



# **Building High Performance Teams**

**Fast & Flexible with Sustainable Results:  
The Key Practices of Focus Management**

*Prepared by:*

**John G. Mathers  
Business Advisor**

**Focus Management** can best be understood through real examples and explanations. With this in mind let me share with the reader the following:

- Lessons from management's loss of perspective and focus
- The ongoing issue of sustainability of management techniques
- The six practices of Focus Management
- Case studies of successful implementations of Focus Management
- How to start utilizing the practices of Focus Management

## **Examples of Management's Lost Perspective**

### **Lesson One: Consumer Goods Company's Dedication to Structure**

Not long ago my associate and I met with the new CEO of consumer products company. This very successful gentleman had recently bought into the company, which was in chapter 11 bankruptcy, with the idea of turning it around. What he found was startling and he shared it with us at this meeting.

The company had been one of the Fortune 100 back in the early 1970s, well respected by Wall Street and making waves in the marketplace. There were seven different divisions with over 40 manufacturing plants across the United States. Of particular curiosity was the fact that there were only six corporate jets, so the division with the worst results didn't get the dedicated use of a jet.

Fast forward twenty plus years and the company's revenues were less than a quarter of what they had been in the 1970s, there were only three plants left, and there were no corporate jets. But they were still organized into seven divisions!

The CEO was astounded to find upon taking up his new position that, despite Chapter 11 and all the other failures, the company steadfastly resisted changing the way it was structured, the way it managed, and most surprisingly, the competition between divisions. In the midst of disaster managers were fighting with each other rather than with market competitors. Even more surprising, the new CEO discovered that there was strong resistance to addressing or changing these ingrained habits. The management of the company would prefer tradition – and the hope of a turnaround – rather than changing the way in which the company operated.

### **Lesson Two: Consumer Brand's Dedication to Change ... Gets Them Stuck**

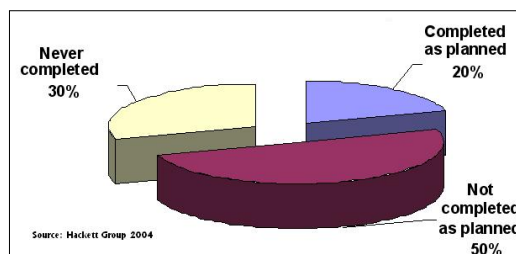
My associates and I were asked to introduce our high-performance approach to the senior management team of a well-known consumer brand. The company had a reputation for bringing in consultants to introduce new management theories at both the division and corporate levels. At our first meeting with the COO and HR EVP we were asked to immediately start working with the Systems Division, which was having significant problems. It seems that they had introduced a new performance enhancement theory that had backfired. They had eliminated all positions – job descriptions, salary levels and associated activities – and required every member of the 1,000 plus employee systems group to re-apply for any job they wanted ... once new job descriptions had been completed. This catch-22 had thrown the entire organization into chaos. Routines like reporting, as well as special development projects, had ground to a halt and were threatening the general business. What was worse, it seems that this new methodology had followed a series of other “innovations” which had failed to increase productivity but had created a culture of distrust among the employees.

In fact, one of the few activities that continued amidst the chaos was the regular monthly luncheons for employees where they could vent their displeasure.

However, it was not the lack of oversight that upset my colleagues and me, it was the fact that this was not an isolated event. It was a pattern of false motivational events – something I like to call the *emergency syndrome* – that management used to stimulate productivity and gain control. This became abundantly clear later in the assignment, after the systems’ crisis had been transformed and the senior team was implementing an open-book planning process. The HR EVP shared with us what looked like the next new theory that would help them stimulate productivity.

## The Issue of Sustainability

For over a quarter century, I have worked with senior executives around the world and across multiple industries. In the midst of the most reasoned approaches to strategic and tactical issues, I have always been amazed when an implementation did not ‘come together’. Of particular interest is the curious fact that over 80% of U.S. corporate projects do not realize their intended objectives<sup>1</sup>. Even more curious is the fact that this figure has not changed in more than 20 years, despite thousands of project management seminars and innumerable PM associations, each purporting to enhance projects and professional performance. A simple Google search on the phrase “project management” produces 70.9 million hits! Taken a step further, with so many books on managing, how is it that – whether management is an art or a science – companies and their executives continue to fail to realize the performance levels they intend. Or worse, the latest craze in management theory – or a new management team – leads to short-term corporate success followed by falling market share and margins.



This is not to say that management is easy, especially in a marketplace that is changing so very rapidly. Six month cycles in many industries are a thing of the past. Response time is often in terms of weeks not months. But, in spite of this confusing environment, there are some simple activities that seem to lead to high performance! But these “practices” – which are common to all high performance teams – are not enough to guarantee a sustainable high performance culture.

