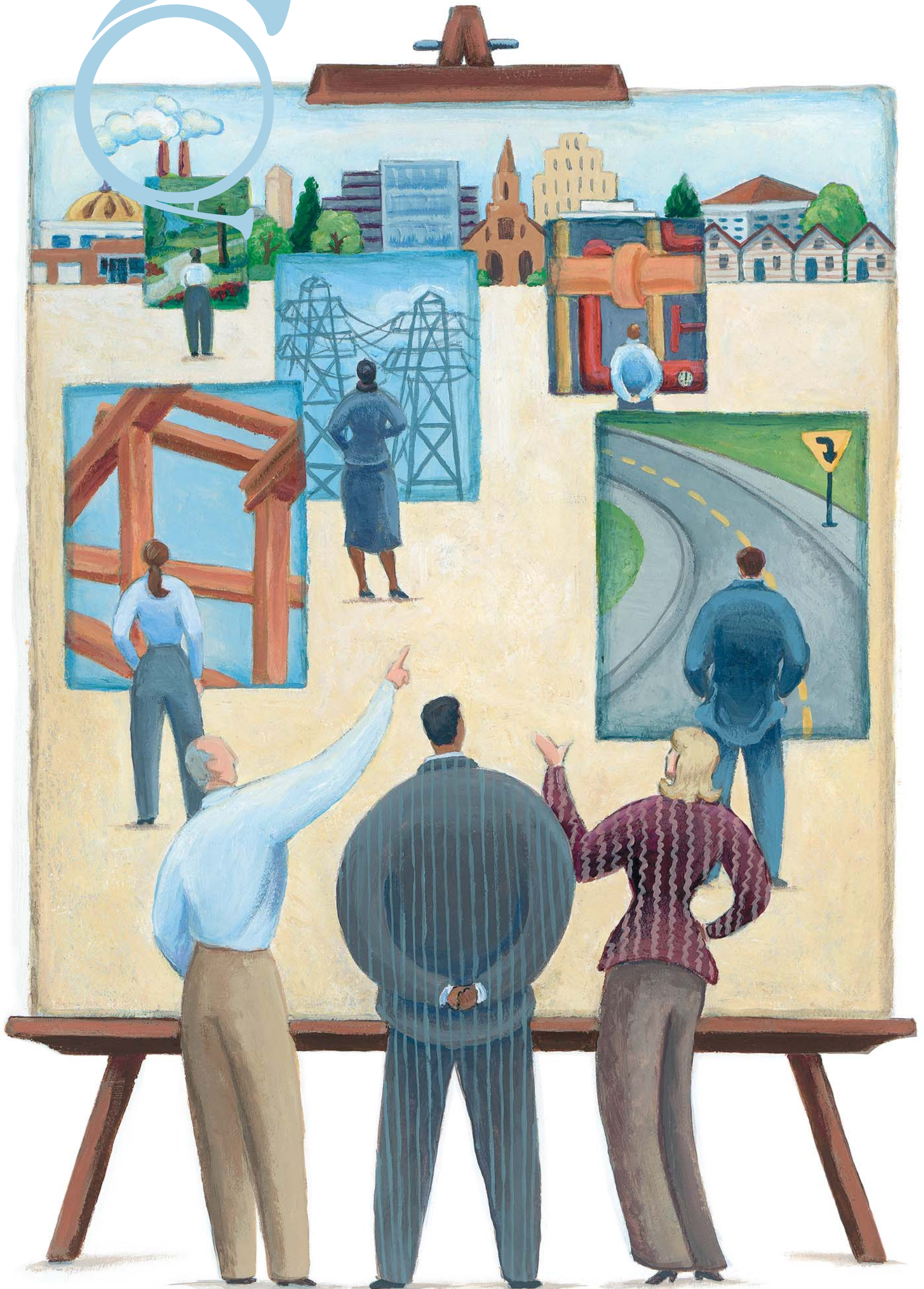
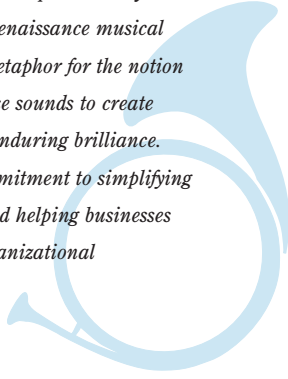


THE CLARION CALL



Teams at the Top: Their Unique Mandate

The clarion is a musical instrument of the Renaissance. Renaissance music brought people together, helped solidify communities, and reflected optimistically upon the future. In ensemble, Renaissance musical instruments were a powerful metaphor for the notion of community, combining diverse sounds to create focused, harmonic melodies of enduring brilliance. The clarion symbolizes our commitment to simplifying organizational management and helping businesses build dynamic, sustainable, organizational communities for the future.



