

## Chapter 7

### FIND A PENNY

*Why am I as I am? To understand that of any person, his whole life, from birth must be reviewed. All of our experiences fuse into our personality. Everything that ever happened to us is an ingredient.*

Malcolm X

They read as the Who's Who of original thought, artistry, philosophy, science, leadership, and innovation: Isaac Newton, Aristotle, Augustus Caesar, Martin Luther King, Jr., Michelangelo, Thomas Jefferson, Johann Sebastian Bach, John F. Kennedy, Henry Ford, Leonardo da Vinci, Mikhail Gorbachev, Frank Lloyd Wright, Wolfgang Mozart, Henry David Thoreau. Their names with thousands of others are etched in the annals of history books for their significant contributions to the world, to history, to the progression of society or knowledge.

I am so impressed by people, or maybe if I go a step further, I am impressed by the raw power a person possesses when opportunity aligns with natural ability. I read the list of names above and I ask myself these questions: What was it that brought Johann Sebastian Bach to music and allowed him to make such an impact even centuries later? The short answer could be that Bach was born into a very musical family and one that included many professional musicians for him to learn from. I am sure that could be said of others who have not reached such musical acclaim. We could say he was driven or wanted to be the best, but again, I am sure that could be said of many others as well. Why was Thomas Jefferson able to craft the Declaration of Independence or Michelangelo able to paint the Sistine Chapel with such mastery when others might have failed?

I introduce these questions to you as we begin this chapter for several reasons. I am sure each of you reading this book has your own thoughts on this, as you should. Please consider this before thinking too deeply so you know where I am going with this. First, I think both Thomas Jefferson and Michelangelo were uniquely qualified to make the historical impacts they did. Timing here seems to be the magical ingredient. I think in both cases they represent a very

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small proportion of society that through fate or some other forces brought their life journey on a collision course with their natural human traits and experiences.

In some similar examples, Malcolm Gladwell in his book *Outliers* examines the factors that contribute to high levels of success. To support his thesis, he examines the causes of why the majority of Canadian ice hockey players are born in the first few months of the calendar year; how Microsoft co-founder Bill Gates achieved his extreme wealth; how The Beatles became one of the most successful musical acts in human history; how Joseph Flom built Skadden, Arps, Slate, Meagher & Flom into one of the most successful law firms in the world; how cultural differences play a large part in perceived intelligence and rational decision making; and how two people with exceptional intelligence, Christopher Langan and J. Robert Oppenheimer, ended up with such vastly different fortunes.

I think there are literally millions of people, in every country, in all levels of society that have the same opportunity to make significant contributions. They possess abilities and insight that go to waste, unrealized by society, given that for most people the trajectory of opportunity and the plight of individual circumstances never meet. It is likely that in the last week, you were on a flight with or you were shopping in the same store with someone who could have made an important or even historical contribution given the alignment of individual traits with opportunity and circumstance. We will, however, never know, as is the truth with so many and maybe even with you. So as we begin this chapter I want to talk about opportunity and circumstance for a moment and how our traditional organizational structures, recruitment, hiring, onboarding of human resources has limited our progress.

### **Opportunity and Circumstance**

Why should individuals be looking to climb the corporate ladder in search of pay or prestige when they are born to do, are uniquely gifted to do, and have physical and mental DNA to do and enjoy something better than anyone else? What if Thomas Jefferson and Henry Ford had both lived in the same era and Jefferson had decided that creating the first modern production line was more prestigious and profitable than serving in Congress and authoring the Declaration of Independence? It is likely we would not be the country we are today and neither man would be as significant for his contributions to our country. They did not, of course, and each knew his natural strengths and abilities.

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We have for too long fostered a culture that rewards position over contribution and recognizes education over natural ability. This has cultivated longstanding behaviors that increasingly are driving a wedge between opportunity and circumstance.

