

BUILDING A WINNING TEAM: SUCCESS IS EXECUTION

An Oregon Executive Forum presentation by James Pratt

Jim Pratt asks great questions: Why do you want to grow your team? Why would someone want to work with you and for your company? Would you work for you? Why would someone want to do business with you and your company? And no fair answering “good service” or “quality products” or “competitive pricing.” For Pratt, those are givens.

Pratt himself doesn't presume to have any special answers. In fact, he would be the first to admit that he doesn't offer anything much that we don't already know. I'm a master at BFOs, he says, “blinding flashes of the obvious.” So his ideas and suggestions have a strong ring of the familiar. In fact, he says the issue isn't “Do I know this?” but rather “Do I do this?” You can have the best strategy in the world, but if you don't execute it, you will go broke.

Instead he recommends all the simple stuff. It's the small things we can do in execution, the “soft stuff,” he says, that makes the big difference. Leadership is about getting people to rise above themselves, to help them do things they don't think they can. If you want to grow your team, says Jim Pratt, grow the people who are on it.

Through his own company, The Pratt-Daly Corporation, Jim Pratt has earned an international reputation for successful leadership, sales management, sales, and team-building training. Pratt-Daly works with over 50 companies per year in a wide variety of industries, and Jim has personally recruited and built a sales organization covering Europe, the Middle East, and North Africa. He is a well-recognized national and international speaker.

Pratt has had outstanding success, nationally and internationally, as a street salesman and in upper management both at Northwestern Mutual Life, where he led 4800 salespeople in 124 branches, and at PMI Mortgage Insurance Co,

where he built the highly successful sales force. Jim was co-founder and head of sales and marketing at PMI, which was subsequently sold to Sears Financial.

Jim was educated at the US Naval Academy, the University of Southern California, and Stanford. His home and business are centered in La Jolla, CA.

Pratt Reality #1: You are the message.

Enthusiasm is infectious, and so is negativity. It's important to monitor your own attitudes and to eliminate the nay-sayers, those who love to blow out the candle or rain on the parade. They can destroy the team from the outset.

"Great morning!" Jim Pratt booms out, as participants take their seats. A team reflects the habits and attitudes of its leader, begins Pratt, who immediately dives into the heart of his remarks. What we do as leaders, our team members will do, be it showing up on time, returning calls promptly, dressing professionally, or, as is critical for Pratt and his team, working enthusiastically.

Creating this atmosphere of enthusiasm takes a conscious effort until it becomes habit. For example, Pratt recommends creative and continual recognition of team members. Too often, he says, we are quick to criticize but slow to recognize. His team starts every meeting with a standing ovation: the recipient stands on a chair while the others applaud him or her for something great they've done since the last meeting. People respond to sincere, honest recognition of their accomplishments, observes Pratt. It's human to feel jazzed and remotivated when your deeds are recognized.

Similarly, he suggests making sure that we don't leave the office without giving praise where it's due, by complimenting a task completed or a job well done. One of his favorites is to call the spouse and inform him or her of the worker's great efforts and to suggest that the family celebrate this. He'll often spring for some part of the celebration with tickets to a play or a bottle of wine.

Jim also suggests being very, very generous with thank-you's, for example, promptly acknowledging a sales lead or recruiting referral. These little things, this "simple, dumb stuff," he says, can make all the difference, like the bank

manager of a small California town branch, who knows the name of all customers and greets them when they enter the bank. Not surprisingly, this was the fastest growing of 124 branches even though it wasn't a prosperous community.

The little things can also add up to moments of truth with customers. All it takes is one rude encounter to destroy a relationship that may have taken years to build. How is your phone answered? asks Pratt. We've moved too quickly, he says, from high touch (a cheerful human receptionist) to high tech ("For sales, press 3"), communicating to customers that "talking to you is a waste of our time." Yet, how the phone is answered sets the tone for the whole company. He suggests calling your office on the number a customer would call. Is the response warm, friendly, enthusiastic, helpful? Does it create a feeling that encourages doing business with your company? If not, it's crucial to make an immediate change.

REINVENTING YOUR TEAM THE PRATT WAY

1. Communicate your vision constantly. Create a cause.

What's the team mission statement? What is the cause that brings your team together? Does everyone know it? Pratt quickly points out that this is different from the company's mission, which may be more global. In his group, the team mission changes every 90 days or so as their focus, their "cause" changes. (The current mission statement is "Sell books.")