Jon Wheeler, John Boyle, Bill McKendree, Partners, The Clarion Group

The mandate of the team at the very top of a business is a daunting one. The team at the top has always been beset with pressures, but today's increasing expectations for intimate oversight and broad transparency while continuing to grow the business have substantially raised the bar.

Despite the challenges, membership in this elite team is highly sought after, because it is from this organizational pinnacle - uniquely - that leaders gain the perspective to have the entire picture in their frame and to influence outcomes that have a lasting impact on the organization.

Unfortunately, many members of teams at the top do not quite understand the singularity of their role. This is no surprise; they gained the top ranks by successfully fulfilling responsibilities of a smaller scope. But the responsibilities of the team at the top are unique. Its members deliver on a leadership mandate that cannot be satisfied from any other seat in the business. Their impact can be profound; they can be the inflection point for the organization.

We have found it helpful to compare the responsibilities of these teams to those of an urban architect. They face design and structural integrity challenges similar to those an urban architect faces in the conception, design, and build out of an urban landscape. Just as an urban architect designs neighborhoods and the things that link them together, the executive team must construct an architecture that creates the connective structures that align the entire enterprise.

Please join us as we look through the eyes of the urban architect at three key aspects of the team at the top's role. As always, we welcome your feedback.

Executive Teams Function as Urban Architects

As leaders grow into their demanding roles as members of the executive team, it can be illuminating to think of their role as an urban architect. The urban architect conceives and designs an interconnected pattern of business and residential areas that results in an aggregate landscape that has meaning and functionality. In the corporate world, the team at the top creates and designs a corporate structure that aligns business silos with a common brand, identity, and business mission.

Urban architects are creators of an intended design. They conceive of a spatial environment that will facilitate and inspire the life and work of the landscape's occupants. Urban architects chart the city's infrastructure using wiring, water systems, and roadways to ensure smooth functioning and easy movement from one area to another. They consider the structural integrity of the whole, ensuring that what has been designed will stand the test of time, and that all of its parts will interface easily and efficiently. Finally, they define the directional course that guides the various zoning and planning boards as they bring the vision to reality.

Executive teams must be the urban architects for their organization's business-scape.

They must co-design a compelling strategic direction that clearly describes the outcome towards which everyone in the business builds. This can only be done with the right input and involvement from their organization's "neighborhoods." Their vision needs to spark enthusiasm and draw people toward it. It must entice others to embrace it and bring it to life, just as a well-designed town center does. Finally, the executive team's design must fit logically in its intended surroundings, anticipating the right environmental influences and conditions, and offering the hope and promise of enduring success.

Of course, the members of the executive team are more than initial designers; they are really resident organization architects. They will stay continually involved with the structures and mechanisms they've designed. They will adjust, redesign, and rebuild to adapt the business as required by internal and external conditions. The organization architect retains responsibility for the stability and continuing evolution of the business.

We find that executive teams can have exponentially greater impact when they see themselves this way. The architect model helps define the role of the executive team by focusing attention on the team's unique responsibilities. Teams tend to want to use the traditional tools of effective leadership – personal influence, face time, delegation, and power. However, those tools, while still important for the top team, are far less relevant than knowing how to put into place the roadways and sub-surface infrastructure – the systems that will determine how the entire business operates and behaves.

When we apply the urban architect role to the business setting, we see three dynamic and interrelated responsibilities that are unique to the executive suite:

- Igniting possibility
- Ensuring business viability
- Creating alignment

Let's examine each of these responsibilities in detail to better understand the uniqueness of their mandate.

Igniting Possibility

It is imperative that the executive team plays an inspirational role. The team must conceive and design an environment that will ignite a sense of possibility and provide deeper meaning to the people who join together to create it. The top team has the scope and impact that can spark possibility and inspire the whole organization.