### ***Find a Penny***

*Penny is someone you would call a career salesperson. She has been dedicated to that profession, primarily in the hotel industry, for 27 years.*

*For those of you who are not familiar with hotel sales, the job of the Sales Manager is to manage an account base, usually by market segment according to type of account, such as corporate, sports, government, associations, etc. Their job is to sell the hotel rooms, meeting space, and food and beverage functions to groups coming into the area. Their competition can be other hotels in the immediate area, in the city, or in other destinations. In recent years, this industry has felt the effects of the down economy like many other industries, and has become much more competitive. Rather than try and sell strictly on room rates, savvy hotel salespeople sell on value instead, based on their offerings, inclusions, quality of the hotel, and location, among other factors. And, like in many other industries, they are successful if they can develop key accounts into repeat clients.*

*One of the key attributes of a successful salesperson is being very driven. That can certainly be said about Penny. She is as motivated in her personal life, being a competitive tri-athlete and avid runner, as she is in her work life. But in her sales job, Penny gives “driven” a whole new meaning. Her clients may say she is assertive, never gives up, does not understand the meaning of the word “no,” and perhaps even is relentless.*

*My wife worked with Penny for a couple of years at a hotel in Colorado Springs. “I was never a good runner,” she said when reflecting back on when she and Penny first met. “But every day at lunch I found myself lacing up my running shoes and going out with Penny, because she somehow convinced me to. Well, not really convinced me, but rather just told me to, in such a way that I couldn’t argue. The next thing I know I’m running up a 90-degree incline in that Colorado altitude, not even being able to breathe, with Penny running along beside me talking the whole way. Because it didn’t occur to her that I wouldn’t make it up the hill or finish the run, it didn’t occur to me either! So I kept going!” And that is precisely how Penny approached her*

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*business. It never occurred to Penny that she wouldn't be able to sell a client, to close a piece of business. So, like the daily running, it never occurred to her clients not to book their group at her hotel...again and again. "It was amazing seeing the sales numbers she put up on the board month after month," my wife remembered.*

*Once Penny gets a hold of you, there is no escape. She is your most loyal friend, whether or not you want to be friends with her. She is your most dedicated, hard-working employee, in spite of anybody else's attitude or office politics, and she is your go-to hotel contact when you need to hold a meeting or event in her city, regardless of what the other hotel/resort options are.*

*Many salespeople in the hotel industry, or any industry for that matter, want to be successful in order to make their bonuses and incentive trips. And many of them also want to be successful so that they can then become a Director of Sales. They are always looking for the next opportunity to move up the ladder. Not Penny. She is focused on making her sales goals, earning her bonus, maintaining her client relationships forever, and providing for her son as a single mom. She is a great salesperson. That is her contribution to the hotel company for which she currently works. And it will continue to be her contribution. Sometimes the Pennys of the world get lost among the super-achievers trying to make it into upper management.*

*Fortunately, Penny was recognized for her sales efforts by earning the Salesperson of the Year award in 2011 for her hotel company, which manages 32 upscale hotels and resorts in destinations around the world.*

### **Windows of Opportunity**

Some people, like Penny, are able through self-reflection to do what many are unable to do, or as philosopher Abraham Maslow simply states "to fully realize one's potential," and one's "true self." This self-actualization and the ability for individuals to connect potential with circumstance are rare. This rarity is not because we all don't want to be "doing what we love and want to do" and make a living by doing it. It is driven by how we structure our organizations and how we interview and recruit individuals to fill the positions within them. It is because the window of opportunity for most people walking the planet today is so small, the probability of someone like Penny aligning her life journey, the perfect role in an organization, and her natural human traits

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and experiences is minuscule. Corporations design and structure themselves with very specific positions, focused on very specific tasks and qualifications and experiences. For example:

*To qualify for this Business Development Manager position you must possess a Bachelor's Degree in Business Administration or equivalent, 2–4 years of consumer products sales, previous experience with Mass Merchant account management.*

The Organizational Circle provides a platform to shift that paradigm and help companies to connect individuals' natural traits and abilities with the critical tasks toward progress. As noted in the previous chapter the Bands of Influence are areas of discovery and execution within the organization. Individuals entering the company would be able to circulate through the organization, unlike in most traditional organizational structures. As individuals onboarded and navigated through the company the knowledge needed to be successful would be accumulated. More important, those with the most interest and natural traits to execute the Business Development position would happen naturally.

As mentioned in the previous chapter we will now discuss more about how individuals are hired, onboarded, and moved through the Organizational Circle.