The laminated mission statement, Pratt says, disappears quickly into the woodwork (we don't see it anymore even though it's right in front of us). It's not a living, breathing thing. But a frequently refreshed team mission statement can get—and keep—the team all headed in one direction.

Establish, publish, and practice your company and team values. A statement of "These things we believe" will help your team make choices aligned with your vision. Share your vision regularly with your associates. You may become tired of stating it, but they will never tire of hearing it.

Similarly, your opportunities always exceed your vision, says Pratt, so have no small goals for yourself or for your team. Any leader who creates a dream that every team member participates in will be a success. Any leader who creates a dream that every team member is enthusiastic about will be even more successful.

2. Recruit winners 24/7/365. Everyone is a headhunter!

What expectations have you created around recruiting and referral to your team and to your company? It's a poor idea to delegate recruiting—and hiring—to the Human Resources Division. In a smart company, everyone on the team is a recruiter. If you don't have a steady stream of applicants, you aren't doing your job as leader. (The worst thing, Pratt says, is to have to fill a position and you haven't cultivated any possibilities.)

The team leader and members know the job, they know the requirements, they know the needs. So it's a good idea to build recruiting into everyone's job expectations and to recognize it. Pratt recommends making recruiting a part of the review process: "Whom did you recommend/recruit to the company this year?"

A second helpful tool is recruiting the special people you encounter in your daily travels: the exceptional waitress, the special hotel clerk. A couple of simple questions can help you ascertain if they're a good prospect for work with your team: How did you get to be a waitress/hotel clerk? What do you want to be doing in five years? The specific answers they give aren't as important as the attitude about life, work, and self that gets revealed.

Once someone is interested, refer them to the appropriate potential supervisor for follow-up. If no job is currently open, enter the person into your database and keep cultivating them: make a quarterly phone call, send a birthday card, buy them breakfast at a professional association meeting. You want them to remember you and your company as a viable and positive alternative to where they are now. And you want them to apply to you, rather than you seeking them out (this will be important when the job bargaining starts). You want to

liberate them from a current job, not proselytize for your company.

Pratt Reality #2: The war for talent is true. Everybody's out to hire the top 10%. In fact, says Jim, the top 10% may not be your best bet. These people tend to be highly independent and they can be difficult to work with. (The military academies have learned over the years that those who graduate at the top of their class don't go on to become the top leaders; instead, those in the middle are more successful.) What's more critical is to develop the talent you already have on your team.

3. Hiring the right people, even if it takes a lot of time, is more efficient in the long run.

When an opening does occur, proceed thoughtfully. Just as recruiting should be done by the team, so should most of the interview and hiring process.

Be leery, says Pratt, of focusing completely on resumes. They are, of course, important for the initial screening. They give us a way to quickly review talent, experience, and, to some extent, potential. And the bio lets us compare the candidate with the activities description we've created for the job: what the person will do. Be careful though, says Pratt; "no one is perfect until they write their bio." In fact, he says, studies have shown that 40% of resumes contain a lie or exaggeration.

So the resume is just a first step. Smart teams also have a skills profile for the job that they use in considering candidates: how should that person be? An effective communicator? A creative, strategic thinker? Self-disciplined? Self-motivated?

Good people with a good attitude often make more successful team members than those with the top skill sets. Research has shown that those who see the glass as half-full, rather than half-empty, accomplish 37% more. In fact, Jim encourages making hiring decisions based on the candidate's attitude as much as on skill.

Pratt recommends a 3-3-3-3-3 hiring process. In the first phase of the process,

each of 3 candidates is interviewed at 3 times on 3 different days at 3 different locations by the person they will report to (not HR!). At the first interview, they will look their best and you will learn some things about them, says Jim. In the next two interviews, under somewhat different circumstances, you will learn even more. After that, the candidate is interviewed by 3 other people in the company in one-on-one interviews, not as a panel. (A group interview, says Pratt, is too stressful and won't give the candidate a chance to relax and be who they really are, which is what you want to see.) Then, in the last step, this group meets with the first interviewer—the direct report—to discuss their impressions and how well the candidate matches not only the activities profile (job description) but also more importantly the skills/attitude profile.

For the interviews, Pratt recommends finding neutral locations where both of you will be at ease (never in your office—too much the locus of your power).

