

rethinking business series:

## TopTeam Insight™

the early warning indicator



*Insight*; n, **1**: clear or deep perception of a situation, **2**: a feeling of understanding, **3**: the clear (and often sudden) understanding of a complex situation

### Overview

Business leaders are under greater pressure than ever before. Global competition, rapid changes in technology, uncertain economic indicators, cost and quality demands, governance issues, shareholder activism, and a host of other important issues compete for the time and attention of today's chief executive. And our clients tell us that more and more time is being demanded by the board, government watchdogs, financial analysts and the market makers.

As a result CEO's are spending more and more time away from their company and the actual running of the business. With a well aligned senior executive team, the CEO usually feels comfortable leaving the operations and day-to-day to his team and their direct reports. The company is in good hands, people work well together and the objectives and ground rules for decision making are clear. But what if the team begins to fray a little around the edges? What if a new member joins the team, bringing a new set of interpersonal dynamics? How is a CEO to know when the team is functioning well and when it needs a tune up? It is far more effective to catch team problems early, before they turn into personal issues that may negatively impact business results.

Normal discussions about "how we're all getting along" and "how's the team doing" rarely surface issues until it is too late. More often than not people are reluctant to talk about interpersonal or team related issues, especially to the boss; believing they ought to be able to "work it out themselves". And most climate or satisfaction surveys tend to skip the senior team altogether. The reality is the senior team has an inordinate amount of influence on the performance of a company and alignment at the top is crucial to superior business performance.

### Organisations are Shadow of the Leaders

Recent research has shown that organisations tend to be shadows of their leaders. That's the good news, and the bad news! An aligned senior management team with excellent leadership and communication skills can be an inspiration to employees at all levels. On the other hand, a dysfunctional senior team, with infighting between members and negative politics at the top can severely damage employee morale and productivity.

In their important book, *Image at the Top*, Ruch and Goodman show that "what employees think of top management has a direct impact on morale, performance, and profitability." Even the most junior employee can tell you that when there is friction at the top, it gets magnified down into the general employee body. When VP A is not getting along with VP B, their respective divisions or departments don't seem to work well together either. "If the boss doesn't like so-and-so, then neither do we!"

"Even though we made record profits for the past three years I felt things were beginning to fray. TopTeam Insight helped my senior executive team pinpoint the issues and regain our alignment. It's an early warning indicator!"

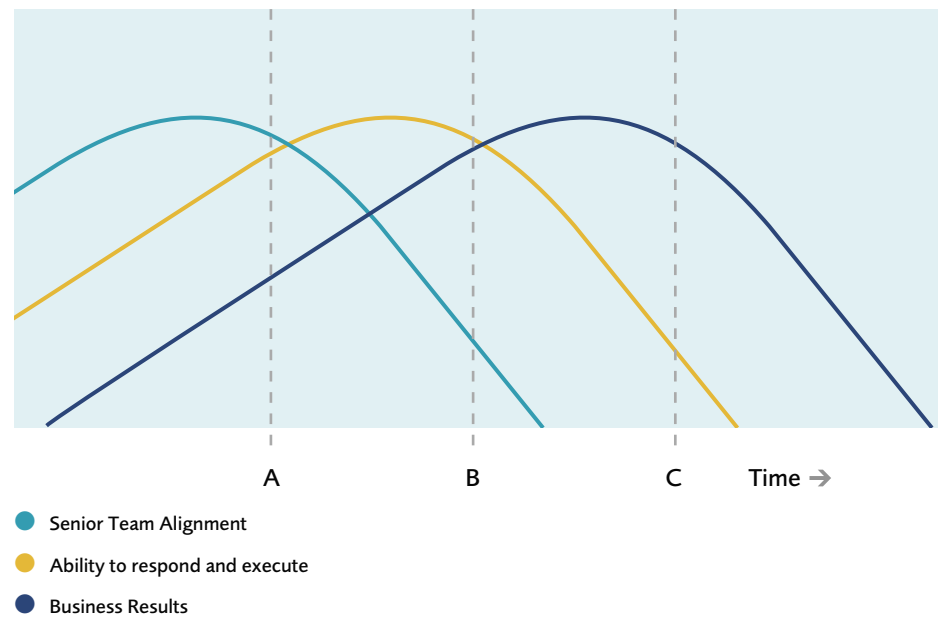
Richard Millman, President,  
Textron Systems Co.

### Senior Team Alignment: the CEO's early warning indicator

In looking for an early warning indicator of performance problems in companies, our research has concluded that there are two key indicators of future company performance; company climate (culture or morale) and senior team alignment. We know for certain that poor cultures and poor employee morale leads to performance difficulties. Discouraged employees or upset unions tend to resist 100% involvement and productivity. And with an understanding of the phenomenon of 'Shadow of the Leader' we also know that poor alignment and dysfunction at the top can have a negative impact on culture and morale.

As is shown below, long before actual company results begin to decline (C), both culture/morale (B) and Senior Team Alignment (A) tend to fall off. Since a big ingredient in culture and employee morale has to do with the leadership and the behaviour of the senior team, developing an 'early warning indicator' based on senior team alignment makes a great deal of sense.