### **Recruitment and Hiring**

In the previous chapter we discussed each circle or Band of Influence (BOI) and what traits and knowledge would be needed to excel in them. We outlined a specific set of skills and traits for the Strategic Band (Navigators), Application Band (Transmitters), and Execution Band (Drivers). If you are responsible for recruitment of talent into your organization, it is more important to focus on identifying the individual traits of those who will best perform and be happiest in each Band of Influence you'll need to support. Let's go back to the example above and say you are trying to fill the Business Development position. Do you want to focus on someone who possesses "a Bachelor's Degree in Business Administration or equivalent, 2–4 years of consumer products sales, previous experience with Mass Merchant account management"? In reality we know that people who best perform in the Execution Band are especially customer-facing people; they are positive even in the face of adversity, organized and thorough, adaptable and perceptive, good listeners and communicators. This doesn't mean their educational or experiential benefits are not meaningful. I am suggesting that their higher-level

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performance and long-term happiness will be predicated more on their natural traits than anything else.

More often companies are designing or adapting emotional intelligence tests, utilizing Myers-Briggs or a host of other tests to align a person's natural tendencies with the roles they will be charged to satisfy for an organization. I think this is a good start but I would suggest they go further. Every industry, every organization, and the roles within them require a very unique set of skills. Companies need to identify specifically:

1. What human traits best serve the needs of the business and its customers?
2. What knowledge and competencies are best leveraged and needed today?
3. What entry point will allow each person to collide with opportunity and circumstance?

I have worked or consulted with many different companies and in many different industries. No matter where I am there are always those people like Penny who for some reason seem to excel or perform better than anyone else. They seem to have the same tools, the same drive, the same background as the rest, yet they have that "X" factor that you can't seem to put your finger on. Some call this a good fit, others a match made in heaven. To me, this is where a person's natural traits, the trajectory of opportunity, and the plight of individual circumstances have met. Only in most all cases this is purely coincidental.

But what if this was not coincidental? What if companies could seek out talented individuals and encourage them to let their natural human traits and experiences align with opportunity within their organizations? The Organizational Circle by its very nature and form allows companies to design recruitment, and onboard individuals into the organization. But more than that, its structure allows new hires to enter and circulate through the organization while engaging with a wide variety of people who have similar human traits and various skills and knowledge. This enables them to learn the organization and industry knowledge from people who they are comfortable with. Because the BOIs are in line with their natural traits, they will easily be able to circulate through various disciplines in the organization and learn a broader scope of the organization than the traditional structure will allow.

In smaller organizations this may be more difficult as there are fewer individuals. However, most of this chapter and the premise of aligning a person's traits are still applicable. What I am saying

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here is instead of hiring a person to fill a specific role in your organization, hire talented people with the traits needed for the Bands of Influence where you need resources. Let's now begin to discuss how to onboard and develop talent into and through your organization.

### **Onboarding and Development**

In the Organizational Circle, individuals can enter the organization through the Execution Band, Application Band, or Strategic Band. However, the most beneficial progression is for all individuals to enter through the Execution Band. Why is this? If you are an executive or leader who will eventually work with people in either the Application or Strategic Bands, you will want to develop relationships with those in the Execution Band. You will also want to understand and witness the company's value proposition, its delivery and effectiveness or ineffectiveness, with your customers firsthand. The onboarding path, which we will discuss, should optimize the learning and exposure to the internal culture, systems, and customer needs guiding the organization.

#### **The Onboarding Path**

What is the "Onboarding Path" and how does it work? It is a roadmap through your organization that is designed to align the skills and traits of new hires with the potential needs in your organization. Let me first give an example to illustrate the mechanics for you with a real-life example.

*I worked with a company that manufactured and sold metal building components in the U.S. The company used a traditional sales approach with outside Business Development Managers soliciting new business, and inside Territory Managers servicing them and handling customer service and transactional duties. The company was hiring directly into both positions from the outside of the company. In particular, the Territory Manager position over the years had become more and more complicated. Complicated to the point where it became more and more difficult to hire and train new candidates to successfully fill and perform well in this role. The Territory Manager, like all positions, has specific skills and human traits that allow some individuals to excel where others fail. However, given the role and scope of responsibility, new hires were quickly overwhelmed, and turnover resulted. To address this we created a new approach. We first established a new role called Sales Assistant and a new onboarding path. After identifying*

