

Welcome to the July 2004 issue of Management Shorts
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I. INTRO: Balancing Ego and Performance

Having a star on your team is a mixed blessing. Yes, you have an employee who is capable of stellar performance, but how do you keep the rest of the team happy and productive?

July is Tour de “Lance” month – Lance Armstrong has once again dominated the premiere competitive bicycle event and also offered a **compelling metaphor for managing your team when you have a member who stands head and shoulders above the rest.**

This issue of **Management Shorts** takes a brief detour from the series on feedback to look at the delicate task of balancing ego and performance.

II. MANAGEMENT SHORT: Managing A Team With A Star

Lance Armstrong is an amazing individual athlete who prepares meticulously and trains like a fiend, but that is not the full story of why he has been outpacing his rivals for the past six years. From the outside biking might look like an individual sport, but up close it is clearly a team sport and Lance’s US Postal team, often referred to as “The Blue Armada”, is the strongest team ever seen on the cycling circuit.

Each member of the team is such a strong rider that on any other team they would be the team captain, and yet they choose to ride for Lance, giving up the spotlight and purposely doing things that will put them lower down in the rankings.

What do Lance and the team manager do to keep individuals with their own star potential working in relative obscurity and putting out intense effort to put Lance up on the podium?

Understand Why The Team Matters

In biking this is fairly straight-forward: Bikers ride in tight formation to minimize wind resistance, allowing the team to ride up to 30% faster than even the strongest member riding alone. Members take turns “pulling” in the lead position and in a fast sprint can rotate leadership every 5 seconds so each member gets a chance to rest. There are also tactical things that the team can do to control the pace of the field or set up an individual for a successful sprint to the finish.

In business the advantages of a team may be less obvious, but are no less real. This could be the subject of a whole newsletter in itself. For now I’ll give just a few examples. Research shows that when the situation is complex or ambiguous a group will always make better decisions than even the smartest individual (and in business almost every strategic issue is both complex and ambiguous). It should also be fairly obvious that good communication across functions leads to higher performance: When sales and marketing work well together, sales knows which customers to target and how to communicate a compelling value proposition to them. In return Marketing gets good feedback from sales on what customers are asking for. When engineering and manufacturing work well together, products are designed in ways that allow for low-cost and low-error production.

Your job as team leader is to fully understand and communicate to your team all the ways in which working as a team gives them an advantage. This is particularly important with your star, and even more so when your star is young and hasn’t learned yet that she can’t reach her full potential without a strong team behind her. Ideally you communicate this by creating situations where she can

directly experience the boost she gets from great teamwork. If you can't make that happen, letting her fall on her face once or twice because she doesn't know how to work with the team may be a worthwhile lesson.

Populate The Team With Top Performers

There are no weak links on the US Postal team. Lance and the team manager are relentless recruiters, constantly stepping up the talent roster. **Don't make the mistake of thinking that you are better off with average performers who are no competition to the star.** Working with the best motivates the stars to push themselves to even better performance. Yes, some of those high performers will leave to be the star on another team (as Tyler Hamilton has done), but a year or two of their contributions will drive performance in such a way that the team becomes even more attractive to the next top performer you recruit.

Pay Them Well

Team members don't make the millions that Lance does on endorsement deals, but they still make more than most other cyclists. The team pays them well and Lance personally gives them very generous bonuses including a big cut of the cash prize he receives from winning the Tour de France. **It is false economy to think you can make up for the star's salary by penny pinching on everyone else.** A team full of high performers is what it takes to win and you get what you pay for. On your team, that may mean cash, it may mean stock, it may mean other forms of compensation. Whatever it means, pay up.

Drive Team Performance

Money certainly matters, but there is no more motivating reward than the pride and exhilaration of peak performance. In business as well as biking, peak performance is no accident. For both there are 4 key elements: **Goals, Roles, Process and Relationships.**

GOALS

US Postal has only one crystal clear goal: Put Lance in the yellow jersey on the last day of the Tour de France. They don't care about the placement of the other eight riders or whether or not they win the team competition (based on the time of all 9 members of the team). They don't care about how many stages Lance wins or by what margin.

Because the goal is so clear, they can have very specific strategies for how they ride each of the 20 stages. This year they rode conservatively during the first two weeks while a young French rider on another team spent 10 days in the lead. When they got to the mountain stages, where the race is really won, they had plenty of energy in reserve. (This is called strategy.)

They all know EXACTLY what they have to do each and every day and they have the discipline to stick with their plan. (Contrast this with Jan Ullrich's T-Mobile team where his teammate Andreas Kloden has been hot dogging out in front while the team captain struggles.)

Are the goals for your team that clear? Are you driving for sales growth or profitability? Do you want incremental product improvements or significant innovation? Do you want broad market share or control of the high end of the market? **If you have competing goals, no one knows how to prioritize the choices that face them every day.**

Whatever the goal is, do you have a clear and specific plan for how you get there? (Too many teams have what I call "strategy by wishful thinking" – kind of like the original US plan for post-war reconstruction in Iraq.) Is the plan specific enough that each member knows what to focus on every day that he comes to work?

When Lance gets a flat tire the teammate closest to him jumps off his bike, takes a wheel off his own bike and gives it to Lance. Then he waits for the team support car to arrive with a replacement wheel and does his best to catch up, though he has clearly made a sacrifice in his time for the day. That kind of sacrifice is what it takes to reach the goal of putting Lance on the podium. **If you don't have a focusing goal, no one will make the necessary sacrifices, not because they don't care about the team, but because they don't know which trade-offs to make.**

ROLES

Every member of Lance's team has a role. Certain riders lead on

the flat rides. On the long climbs certain other riders take turns setting the pace at the front. They have an order they go in and they stick with it. Lance also has a clear role and part of that is to conserve his energy until the end of the stage. That means he stays back in the pack while the others take their turn in the lead spot. He doesn't make the mistake of taking a turn in the wind as a way of showing that everyone is equal. He shows respect for his teammates, not by doing whatever they do, but by fulfilling his specific role.

