that you have started to consider what needs to happen in the Middle, define it in terms of concrete outcomes that will make specific actions obvious.

Read on . . .

CHAPTER 2

Concrete Outcomes

Stop Admiring the Problem and Define Some Specific Actions

You know what you want, and you want your team to do it. You have made the goals clear, and now you are expecting your team to work it out and get it done.

But now somehow there seems to be a stall before you even get started.

You are getting frustrated because your organization does not seem to be moving forward in the new direction even though they all agreed how important it is, and were brought in and even excited about it.

You are beginning to feel that your team is not strategic enough or not taking enough accountability. They are not leading. They are not taking action. They are waiting for more specific operational direction from you, yet you are expecting them to provide that operational direction.

WHAT EVERYONE IS THINKING

This strategy sounds great, but I haven't heard what the new initiatives or priorities are yet. I'm not sure how we are going to achieve this strategy. I haven't been given any different performance objectives. And I haven't been given more resources. It seems that there are a bunch of decisions that executive management still needs to make. And I am fully booked already with current stuff. I'm happy to support the strategy. I'll support it when I know what I'm supposed to do.

Simply telling people what is important will not cause the organization to start doing what is important.

WHAT HAPPENS IN THE MIDDLE, EXACTLY?

This is one of the most interesting things that I find in my work with companies on executing their strategies. The problem is not just a communication gap between the executives and the team. . . . **It's that no one anywhere in the organization has articulated what the team needs to do to implement the new strategy.**

Once you launch your new strategy, when everyone wakes up the next morning, what is different—specifically?

A company can be really clear about what it wants to accomplish, yet struggle to articulate the specific tasks that will make those goals come true.

For example, if your goal is to improve market perception, and everyone agrees on that goal, you can't just tell your team, "Go forth and improve market perception." You need to do some work to clarify in what manner you will accomplish that. Will you train your salespeople to engage differently? Will you change your marketing message? Will you improve your relationships with market analysts and media? Will you change your product? Will you create a new customer service offer?

When I take management teams through my Strategy into Action program, this lack of clarity about what the organization needs to do in the "Middle" is what we focus on the most. We shine a big spotlight on defining what the specific approach is in the Middle to make the end goals come true. I have taken countless leadership teams through this process, and this basic idea about strategy always works:

**A strategy must describe what you will *do*, including how you will measure and resource it.
Strategy must clarify specific action.**

An end goal, no matter how inspiring it is, is not enough to mobilize an organization. What it gives you is a list of wishes, not an

actual strategy. But by insisting that your strategy describes what you will *do*, you will by definition be making it clear what things need to happen in the Middle.

MOVING FROM BIG, VAGUE END GOALS TO ACTIONABLE STRATEGY

Think about the really important goals your team talks about all the time. When you talk about them everyone agrees they are critical: *We must improve quality. We must innovate. We must respond to a competitive threat. We must evolve our business model to provide better service.*

Talk vs. Action

To move your team from talking about important stuff in a vague way to actually making progress on these things in a real way, the first step is to realize that you are stuck because you are still only *talking*.

You need to change the nature of the conversation to become one that drives action, instead of just more talking. One of the biggest hazards to watch for is a concept called “smart talk.”

The term was coined by Bob Sutton and Jeffrey Pfeffer in their *Harvard Business Review* article, “The Smart Talk Trap” (May–June 1999), and it so richly describes what happens when smart people substitute talking for action:

We found that a particular kind of talk is an especially insidious inhibitor of organizational action: “smart talk.” The elements of smart talk include sounding confident, articulate, and eloquent; having interesting information and ideas; and possessing a good vocabulary. But smart talk tends to have other, less benign components: first, it focuses on the negative, and second, it is unnecessarily complicated or abstract (or both). In other words, people engage in smart talk to spout criticisms and complexities. Unfortunately, such talk has an uncanny way of stopping action in its tracks. That’s why we call this dynamic the *smart-talk trap*.

This is a specific and unfortunately common type of corporate behavior where people substitute *sounding smart in a meeting* for *actually contributing work*. I'm certain you know some of these people!