To the obvious concerns about time that are inevitably raised here, Pratt says, “Interviewing is an investment in your company. The right hire means the time invested is up front, not later in a time-consuming need for supervision or for documenting poor performance so that you can fire that underachiever.”

How to get the candidate to sit still for all this time? Pratt's answer: Sell them on this chance to get to know the company. Employment is a huge decision for most of us.

The underachievers on your staff, those in the bottom 25% of productivity, are mostly wrong hires. They don't have the attitude(s) they need to fit into your company culture and to succeed there. This is where the multiple entry interviews in the hiring process come in handy. Take enough time to really feel comfortable that the candidate fits as you screen for:

- Talent/experience/potential for the job/activities expectations
- Congruence with the skills profile
- Self-motivation
- Attitude, attitude, attitude

Lastly, Pratt says, if during the interview your impression is that the person has a lot of potential but will need your guidance and assistance to work out, you're taking on a social-worker role. Don't hire them. To have a winning team, you need to recruit winning people. The bottom line? Says Pratt, "Hire the best and keep them that way!"

4. Make team members personally accountable through quarterly progress reviews. Set challenging expectations.

Pratt believes that annual performance reviews are a disaster, especially those that ask workers to fill out their own review for comparison with the supervisor's. This sets up an automatic confrontation. Instead he recommends quarterly (or more frequent) progress reviews that ask team members to articulate specific objectives for the next quarter, those areas that need improvement in order to accomplish those objectives, and the assistance that is needed to do so. Such a future-oriented program, he says, keeps the team member moving forward. And as a leader, you can monitor together whether they're fulfilling on the commitment or not.

Pratt also recommends a simple grid rating system to know who needs most of your attention. Using the schema below, you can measure each associate for their current production level and their potential for the immediate future:

Productivity	Potential
HI	HI
LO	LO

If workers are... then

HI-HI Give them maximum TLC and coach them to new levels. Review progress quarterly.

HI-LO Conduct a thorough review now to determine the cause of the decline in productivity. Do follow-up reviews every 30-60 days.

LO-HI Invest every training dollar possible here to speed growth.

LO-LO Help these individuals find a new job/career where they can be

successful. (“What can I do to help you move on to something better?”) Begin reviews and documentation toward letting them go. Tell them the expectations right up front. Then say, “It just isn’t working out.” In most cases, they’ll agree, then help them to see their future—somewhere else.

It’s equally important to have a skills profile for the position of each team member, not just a job (activities) description. Never give an assignment to the whole team without delineating who’s responsible for what as well as the timeframe and specific deliverables. And always set clear expectations for yourself and for the team members, ones that involve the right amount of challenge. This is especially true for new hires, who should know up front what’s expected of them in the first 30 days, first 60 days, etc. Give specifics and set up accountability and reporting paths from the get-go.

And it’s important for leaders to take responsibility for their part by asking during the one-on-one review:

- As your associate, how do I hinder or assist your progress?
- Do you feel comfortable with what is expected of you?
- Do you have everything you need to be successful?

But time is also a consideration for most team leaders. As a leader, how are you going to spend your time? If you have a full-time content job and are asked to lead on top of that, when can you lead? When can you coach and build the team? This is an impossibility, insists Pratt, and you must fight for the time to lead.

5. Train team members excessively to help the customer as well as themselves be successful. Every team member is a rainmaker.

Contrary to popular belief, a slump in the economy is NOT the time to cut back on training. Rather it is a time to double or triple it. When people are growing, they’re happy and have a stronger sense of satisfaction. They also feel supported, which helps them do a better job.

The most expensive cost to any company is in the turnover of skilled, experienced employees. Pratt suggests we can reduce turnover by training more. In the average company, 25% of employees are the super stars while 75% are underachievers, with 50% doing a moderate to mediocre amount of work, and the bottom 25% being “wrong hires.” Says Pratt, we need to let the bottom 25% go and train the middle 50% like crazy.

When underachievers are not wrong hires, their poor performance may be because they don't know how to do what they do, mostly because we haven't adequately trained them. For example, one of the best opening sales techniques is to ask questions of the potential customer (What are you currently using? What do you need?) We can both model this and train our team members to use the technique. After all, everyone sells something to somebody all the time. Or we may need to train our team to have a customer focus. It's important that they treat all customers uniquely, never routinely. For example, it's good to frequently ask the customer important questions, such as “What could we do better for you?” and then to share these responses with the team.