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*the human traits and skills needed for this position, we retained a young customer service specialist, Jessica, who had previous experience in banking. Instead of putting her right into the sales office, we placed her in the administrative office for three months working on a wide variety of payroll, inventory, and HR-related activities. She greeted customers entering the front office, and received and distributed incoming calls. After three months Jessica was repositioned to the shipping department where she worked as part of our operations group as a part-time dispatcher to inform drivers and customers when their product would be received. Entering production information and performance results into the system and working as a liaison with production supervisors to ensure hours were some of her responsibilities. After a couple months she was moved to the factory floor to work with production staff to form and package products. Finally, after nearly eight months of working in the organization she entered the sales department and began learning to key in orders, answer the phone, and serve customers. Jessica's ability to leverage all of the relationships and learnings from her onboarding path made her transition effortless. Within a few weeks she was contributing sales and actively performing the role.*

The real key here is that Jessica could have at any point decided to stay in one of the roles she had encountered. And that would have been okay. Every position or area she worked in was customer-facing at some level, such as greeting walk-in customers in Admin, calling customers in dispatch, loading customers in manufacturing who were picking up products. Both she and the organization recognized that her inherent skills and traits led her to be successful in dealing with customers, and it felt natural and gratifying to her.

### **The Natural Progression**

The beauty of the Organizational Circle is that it lends itself to creating a wide variety of tasks in sufficient quantity and with the flexibility to create temporary work assignments for those circulating through the organization. At the same time it provides the structure needed to departmentalize and provide focused work to run the enterprise. Remember the goal is to allow people to connect opportunity in your organization with their natural human traits and experiences. As stated, it is most effective to enter all of those joining the organization through the Execution Band even if it is for only a short period. Further progress through the Application Band is predicated on contribution, efficacy, and career path. This progression provides a foundation of knowledge and a basis of understanding the industry, the organization, and the

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individual as a contributor. Further progress into and through the various areas of influence or the Strategic Band are based on further contribution and efficacy while in the Execution and Application Bands.

Let's look at a hypothetical onboarding path for a new hire whose target work passion is going to be in the Application Band of purchasing, traditionally known as a Purchasing Manager. In this case, the Purchasing Manager functions as a Transmitter. She was hired because she possesses skills and traits that would be a good fit for the culture of the company and for this type of job. Remember that each and every position in your company interfaces with a wide variety of internal and external contributors. This falls in line with the internal and external customer or supplier relationship practice. As you are developing the onboarding path for those joining your company, remember to begin their journey and have it progress with the end in mind. Table 7.1 outlines the basic onboarding plan with the span of time in each of the functional roles or disciplines. This, as you may suspect, is very flexible in both the design of the path and the amount of time new hires spend in each band and discipline. You will notice a couple of strategies in this method.

**Table 7.1**

Onboarding Path

<b>Band</b>	<b>Discipline</b>	<b>Duration</b>	<b>Primary Supplier</b>	<b>Primary Customer</b>
Execution	Receiving	2 weeks	Vendors	Assembly
Execution	Assembly	2 weeks	Receiving	QA/Testing
Execution	QA/Testing	2 weeks	Assembly	Packaging
Execution	Packaging	2 weeks	QA/Testing	Warehouse
Application	Warehouse	2 weeks	Operations	Transportation
Application	Transportation	2 weeks	Operations	Sales
Application	Sales	2 weeks	Operations	Distributors
Application	Purchasing	TBD	Vendors	Assembly

One, the starting and ending discipline, although different, start and end with the same primary supplier and customer. This is a strategy used to help the new hire view, communicate, and interact from the same vantage point in two different disciplines, both as a supplier and a customer. Second, the new hire starts out in the Execution Band and then transitions to the