These people will come to meetings with lots of insight and data. They will always be ready to shed more light on the problem by providing details, benchmarks, and customer examples. They will have lots of smart stuff to say. Everyone will think, "Wow, they're really smart."

Describing the "Situation"

It's vitally important as a leader to recognize when your team is falling into the pattern of accepting smart sounding ideas and inputs instead of measurable forward progress. The most effective way I have found to break through this is to recognize when you get stuck in a pattern of smart-talking about the "situation."

Groups of people have a very strong tendency to discuss the situation—a lot. Over and over again. For a really long time. Situation conversations are the easiest conversations to have because there is no risk. You are simply stating facts. You might contribute facts that no one else knows, and you might sound really smart while saying them, but the fact of the matter is that there is no forward progress because you are simply describing what is happening.

Situation discussions describe *what we are doing, what the market is doing, what the competitors are doing, what the investors are saying, what the problems are, what the costs are, what the customers are demanding, what the changes in business model are causing, what the opportunities are, what the employees are doing and not doing*. Situation discussions don't go anywhere; they only gather more detail. With a ready supply of smart talk, the situation discussion will be colorfully augmented by someone saying, "Well, this is an even more critical problem than we thought because I just got back from Asia and saw this . . ."; or, "This is even harder because I learned our competitors are launching their new version this quarter. . . ." More and more smart talk gets added, and the situation discussion turns into a bigger and bigger situation hairball.

Sure, it's important to use some time to note and understand the situation, but you can just feel it when everyone has internalized

the situation and then . . . you keep talking about it! Talking and talking and talking about it. You can feel it in your stomach when the meeting is not going anywhere, and you're still talking. The talk gets smarter and smarter and the forward motion everyone is craving never happens.

Situation discussions are basically this: collectively admiring the problem.

Situation vs. Outcome

The way to break through this type of stall is to train your team members to catch themselves having a situation discussion, and then say, "Let's stop talking about the *situation* and let's try to define an *outcome* that we want to achieve."

For example, one of the most common situation discussions that I guarantee is happening hundreds of times at this very moment in business meetings around the world is the following "mother of all situation" discussions:

This is very important, but we don't have enough resources to do it.

Here is a specific version. We need to improve the quality of our product to be more competitive, but all of our resources are tied up on creating new features. We can't fall behind on features, and we have no extra resources. But we really need to improve quality. But we don't have the budget . . . and around and around.

Instead of adding fur to that situation discussion, let's take this situation discussion and turn it into an outcome discussion. Here is an example. Note how resisting situation talk allows the discussion to move forward:

- Okay. We can't afford to fix all the quality problems, so let's stop talking about this in a vague way. Let's talk about some concrete things we can do on a smaller scale that would make a positive difference. Which quality problems are having the most negative business impact right now?

- There are two issues in the user interface that our biggest customers are complaining about. (Situation)
- How about if we fix those two problems first? (Outcome proposal)
- But that doesn't take into account the issue in Europe. The quality issues in Europe are related to difference in governance laws. (Situation)
- I suggest we fix only the top one issue in the United States right away, but we fix the top three in Europe now too (Outcome proposal), as we have more pipeline held up in Europe.
- But that doesn't solve our overall quality problems, which are related to the fundamental structure of our product, which I have assessed is slowing our sales pipeline growth by 20 percent. (Smart talk. Rat hole. Situation)
- What outcome do you suggest we target to solve that particular point? (Challenge to smart talk)
- I don't know, we just need to fix it. It's really important. (Situation. Stall)
- That is still situation discussion. How about we fix the problems we just listed first, and right away we train the sales force on how to help customers work around these platform issues temporarily? (Outcome proposal)
- But when can we fix the main platform? We don't have the resources to do it. (Age-old situation)
- Let's look at doing a platform release one year from now. After we fix this initial round of quality issues and release this current round of features, we then prioritize the platform changes and get it done. (Outcome proposal)
- But if we do that, we'll fall behind our competitors in functionality again. (Shut up. Situation)
- We need to agree that if the platform change is a priority, we must get it accomplished no matter what our level of resources—even if we need to move resources from the work to add new functionality. (Outcome proposal)
- We will work with marketing and sales to improve our conversion rate in the part of our pipeline that is with customers not currently affected by the platform issue. (Outcome proposal)

Note the difference between situation and outcome conversation.