Executive teams that focus on operational and tactical issues miss this key piece. Such teams tend to stay in the comfort zone of putting out fires and solving operational problems using capabilities that served them well in prior roles. True executive teams leave most of those tasks to

lower-level groups. True executive teams must be about more than quarterly results and sales and profits. They must possess and manifest a higher purpose. They must spark innovation, creativity, commitment, and passion.

These teams will find different ways to express their higher purpose, e.g., significant contributions in social responsibility or community involvement. But, for all teams, igniting possibility requires a willingness to listen and learn. They must be open to feedback from all stakeholders, from the environment, from the market, and from the competition.

The fully-realized executive team also inspires employees by designing talent systems that reinforce the message that every employee is valued and that the organization is willing to invest in individuals' personal discovery of possibility for themselves.

The leader's role as architect is sustained by a perpetual creative spark, ever-igniting the possibility of what is to come.

Ensuring Business Viability

Executive team architects must also design a structure that supports short- and long-term business viability. They have access to, and can integrate information from, the most complete data, and they can lift their heads above the day-to-day activities to look out to the business horizon. Then, they design systems and processes to ensure that the organization and its products maintain market relevance. They ensure the right market intelligence and competitive data are available in a timely way to foster effective decision-making. This requires them to ensure the organization maintains a deep understanding of its customers and how its products serve their needs. They must leverage costs of going to and serving the market in a way that is aligned with the economic logic of the business and its



strategy. They must instill in all managers a functional understanding of how the organization will realize a profit. They must make certain the sources of future growth are known and the organization has a long-range plan for capitalizing on those sources. This, in turn, requires that thoughtful investments are made and managed to carry the business towards its intended future. They must ensure that the right people are in the right jobs; that they are supported, empowered, and rewarded; that decisions are made by the right people with the right input; and that they are communicated to the right parties.

As architects, the executive team designs and manages the engineering and physics of all these systems to ensure their staying power, integrity, and efficiency.

Creating Alignment

In addition, the organization architect's responsibility is to be sure that all systems work seamlessly together. The spaces, utilities, information systems, people, strategy – all must work cohesively to support the business. And this must be done while all the pieces are in motion. The executive team must tie all these organizational components together so that everyone understands how their daily work ties to the business strategy, how their role fits into the macro workflow, and how they affect the roles of others. This demands role clarity across the enterprise, alignment

of performance expectations, and strong performance management oversight.

Alignment requires transparency; team members must be open, candid, and disclosing, and they must expect the same from the rest of the organization. Full organizational alignment can only be done when the team has a full view of the whole system and how it is all working together. This responsibility can never be delegated. At lower levels, capable as executives may be, they have a limited view.

When the organization architects achieve alignment, an extraordinary synergy develops, and the organization has a greater chance of moving smoothly and efficiently forward toward its highest potential.

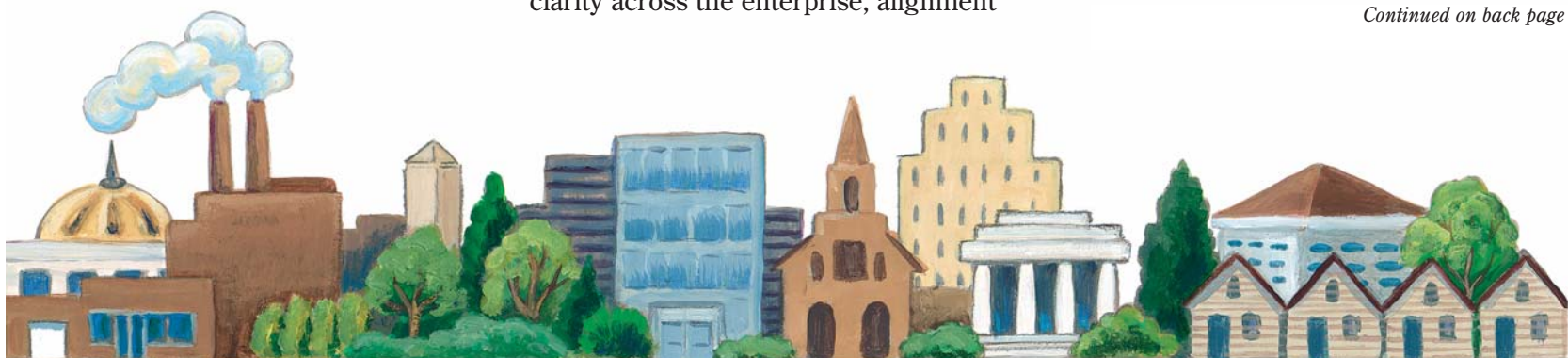
It's a Daunting Task

The organization architect's job is not an easy one. Keeping the sense of possibility, business viability, and organizational alignment alive – there is no question that this is a daunting task. But effective executive teams have no real choice but to take these responsibilities on.