Over 15 years I have experimented with a short list of “artifacts” uncovered from successful high performing companies<sup>2</sup>. Carefully incorporated into other organizations, these key management practices have proved to be powerful tools for building high performance teams and organizations. And yet some of the companies I worked with to install these practices still failed to sustain the leaps in growth and performance! They became adept at incorporating the new management practices but preferred to institutionalize them and their related processes and procedures. This inevitably led to a decline in performance and a slow return to an easy preferences for short-term thinking that was the cornerstone of their cultural norm, whether ‘growth

<sup>1</sup> Study of 2000 US-based companies by Hackett Group, Atlanta, 2004

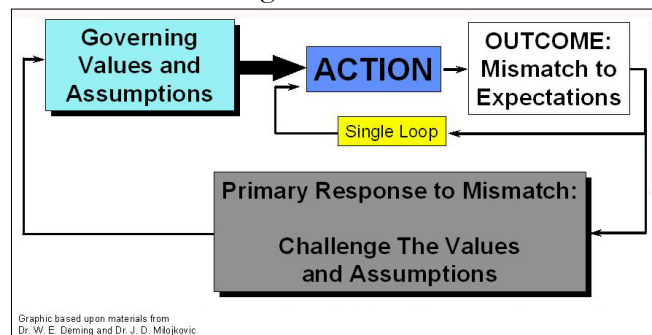
<sup>2</sup> As described in Change-ABLE Organization: Key Management Practices for Speed and Flexibility by John G. Mathers and William R. Daniels, ACT Press 1997

management’ or ‘emergency management’. Careful observation – and continued experimentation – has led me to conclude that what is missing is a context for the organization and its management that I have come to call FOCUS MANAGEMENT.

## Unique Approach to Sustainable High-Performance

To understand this illusive competency called FOCUS MANAGEMENT, it is worth reviewing the work of Michael Faraday, the scientist who uncovered the theory of magnetic fields in 1840. Mr. Faraday discovered that metal filings, thrown into a magnetic field, form up the same way no matter how many times the filings are re-thrown into the field. Only by changing the magnetic poles – changing the field itself – can the end form or structure be changed. In the same way, organizations develop their own “magnetic field” or context and no matter what new vision, new management concept or revitalized strategy is created, eventually everything returns to the previous norm state. Without addressing the context or magnetic field within which the organization is currently operating, a new field cannot be anything other than temporary.

Another view of the same phenomenon results from combining the works of the world famous business consultant W. Edward Deming and Stanford professor James Milojkovic. Considering the learning process they posit – in their separate work – that powerful change comes from challenging the underlying values and assumptions in an environment of low-performance. New and appropriate values develop and drive actions that produce desired results. Focus Management defines this creative cycle as an organic process of discovery that demands the support of management at all levels. It addresses the current realities while implementing a new “field” of governing values and assumptions.



Focus Management can be defined as the careful and continuous balancing of a corporation’s *focus* and *function*. This balancing act derives from the basic natures of *function* (right action through structure and systems) and *focus* (group intention and rational action). Business success is based on establishing the context or *focus* and allowing *function* to flow from it. If *function* is the only driver then action is determined by hierarchical political needs rather than market demands. With *focus* as the foundation, the organization is designed around measurable and sustainable marketplace outcomes. Businesses thrive based on their ability to continuously transform themselves to maintain their *focus*. The corporate dance of *focus* and *function* is always the choice and responsibility of individual managers – choices designed primarily to move an organization toward marketplace results or personal power. While this concept is not new, the practices of creating high performance organizations are often poorly utilized or left aside altogether. Well known business theorists and managers have addressed the results of Focus Management:

“Purpose – not strategy – is the reason an organization exists. Its definition and articulation must be top management’s first responsibility.” *The Changing the Role of Management* HBR Article by Bartlett/Ghoshal

“People formulate strategy with their fingertips.” *Only the Paranoid Survive* by Andy Grove

“Top management’s objective must be to reduce reliance on formal control systems and increase self-discipline instead. In a self-disciplined organization, employees come to meetings on time, work toward agreement on defined agendas, and do not question in the corridors the decisions they agreed to in the conference room. Above all, they deliver on their promises and commitments.” *The Changing the Role of Management* HBR Article by Bartlett/Ghoshal

Whether at the organization or project level, the six “practices” of Focus Management, the drivers of high performance *function*, are:

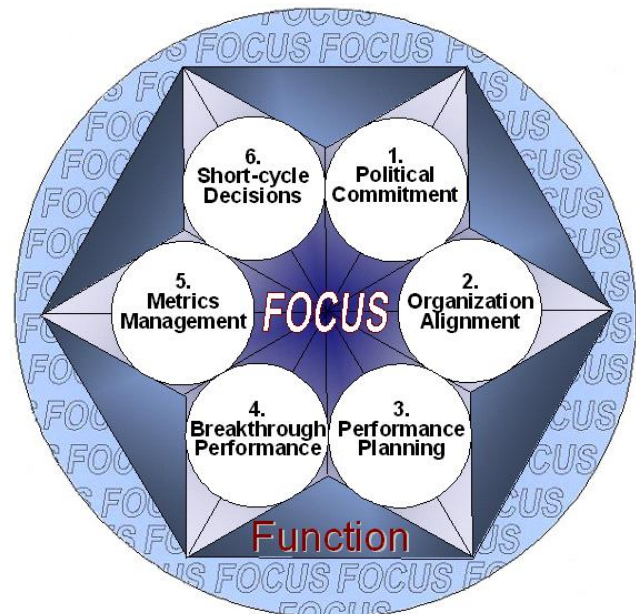
1. **Political Commitment:** Team or business management is committed to stated corporate results, team development, management oversight, and regular re-creation/renewal. This active, demonstrable commitment feeds innovative organizations and provides the focus on organizational success. It is the touchstone for sustainability.

2. **Organization Alignment:** At the level of team or corporate, alignment is created through hierarchy and action. Objectives are based on team or organizational results rather than individual agendas. Inter-dependence is accepted across the organization as teams form and reform in accordance with the organic needs of corporate intention and strategy. This is supported through regular communication and the recognition and understands that every team and every individual is directly linked to the organization’s formal authority. Further, each team or division recognizes its links across the organization to other groups in a cross-functional commitment to outcomes.

3. **Performance Planning:** Each individual performer, team lead and manager, representing their function or responsibility, has a plan that is linked both up and down the organization. This plan is: limited in the number of objectives; easily communicated; comprehensive in relationship to job accountabilities; outcome-oriented; metrics-based; inclusive of key partners across the organization; prioritized for best results; and aligned with peers and partners. While such performance plans may be drawn up at the start of the year, as objectives are realized they plan becomes a living document.

4. **Breakthrough Performance:** At the individual and team level there is support for significant increases in productivity by providing three elements of high performance teamwork: first, clear expectation, aligned with the team; second, a personal feedback system to regularly check progress toward objectives; and third, the resources needed to accomplish expected results.

5. **Metrics Management:** Performance, no matter how great, is of no value unless it is tracked regularly against the plan. Consistent daily, weekly or monthly team meetings are the opportunity to review results against the performance plan. This kind of regular review is



exception-based (i.e., issues- rather than status-oriented), graphically presented for ease of understanding, and action-oriented (i.e., each issue is followed by a recommendation for team action). Performance concerns are caught early in such an environment, before they spill over to impact overall team or corporate performance.

6. **Short-Cycle Rational Decision Making:** While many decision-making approaches are non-rational (i.e., hierarchical, voting, or influencing), the optimal ethical and rational decision making processes are either consensus or consultative. Establishing a formal team decision-making preference allows for rapid response to information coming up or down the organization. It also supports peer relationships in teams free of inhibitors to pushing for the optimal decision in the shortest period of time.

As a consultant to hundreds of corporations and thousands of individuals, I have had the opportunity – over decades of experience at all levels of management and across many different industries – to integrate each of these six “practices” of high performance organizations. The results have been astounding, both in terms of overall corporate performance and rapid resolution of performance issues both internal and external to an organization. Some of the case studies that demonstrate Focus Management effectively implemented are included here.

## Case Studies and the Power of Focus Management

### Integration of Major Acquisition – Multinational Financial Institution

*Situation:* Three costly efforts (estimated to exceed \$5M) had been made to integrate a large acquisition’s technology and operations without success.

*Action:* Mr. Mathers was requested to lead a project team to address the concerns of all interested parties and quickly bring the technology and operations of the subsidiary into the mainstream business. After building alignment across both organizations regarding the integration effort, Mr. Mathers set up and managed weekly project performance work sessions to guarantee quick response to missed short-term deliverables.

*Result:* The integration project met all deliverable and budget plans. However, the most important aspect of the effort was the significant level of alignment, and subsequent communication, among the principals of each organization.

### Division Profitability – Multinational Consumer Goods

*Situation:* The largest international division of a multinational had been experiencing slow growth and negative or flat net revenues for almost two years. A new senior manager had been put in place but with little impact on results.