Outcome discussions can be long and painful too, but the big difference is that they are going somewhere. Outcome conversation is productive conversation. It leads to action.

Outcome vs. Next

There are many other benefits to moving from situation conversations to outcome conversations. One of the other great things about outcome-oriented conversations is that they can be used to resolve disputes. When you are talking about a situation and what to do next, “next” is a concept fraught with opinion and emotion. It might involve someone giving something up or stopping something. It might involve doing or learning something new. “Next” has all the personal investment of the present wrapped up in it. So to get people to agree about what to do next if a clear outcome is not defined, there could be a million possible choices, all laden with personal investment, experience, insight, opinion, and emotion.

But instead you can pick a point in the future and say, “Let’s describe that point. Let’s agree on that point in the future.” Suddenly everyone’s focus is shifted away from their invested and urgent personal space, and it is placed on a goal that is in the distance. It breaks the emotional stranglehold of something that threatens to change right now.

The other benefit is that if you can agree on what the point in the future looks like, it reduces the set of possible next steps from a million to several. There are far fewer choices of what to do next to serve a well-defined outcome. You can have a much more focused and productive debate.

Describe What It Looks Like When It Is Working

To force the conversation to be about concrete outcomes can be a difficult skill to master. But it is worth the effort. It’s the only way to move decisively forward.

If your group is having trouble with this, here is something you can try. When I’m working with a team that can’t seem to get their minds

around which outcome to focus on, I ask them to simply describe what it looks like when it is working. If the desired outcome were working the way you needed it to be, what would you see? What would be happening? What would people be saying and doing? What would employees, customers, partners, analysts, and media be saying? What would they be experiencing?

Once you start describing what the concrete desired outcome looks like when it is working, you will be able to land the plane. For example, I was working with a team who needed to execute a successful product migration from an old version to a new version. They naturally started talking about the situation, the complexity, the expense, the possibility of customer attrition. . . . But when I encouraged them to start describing desired outcomes, one person said, “We’d have enough customers successfully using the new version by February 1.” Then others added these descriptions: “There would be a combination of existing and new customers successfully using the new version”; “Existing small and mid-size customers would be motivated and volunteer to migrate on their own”; “Our largest customers would be confident to migrate because they felt guided and supported by us to make sure their migration was successful.”

By focusing on describing what it would look like if it were working, they were able to define outcomes that were concrete enough to suggest the specific necessary actions. This is another wonderful thing about outcome conversation. When you get concrete in your language about outcomes, the action plan just falls out in a very clear way. In this example, the team quickly got to a list of actions to create a self-migration program for small and mid-size customers, a personally delivered program for large customers, and a marketing campaign for new customers.

Trap: Avoiding Action—“But It Doesn’t Solve the Whole Problem”

One of the other mistakes I see teams making is that when they work on big problems, even if they focus on describing outcomes, the outcomes are too big—and then they decide it’s impossible.

Here is an example of such a desired outcome: We need to do a better job running meetings in our organization. What would it look

like if it were working? All meetings would start and finish on time and have a clear purpose and desired outcomes defined, the right people would be in attendance, and we'd document decisions and actions.

Then they start to think about all the reasons why this won't work in certain organizations or geographies, or that there is not enough sponsorship, or that there are too many different kinds of meetings to make a new process work.

Then one brave soul will stand up and say something like, "Why don't we start by improving our quarterly business review meetings? Let's describe what those would look like if they were working better."

Then someone else will shoot that down and say, "But that doesn't solve the whole problem," or "that doesn't solve the biggest part of the problem."

Resist this type of reasoning.

Solve the smaller, concrete problem. Then pick another small concrete problem and solve that one next.

Don't let the reasoning of "but this doesn't solve the whole problem" stop you from making progress on a valuable, smaller, concrete problem.

This destructive immune response happens for a few reasons. People can convince themselves that if the big problem is impossible, then it's okay not to try. *Why waste time on something that is impossible?* But the real issue is fear of actually doing something. Once you commit to defining a specific, concrete problem that can be solved, then it becomes clear what you need to do—and you need to do it.