One obvious benefit of clear roles is that the team wins. There are three other less obvious benefits: First, there is no time or energy wasted figuring out who should do what. Clear roles allow each individual to act quickly and in a focused manner, leading to higher performance. The second benefit is there is no need for the members to compete for opportunities to shine. They each get to shine in the role they are best suited for. The third benefit is that everyone, including the star, clearly understands the importance and value of each individual. This goes a long way to developing the mutual respect that is essential to team performance. (See "Relationships" below.)

Does everyone on your team have a specific contribution they make? Are they in a role that makes the best use of their capabilities? Is their effort directly tied to driving the team towards its goal? (No one likes to work hard at something that doesn't matter.) Does everyone understand how overall performance depends on each individual's best efforts?

Going back to the point about paying people well, are compensation and bonuses tied to people fulfilling their role? US Postal gives out bonuses when individuals make important sacrifices. **Are you rewarding people for serving the team or serving themselves?** (Several years ago I worked with a VP of marketing who was puzzled by the fact that he couldn't get his 5 product managers to produce an integrated software product even though everyone agreed it was a smart strategic direction. He wanted me to do "team building" to get them to work together. I told him that was pointless as long as each manager's bonus was tied to the P&L on his individual product.)

PROCESS

“Process” is short hand for “how we do things”. This can be a business process such as order fulfillment or customer qualification, or team processes such as how we run meetings or work through disagreements. Sometimes it is a protocol such as how to respond to media inquiries or customer complaints.

Too little or too much process are equally problematic. Good process is targeted at meeting the team goal and is part of how you go about defining each person’s role.

One thing that distinguishes the US Postal team is their discipline at sticking to their plan and their process. In the 3rd week of the Tour, Jan Ullrich, the biggest threat to Lance, bolted out on a surprise sprint and seemed to be leaving Lance in the dust. Neither Lance nor his team panicked. They kept in formation and, following a strategy that had been prepared in advance for just such an attack, they steadily stepped up their pace until they had reeled Ullrich back in. They had enough confidence in their plan to have patience and play it out. **Does your team have a plan they all believe in?**

This level of discipline applies as much to Lance as it does to the other members of the team. Lance could probably have chased Ullrich down, but that would have left him isolated from his team for the rest of the stage. Instead he followed protocol and stayed in the pack.

This is a big challenge with stars (particularly star CEOs) who often believe that rules are for others. Some have an almost mythic belief that their star performance is a result of their maverick tendencies. I say they succeed in spite of, not because of, their wild-man behavior.

Now, it is true that the US Postal team builds all its processes around what will allow Lance to perform at his peak. And that certainly gives him incentive to stick to the process!

This gets at the interdependency of the elements of

Goals, Roles, Process, and Relationships. If you have a clear goal, and design your roles and processes in pursuit of that goal, then you have the elements for peak performance. The elements don't work in isolation; they have to be designed to reinforce each other.

RELATIONSHIPS

Poor relationships are often a sign of weakness in your Goals, Roles or Process. But even when all of those are in place and reinforcing each other, there is still work to be done in building mutual support and commitment between members of the team.

Early in his career Lance had a reputation for being arrogant with teammates about his star status. That's all in the past now. The fans and media may lionize Lance, but every single time I've seen him interviewed he is relentless in talking about the team. He talks about how they performed as group as well as singling out individuals for the specific things they have done.

If you are a star CEO, are you telling the media about the contributions of each of your VPs? If you are the manager of a team with a star, you have the double task of talking up all members of the team as well as coaching the star himself to do the same.

In a race Lance gets special treatment from his team, but off the bike everyone gets equal respect. A gourmet chef travels with the team and feeds the whole team, not just Lance. Lance puts effort into building his relationship with each member and with the team as a whole. On the tour most teams are silent and grim at the evening meal while the Postals are loud and raucous. **Fun matters.**

Lance uses his considerable warmth and personal charm to build the atmosphere of his team. He has nicknames for his teammates that convey his respect for them – my favorite is “Nails” for the guy who is so tough he is “hard as nails”. **When the team captain treats you with respect, you go that much further to fulfill his high expectations of you.**

This is what it means to be a leader and what it takes for someone with potential to become a true star. **Part of your job as the manager is to devote significant energy to coaching your star on how to be a leader on the team.**

I have focused here on Goals, Roles, Process and Relationships in the context of a team with a star, but these 4 elements are the key to managing any team. Whenever you are frustrated with team performance or looking for ways to excel, these 4 elements provide a straightforward diagnostic tool.

III. FINAL THOUGHTS: Meeting the Challenge

Its not that hard to figure out how to manage a bicycle team for peak performance (although it is obviously quite difficult to execute that plan). It is less obvious when you are managing a team in the business world, but no less important. **The potential benefits of figuring it out are enormous, for both the organization as well as for the star.**

There may be times when it makes sense to hire a team of equals and pass on the superstar. But when you decide that you need the extra performance you get from a star, then you are also committing yourself to meeting the challenge of building a team that can support that star in a sustainable fashion. Are you ready to step up to that challenge?

This newsletter is an introduction to managing a team with a star. If you're ready for the advanced course, give me a call.

The next issue of **Management Shorts** will return to the series on feedback, one of the essential ingredients for driving team performance.

Until then . . .

Warm regards,
Andrea

About Management Shorts

Management Shorts is a free newsletter for senior managers on leadership, management and teamwork – the key leverage points for improving the speed and quality of decision-making and execution.
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