*Action:* Mr. Mathers was asked to review the key organizational issues through interviews and team assessments. Based on the findings and a Mathers-led 3-day strategy work session, the management team redesigned the organization to be closer to their franchisees. As part of the restructuring, management oversight was aligned to more quickly respond to market opportunities. To support franchisees, Mr. Mathers’ team developed a management skills transfer programs to address each key phase of franchisee operations.

**Result:** The division grew dramatically over the next 18 months: revenues over 10% to \$1.1B and profitability from 1.5% to 11.0%.

### **Structural Alignment – Baby Bell:**

**Situation:** Upon deregulation, a new division was established to move the corporation into the long distance business. The organization grew from a staff of seven to 540 in less than four months while project deliverables slipped dramatically. Poor coordination, employee morale and management oversight were moving the business toward failure.

**Action:** Mr. Mathers and associates were brought in at the start of month three to rethink the strategy and structure while implementing a business model that would support rapid entry into new markets.

**Result:** By the end of month four the revitalized strategy and a high-performance organization structure were in place. All subsequent deliverables were achieved or exceeded.

### **IT Organization Revitalization – Retail Manufacturer**

**Situation:** The entire systems organization had come to a virtual standstill due to the introduction of a “new” management concept called Structural Cybernetics. Performance at all levels of the organization was not keeping pace with key deliverables.

**Action:** Mr. Mathers and associates worked first with the IT Division’s management team to address structural as well as tactical and operational issues. Once a performance-based team approach was in place, all levels of personnel were addressed through a series of intact team performance enhancement work sessions.

**Result:** Within three months the IT Division was operating powerfully, achieving all its established objectives. Further, the morale of the division, as defined through satisfaction surveys, was extremely high.

### **Gold Standard Performance – Non-Profit Services to the Disabled**

**Situation:** The largest service provider of its type in upstate New York had determined to win gold status in the prestigious Empire State Advantage Program (similar to the Baldrige Awards). No non-profit had ever won the gold status due to the significant performance requirements.

**Action:** Mr. Mathers worked closely with the management team to effectively develop metrics-based divisional plans, improve senior management oversight, shorten the decision making cycle; and improve links across the extensive organization. At the same time, Mr. Mathers trained a group of facilitators to introduce performance improvement to the hourly employees.

**Result:** In year two of the effort, the organization was awarded the first gold status ever given to a non-profit company.

### **Preparation for IPO – Technology Supplier**

**Situation:** A company with an extremely successful technology decided to go public in less than 18 months but a poor record of delivering its \$2M product on time had caused numerous internal and customer issues.

**Action:** Mr. Mathers and associates worked closely with the executive team to: rethink short and intermediate-term tactical plans; improve management oversight and shorten the decision making cycle; and reengineer the production line using metrics management.

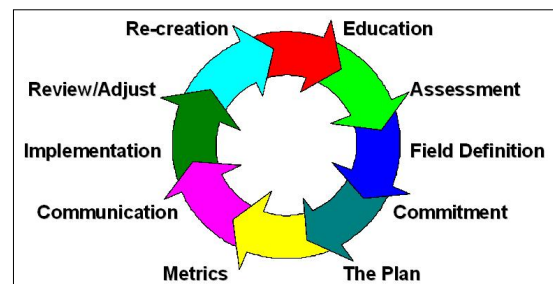
**Result:** IPO went off as planned with five fold increase in share price over the first six months.

## Taking Action to Introduce Focus Management

Many of the practices of Focus Management are already a part of most successful organizations. Perhaps they are not employed consistently or full supported by senior management, but they already exist as a way of working that is effective and appropriate to high performance. Making these practices conscious – the way in which business is done – will lend commitment, openness and a sense of reality to both the process and ongoing results.

While overall corporate performance based on Focus Management may take time (e.g., a true cultural shift may become the business norm over as much as three-years depending on the size of the organization), specific results at the team and division level can be demonstrated almost immediately. And senior management reinforcement leads quickly to acceptance. However, sure progress most often is the result of management’s commitment to a clear implementation plan, which must include:

- Education about Focus Management
- Assessment of the current “field” or context for the business
- Definition of the preferred “field” or context
- Commitment to the six practices
- Implementation Plan for six practices
- Performance metrics
- Communication to all teams
- Implementation of practices
- Regular review of results, both bottom line and employee satisfaction, and correction
- Re-creation and renewal of management purpose and commitment



Focus Management produces sustainable results, but requires senior management commitment that cannot be swayed by surprise success or unexpected setbacks. In the end, the success achieved is easily balanced by the satisfaction of a workforce – including management – that experiences personal motivation, professional recognition, and corporate pride.