There is a lot of avoidance of *doing* that happens in business, because it's easier to pretend to add value by just talking about the complexity of the big problem and sounding smart, and stating all the reasons why it can't be done.

Concrete, specific outcomes drive action. Always beware of people who are experts at avoiding action.

DRIVE FORWARD MOMENTUM BY GETTING CONCRETE AND SPECIFIC

What is the difference between an outcome that helps drive action, and an end goal (also an outcome) that does not drive action? The answer is *scope* and *concreteness*. Where a big, inspiring end goal is too high-level and vague to drive action, a more tightly defined, concrete, specific outcome will make your action plan very clear.

I'll share a real example of how powerful this approach of defining concrete, specific outcomes can be for your business.

I was doing a Strategy into Action session for a company that made consumer electronics products. They were having a revenue issue in Europe—an issue they had had (and talked about) for more than a year. This was put on a list of strategic initiatives. In their old habits, they would discuss the fact that “there is a problem in Europe.” There would be lots of talk about why, and how difficult it was, and that they didn't have enough sales resources. (Situation)

Then at some point, the meeting would end. The European manager would be on the hook for the improvement, and then would come back the next quarter and report once again that the numbers for Europe were less than they needed. There was a sense of resignation among the team that Europe was a problem in general, and that it was not solely the fault of the Sales GM who was highly competent. There were circumstances that made this challenging, and so on and so on . . . (Situation!)

Since I had only one day to help them, I was more impatient. I got them talking about possible concrete outcomes instead of the situation.

This discussion lasted for a couple of hours and there was more to it, but I've simplified it and noted some highlights that demonstrate the importance of taking the approach of forcing the conversation to be about concrete outcomes. My part is in *italics*.

- *Okay. So more revenue in Europe . . . how much more are we talking about?*
- CEO: \$20 million a year.
- *If you were getting that revenue, where do you believe it would be coming from? Can it come from your current customers and market?*

-
- Sales GM: No, probably not.
 - *Then where? If the revenue problem were solved, what would be happening?*
 - Sales GM: It would be coming through the retail channel. The market has shifted. Enterprise is not as significant anymore.
 - *Okay. So are we saying that a desired outcome is that the incremental revenue in Europe of \$20 million a year will come from the retail channel?*
 - Sales GM: No, probably 75 percent.
 - *Okay. So \$15 million needs to come from the retail channel and \$5 million from the current enterprise markets. What will be happening that increases the current model in enterprise by \$5 million?*
 - Sales GM: I'm comfortable that my current plan addresses that.
 - *Okay. Then what would be true if there was \$15 million coming from retail? Do you have any revenue coming from retail channels?*
 - Sales GM: No. Not at this time.
 - *So one outcome you need is to have a functioning retail channel. Do you need to have a retail channel in every country you currently serve or could you get the \$15 million from fewer countries?*
 - Sales GM: I believe we could get that revenue if we had retail success in the UK, France, and Germany.
 - *What does retail success look like in the UK, France, and Germany? If that were working, what would be happening?*
 - We would be a preferred vendor in the retail outlets of the top four providers in those countries. The retail salespeople would be recommending and selling our products.
 - *What would be true if that was happening? What would you need to fix, build, or invent to get retail salespeople recommending and selling your products?*
 - CMO: We would need to have marketing programs that work for those retail outlets, and we would need someone managing those partnerships.
 - *Can your sales force do that?*

- Sales GM: No. I only have an enterprise sales force. They have no retail experience, and they are not marketing people.
- *So if you want that outcome, what needs to happen?*
- Note: CMO and Business Development now get involved:
- CMO: We need to create a retail marketing and sales channel in Europe.
- *Do you have anyone in your organization that can create retail partnerships and marketing programs in the UK, France, and Germany?*
- Sales GM: No. This is a very particular skill set. I don't have those skills on my team.
- CMO: We could use some of the content from our U.S. programs, but it would need to be highly localized, and tuned for each partner. Do you think that one Europe-based partner expert could handle all three countries?
- Sales GM: No. The situations and cultures are so different in each country, I believe that we would need a local partner specialist in each country.
- *Is the opportunity the same in all three countries?*
- Business Development: I expect more than half of the revenue would come from Germany. I think we should start with Germany.
- Sales GM: I agree, Germany will be at least 50 percent of the revenue.
- CMO: When we were hiring a marketing person in Europe last quarter, I interviewed someone whose expertise was retail marketing. She was not a fit at the time, but she would be good to talk to now.
- Sales GM: Do I have permission to restructure the sales force?
- CEO: Yes, show me the plan to get the retail marketing established to drive this \$15 million of revenue.