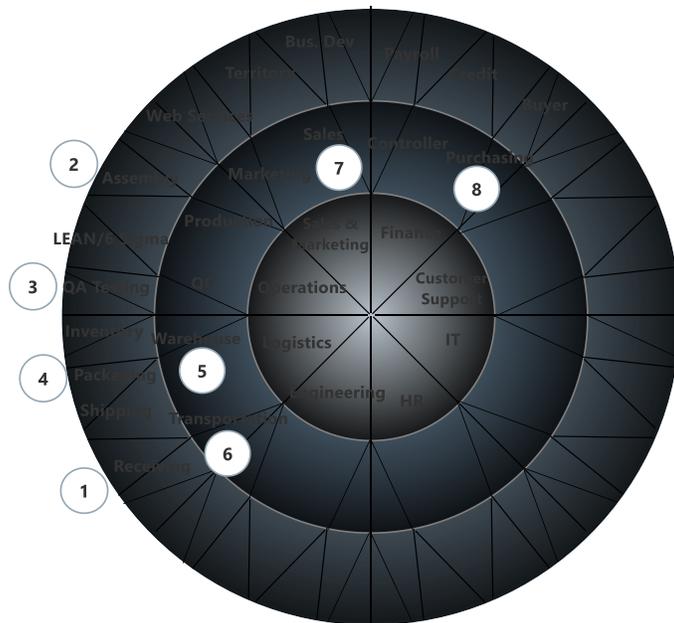
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Application Band. This helps the new hire to interface with and understand the culture and communication of both bands of the organization and their differences.

Figure 7.1 shows how this path flows through the Organizational Circle. I've taken this opportunity to populate areas of the circle that are relevant to the onboarding path. You can see that as this new hire orbits around the organization, she is working directly and indirectly with Drivers, Transmitters, and Navigators. You'll remember back in Chapter 3 we discussed the concepts of Organization Symmetry and balancing the wants of Drivers and Navigators if you are a Transmitter. In this case, part of the preparation for filling a Purchasing Manager role (Transmitter) is connecting with both groups. This onboarding path and the ease of facilitating this with the Organizational Structure allow companies to do what traditional structures limit.

At the most basic level great leaders learn to understand their own needs, have insight into the needs of those they interact with, and respond at the point where it all intersects. The proper onboarding path and organizational structure will provide the opportunity for leaders and aspiring leaders to gain exposure to those needs at all levels.

Maybe most important, this structure and methodology helps all levels to understand the importance of each function and each of the functional bands in the organization. Most notable, leaders stand to gain the most benefit here as most have never had to enter or participate in the organization within the Execution Band. By exposing themselves to working on the front line and dealing directly with the consumer or those that sell to, manufacture for, or deliver to them, this experience will help leaders build a culture of equality. And it lays the foundation for the last of the critical building blocks and essential concepts of the Organizational Circle, "equality of compensation."



## **Equality of Compensation**

Equalizing compensation even to a small degree in any enterprise is contentious. This is not because it can't be done, but because most in the position of leadership choose not to entertain it. This is something that must be addressed as we move forward over the next 20 to 30 years. The traditional organizational structure facilitates unequal compensation due to the imbalance of decision making and knowledge. We will always need a CEO and executives in the Strategic Band. However, in order for organizations to seize the next level of effectiveness and efficiency, the cross-pollination of knowledge, skills development, and decision making must be more evenly spread across all disciplines and bands. Without this the efficiency to perform in a more time-sensitive and competitive global economy will be challenging to sustain. For this reason we must develop a broader recognition and respect for all levels and roles in the organization and a compensation policy to secure talent in the Execution and Application Bands. Without adequate compensation in all areas and levels in the company, acquiring and sustaining talent will be difficult. The result will be a continued migration of talent away from what some were born to do in search of a bigger title or higher pay.

The effects of imbalance caused by migration of individuals toward pay, recognition, or respect and away from what they do best are many. Like the sports team who spends all of its money on one superstar and is forced to settle for mediocrity in all other positions, it become one-dimensional. The same happens in organizations, for example, when all of the higher-level talent migrates onto first shift. One shift begins to produce more and gain more clout in the organization, and before long the company is listening to only one shift. Eventual efficiency and quality become one-third as good as it could be. Are customers affected by an off-shift product or service any less important than customers receiving similar from your first shift? Similarly, companies lose talented people with significant knowledge of the company and industry given that all of the big title and big pay positions are filled. We need to change the way we view and compensate top leadership. As stated before we will always need executives (Navigators) as they provide a critical role in our organizations.

I often hear that this company or that moved forward because they had a great leader. To that I would say, one leader does not make a great company or turn it around. In the same way one player can't win a championship all by himself. You need people who can take the lead throughout your company—people with great insight, imagination, charisma, and business

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savvy at all levels and disciplines. Real change will not be enacted without more evenly providing the level of respect, and compensation, for all bands and disciplines in your enterprise.