Underachievers may also be insufficiently challenged. It's the leader's role to keep things interesting, to help their workers grow as human beings. This can't be done in a dictatorial way but by helping them take risks and take on new activities, both at work and outside (educational opportunities). And we need to set the example ourselves, by continually growing and changing (if you don't need to update your bio every six months, says Pratt, you're not growing!).

A Jim Pratt Suggestion: Keep a Personal Growth Journal

To keep yourself moving forward, at the end of each workday answer the following questions:

- What went right today?
- What made it go right?
- What went wrong today?
- What made it go wrong?
- What can I do better tomorrow?

- What did I do today to help my team members grow?

Or underachievers may not be committed. It's a good idea to frequently talk to your people about how they see their career path and their growth within it. What awaits them beyond this task, this job? Where does this job fit into their career plans and what would they like to learn in this job that would be helpful to those plans?

Using the skill training profile for the job as a part of the review process can help leaders know exactly where the weaknesses of members are and direct the training choices. In addition, says Pratt, it's a good idea to input the training activities and records of each team member into the database. This will help you implement the right training to the right people at the right time.

Lastly, when you have a new hire, don't start them on Monday morning when you know you'll be too busy to attend to them. Pay them from the first of the week but have them come in at 2 pm on Tuesday, say, when you know you can give them your full attention and the initial training and guidance they need.

Training is an investment, not an expense. In fact, Pratt believes that training costs should be amortized, as the benefits to the company are as long-term as any equipment purchase.

6. Make like a cell: Divide and grow (no big fiefdoms).

Jim Pratt is adamant about the size of effective teams: they should be no larger than 10-12. The larger a work/supervisory group is, the more bureaucratic and hierarchical it becomes. Inevitably large groups spend a lot of time blaming rather than taking responsibility for what occurs, both good and bad. In a small group, it is much easier for everyone to know what their responsibilities as well as the responsibilities of their teammates.

Pratt Reality #3: The signs of bureaucracy

- The emphasis is on who caused the problem rather than what to do about it.
- There is lots of conflict, backstabbing, and infighting.
- You're focused on internal turf wars, and the customer is a nuisance.
- Multiple decision-makers must be consulted on every project or purchase.
- There are too many levels of management.
- Everyone is copied on every email.
- There are lots of lengthy meetings.
- Paranoia about losing jobs is freezing the organization (people are hiding out and playing it safe).

7. Listen—really listen—to new voices (especially from those under 30). Design an open market for new ideas.

The old suggestion box idea doesn't really work, says Pratt. Why? No one ever opens it. It's part of a lip-service approach. "We say we want your ideas and suggestions but we really don't."

Great team leaders can design an open environment for ideas both in meetings and in one-on-one progress reviews and other encounters. One smart CEO replaced his office-door nameplate with "New Idea Center. Please walk in."

But many good—and not so good ideas—may come across your desk every week. If a team leader finds that overwhelming, she'll reject them all—too busy—and workers will stop bringing them, even the good ones. What to do? Get your employees to help you sift through them. Ask them to consider two questions: Is there something we could do to invest in your area that will reap big benefits for the team and the company? Is this something that will make your job easier and your efforts more effective? Then ask them to show you how—in writing.

8. Create an open bank for internal capital. Is the idea innovative? Is it sustainable? Can we make money?

Every administrator is a venture capitalist. Each budget request is part of the fight for the funding of ideas and projects. And everyone is saying: "If you give us more money, we can do more things."

It's important to train your team members (and learn how yourself, if need be) to present a cost/benefit analysis whenever you ask for money. Most requests stop at the cost (the fees for the seminar I want to attend are \$X); they don't go on to tell the boss all the many things that the training or solution or service will do for the team member and for the company.

9. Provide frequent earned recognition. Prove that you care. Walk your talk.

Pratt continually returns to the themes of enthusiasm, praise, and recognition in building a successful team. Letting your people know that you value them and what they do for you works wonders, he says.

And the best recruiting—and retention—incentives are not necessarily money. People respond to different rewards: not just money but also time off, public recognition, educational opportunities. In fact, Pratt believes all team leaders should have a small but significant discretionary fund, say \$1000, to use to encourage members in appropriate ways: a great bottle of wine, two tickets to the opera, whatever will truly reward and motivate the individual.