Once you get a group of people talking about concrete desired outcomes instead of situations or vague high-level goals, a few wonderful and remarkable things happen.

1. **More information comes out.**

Without having this concrete-outcome oriented conversation, there would not have been a discussion about the retail channel or having the wrong sales force. The sales GM was trying to make do with the resources he had, and since he was not personally an expert in retail, he was not inclined to go there.

Simply by asking questions—*What would be happening if your goal was met? What would it look like?*—and shifting our discussion to force ourselves to discuss concrete outcomes, it made the need for a strategy change really clear. The revenue was not going to come from the existing enterprise sales force. Let's once and for all stop hoping for that. The needed retail strategy might seem obvious to you at this point, but it was simply not being discussed by this management team until we stopped talking about the situation (revenue is too low in Europe, and it's a really hard problem) and started talking about a concrete outcome (successful retail channels exist in France, the UK, and Germany).

2. **The action plan builds itself.**

Once you start defining concrete outcomes, you move to a very obvious and specific list of things that must be done. Before the outcome conversation, they would have once again let the Sales GM go back to Europe and would have hoped for an increase in revenue. He might have tried new enterprise marketing programs or fine-tuned sales comp plans or incentives. Simply by asking a question—*What do you need to fix, build, or invent to get this outcome?*—they easily created the list. When you define the outcome in a concrete enough way, the necessary actions just fall out. In this example the obvious actions were:

- Hire a retail marketing person in Germany
- Recruit the top four retail partners in Germany
- Launch a partner marketing and business plan in Germany
- Initiate campaigns in Germany
- Recruit partner marketing experts in the UK and France
- Identify the top enterprise salespeople and adjust quotas
- Complete the sales force restructuring

3. **People can figure out how to contribute.**

Another really interesting thing I see happen, when teams stop discussing situations and vague end goals and start defining concrete outcomes, is that people who have otherwise been silent now can see how they can contribute. When this was simply the problem of the sales GM, the discussion was between only the sales GM and the CEO. When the discussion moved to the concrete outcome of establishing a successful retail channel in three countries in Europe, others on the team could see exactly how and what they could contribute to that.

**Getting your team to define concrete outcomes
unlocks a lot more of the power of your team.**

Caution: Concrete Conversation About Outcomes Will Cause Conflict

Moving from big goals to concrete descriptions of outcomes is really hard work. Good outcome conversation has concrete elements and proposals in it. It's scary because as soon as you become concrete, you are committing to doing something specific—and as soon as you choose to do something specific, you could be wrong. And it's also scary because being concrete and specific invites conflict. If you say, "We are going to roll out this program this year," everyone can agree. But if you get specific and concrete and say, "We are going to roll out this program first only in North America this year, and move 10 people from product development to support the implementation, and therefore delay the release of the next product for three months . . .," that gives people something to disagree about!

As a leader, it's important to realize that this type of productive conflict is a good and necessary thing.

**Avoiding being concrete to avoid conflict means
that you are also avoiding action.**

If you start by trying to avoid conflict, you will lock yourself in an ever-growing conversation about situations and lofty end goals, and your forward progress on important things will stall. Get really clear.

Don't trade conflict-free comfort in the moment for actually moving forward. I talk about how to deal with these types of conflicts in Chapter 20: Clarity and Conflict.

NEXT

Pay careful attention to the overall timeline. The temptation to think there is a lot of time to work on a long-term initiative is a false comfort that results in failed execution. Plot each step through the Middle, and get everyone ready to *move now*.

Read on . . .

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