Time Lag between Results and Senior Team Alignment



"Organisations are shadows of their leaders  
That's the good news,  
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Therefore, by measuring the alignment among the senior team, it is possible to have an 'early warning indicator' of coming problems in the business.

### TopTeam Insight™

The inter-relationships and dynamics of any group or team are extremely complex. And even more so among senior teams. Attitudes, past experiences, leadership styles, communication skills, and personal biases combine with business and management skills to produce an interconnected web that is difficult to understand. Add on top of that the uncertainties of succession, the threat of hostile takeovers or other business upheavals and it is easy to understand why senior teams are often difficult to figure out.

Our research has shown that the best way to get accurate insight into the effectiveness of a senior team is to let the team members themselves provide the input through a structured survey. A confidential survey provides for anonymity and aids in more accurate input. Senior executives intuitively understand the importance of senior team alignment and are eager for a way to quantify this important business ingredient. As a result, they take such surveys seriously, providing honest and accurate input.

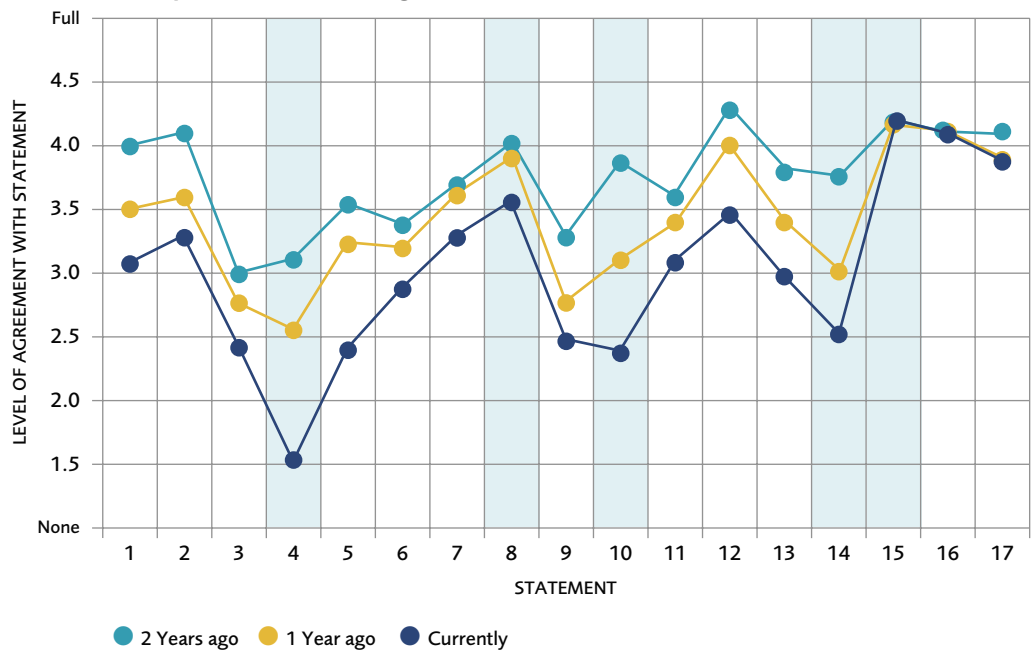
The survey below was conducted for a top performing Aerospace & Defense company. A series of questions were asked to the senior executive team using an on-line web-based survey. Individuals were asked to rate the senior team over a period of three years. Even though financial results are still outstanding, the results show definite unraveling of the team cohesion.

When presented to the CEO, it was clear there was an opportunity to realign the team before company performance began to be affected. During a facilitated 3-day offsite, the team was able to work through their issues, using the information from the survey as a starting point for discussion, and regain the teamwork and cohesion necessary for effective leadership of the company.

TopTeam Insight™ is a proven business tool designed specifically for senior executive teams. Some of its unique features include:

- Web-based
- Fast turnaround time
- Visual format
- Confidential input
- Capable of receiving written comments as well
- Easily repeatable to benchmark progress
- Customised questions tailored for your business situation

#### Aerospace Manufacturing Client



**TopTeam Insights**

**Insight 1:** Fewer meetings negatively impact alignment (see Question 4)

**Insight 2:** Strong interpersonal bonds still help keep the team together (see Question 8)

**Insight 3:** The CEO's travel schedule is impacting the team alignment (see Question 10)

**Insight 4:** Shouting during public meetings is beginning to impact company morale (see Question 14)

**Insight 5:** Superior performance is maintained by clear alignment on goals; but for how long? (see Question 15)



## The Expertise of ReConsulting

ReConsulting was founded by experienced senior consultants John R. Childress and Terry Finerty. John was co-founder and President/CEO of Senn-Delaney Leadership Consulting Group from 1978-2001. Terry was a senior partner at Arthur Andersen and Director of the Organisational Change Group from 1990 to 2002. ReConsulting is headquartered in London and serves clients in the UK, US and internationally.

Nobody knows more about senior team building and working with senior teams than John and Terry. John developed most of the material and processes for Senn-Delaney and over his career recruited and trained dozens of senior team alignment consultants. Additionally he sold and conducted hundreds of senior team building workshops for Fortune 500 companies around the world. Terry's expertise is in change leadership, translating team building into focused business objectives, and successful goal deployment.

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