When recognition is in the hands of Human Resources, there's often a sense of false equality, Pratt says. We say that everybody's equal and then offer dedicated parking, special offices, other perks to select groups by virtue of hierarchy, not current performance. And when, as an incentive for successful recruiting, we offer a \$X bonus for recruitment, the rule-bound nature of the compensation is stiff and competitive. In fact, Pratt says, attempts to treat everybody equally (from benefits packages to rewards systems) aren't ever very successful.

People are different and respond well to being treated as individuals, so it's important to find out what motivates the members of your team. For example, many people really value educational opportunities and Pratt recommends encouraging people to do what will help them grow. At Pratt's company,

employees are offered a 50% tuition reimbursement for **any** course they want to take, from Toastmasters International to guitar. “We know that anything that grows them grows our company.”

Tailoring the recognition to the person also helps keep praise from seeming routine, that sense of “oh, everybody gets that.” It’s important to read the person and find a way to recognize them that’s meaningful for them, that will keep them growing and motivated.

It’s also important to get the praise coming down from further up the chain of responsibility. It’s highly effective to have your CEO praise employees both personally and publicly. (And don’t use email—make a phone call or an in-person visit to deliver the good news.)

10. Don t manage your team collectively. Rather, lead your team individually.

Motivation is intrinsic; it’s the internal drive we have to do our best, to rise to the challenges before us. But we need extrinsic encouragement and it must fit who we are and what we believe to really work. A smart leader knows:

- The #1 personal—not professional—goal of everyone on her team (If she doesn’t know this one, she’s missing the biggest motivation of all).
- What the team member believes about himself, about the team, about the company.
- How much the team member will risk and where.

The smart team leader also knows how to help all his team members reach their full potential through action plans. For Pratt, these include a **vision** statement of where the team member wants to be in 5 years, a **mission** statement of what’s up for the next 12 months (in the personal, family, **and** business domains), and the specific **goals** (linked to the quarterly progress review) for the next 90 days. And all of these personal/professional possibilities should align themselves, says Pratt, with the company’s culture of success, the individual’s values, and the leadership’s objectives.

Pratt Reality #4: Command and control is dead.

You can manage assets but you cannot “manage” people. It’s not possible to make effective dictums that cover everyone. “You will do X” just doesn’t work. This is why Pratt thinks that asking employees to sign an at-will letter (I acknowledge that I can be fired at will) when they first arrive on the job is a terrible idea. The message this conveys about trust and coaching and support within the organization can be seriously detrimental. In fact, the more rules and regulations and “don’ts” that exist, the harder it is to lead—and to follow.

Pratt also thinks that “manager” as a title is a bad idea and should be replaced by “leader.” Titles, he says, often need to be rethought especially if they’re publicly known. No one wants to do business with an Assistant Vice President of a bank, even if that’s their hierarchical position. Titles should be effective in the eye of the customer, not for internal organizational reporting purposes.

Of course, interest in and curiosity about people’s personal and family goals shouldn’t be handled intrusively. It’s often best to model that by sharing your own mission, vision, and goals individually with the members of your team. This shows that you try to live a balanced life yourself and that you are encouraging them to do so as well.

The original goal list may be far more extensive than the 3 or 4 that will go on the quarterly progress review but you can encourage your team to look at three kinds of goals. The simplest are “can-do” goals: these are reasonably easy to attain. On the next level are “hope-to” goals (people blossom when they can share their dreams, repeats Pratt), and BHAGs (bold, hairy, and audacious goals), the really big dreams. If they won’t share these last with you, he says, you’ll know they don’t trust you.

And, of course, be sure the strategies and performance standards that you develop together are clearly communicated—and understood—between you. The world recognizes results, not activities and intentions.

Teams also have to work in atmospheres of trust. Employees will live up to—or down to—the level of trust that the leader has in them. Most rules, Pratt says, are designed to control the 2% who aren’t trustworthy—and they aren’t going

to follow the rules anyway!

Creating this atmosphere of trust is as important as the environment of enthusiasm. People want to enjoy going to work, they want to be valued for what they accomplish, they want to learn and grow.

“Sustainable competitive advantage,” a current buzzword, can be an illusion, says Pratt. Each group sets out to discover their uniqueness, to identify and exploit the sustainable competitive advantage, yet in reality, that uniqueness of quality or price or speed isn't so sustainable as it can be easily undermined by competitors. To be successful, says Pratt, it's more important to keep growing your team with encouragement, training, and motivation. That will take care of the competition.