To do so, they must learn to step away from the familiar tasks of tactical fire-fighting. They must test themselves with some unfamiliar, perhaps uncomfortable, ways of functioning. Our experience in helping teams move to a higher level of effectiveness suggests that they must intensify their discipline in managing multiple elements of the business dynamically, and they must re-balance their time towards those capabilities that the business must grow. In addition, they need to:

- Seek a much deeper way of working together. They must have the commitment to themselves and the business that enables them to jump into raw issues and to trust one another as they work through the potential ugliness.

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A Team at the Top: *Stepping Up to the Mandate*

We have been working with the SVP of a global information provider who needed help building a new strategy that would reposition the business in the eyes of its customers. Essentially the shift was to move away from a pure vertical product orientation and toward delivery of a full range of solutions that integrated their strong product capability to align to their customer's value chain. It was important to adjust the internal operating model in a way that would enable the organization to shift its priorities and deliver.

The SVP realized that each of the General Managers would need to broaden their leadership responsibility beyond the running of their individual P&Ls. She believed two things: (1) she and her General Managers were in a unique position to make this happen, and (2) sharing the responsibility for the architecture and on-going leadership of the business was a critical mandate.

This initially concerned some of the GMs. Leadership was one thing, but architecting an organization together to leverage lateral relationships was another. Would they lose control over critical resources? Would their revenue commitments shift? How would their corporate contributions be allocated?

The SVP realized that the team needed to take responsibility for design and implementation of the strategy, and not delegate it to the VP of Business Strategy. She encouraged this by involving the leadership in real work on the strategy, by having

them each own critical strategic initiatives for the team, and by creating an operational model where all GMs became as invested in other team member's success as they were in their own. She was able to evolve the culture to focus on leadership. In addition, she created a position called Vice President of Business Transformation not only to shepherd the strategy process in the short-term but also to help leadership and the organization maintain customer focus and agility in the long-term.

As a result of acting on their unique leadership responsibility, this executive team was able, jointly, to ensure a strong economic foundation that served as a springboard for future strategic work and collaborative decision-making. They were able to create work processes and information systems that allowed the organization to align its people to the work and the overall strategy. And lastly, the team felt responsible for the continued execution into the business and with their customers.

The SVP would acknowledge that their organization is on a continuous journey. But she believes that the team now understands that collectively running a business is more than dealing with the ever-present press of quarterly results, revenues, and profits. As trust was built, this leadership team was able to instill an increased sense of pride and commitment within the organization, helping to create the spark of on-going possibility.

Executive Teams Function as Urban Architects *continued*

- Be strong enough in their individual self-awareness, esteem, and humility to know when they contribute to bad outcomes as well as to good ones.
- Have the strength of character to retain respect for their colleagues, in spite of the challenges that those colleagues may throw their way.
- Be able to hold things objectively and not personally as they struggle to find deeper intrinsic meaning, value, and worthiness in their business direction.

It Requires Investment

Ignite, design, align. We often see insufficient time and energy devoted to these critical issues. Even when teams hold "strategic" retreats, they can disintegrate into discussions of tactical matters. Team members, by doing what they have done well in other positions, can fail to step back for the broad look that is this team's

distinctive purview. Unless they keep the full scope of their responsibilities in view, team members can revert to being carpenters instead of architects.

Today's business environment mandates architect-level leadership; today's board members expect it; and today's executive teams – by being architects – can achieve what is truly possible for them and their businesses.

How is your executive team doing at igniting possibilities, ensuring business viability, and maintaining organizational alignment?

As always, we'd be delighted to hear your thoughts. To share your insights with us, please contact us in West Hartford, CT at 860-232-3667 (wheeler@theclariongroup.com), or in Seattle, WA at 425-836-0355 (boyle@theclariongroup.com).



The Clarion Group works co-creatively with leaders to help find integrated solutions to support organizational transformation and address complex challenges in the areas of Business Strategy, Management Infrastructure, and Behavior.

The Clarion Group partners delight in standing with clients as they look to the broader horizon.



The Clarion Group, Ltd.

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