

Thought Leadership



Banyan Tree Strategies

**Building A Culture Where People Run
Towards the Problem**

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Building A Culture Where People Run Towards the Problem

Two things need to happen to build a culture where people run towards the problem with a fully equipped set of communication tools that are conflict ready. The first is you need to build an enterprise not a kingdom. The second is that you need to set up a safe environment where your people can hone their hard conversations habits. Both concepts are easy to write about and understand, and difficult to implement. The forces that oppose your efforts are hard-wired into human nature with a hundred years of social science research in support.

However, the returns on your effort to accomplish these two missions can be worth it. There are several areas where success can be measured. The first is in the enterprise value of your business: when your financial metrics hit the upper end of the range for your industry you will receive the maximum valuation for your company.

The second is the fluidity and flow you will feel with your employees while at work. Your growing capital base will afford you to take on new challenges with your highly skilled team. Your team will gel as you continue to add value to your customers. This infinity loop of working with a team (or people) who have similar values and a common language to solve problems and provide solutions is a team leader's dream.

Are You Building A Kingdom or An Enterprise?

It feels good to be the king. You have power and your courtiers have a huge incentive to make you feel even more powerful than you really are. It is a dangerous cocktail and most human systems end up looking very similar to a tribe where a few have the power, but the rest achieve safety in return for their loyalty. For the average employee it is much more comforting and easier to offer loyalty than the alternative, the challenge of being their best day in and day out.

The problem with a true kingdom is the transition of power. When the king dies, the people may revolt. The challenge with a business run like a kingdom is the value of the business plummets without the owner.

The growth of your business value should be one of your highest priorities. It is within this context that we suggest you resist the urge to build a kingdom but seek to create an enterprise.

An enterprise is a human system that is set up to exist in consensual interdependence with its customer base. The leadership of the company has purposefully moved the focus away from the internal team dynamics towards the customers' needs.

Setting up your business purpose and premise correctly allow you to avoid the kingdom pitfalls, but beware of bringing in the wrong employees. Many of the kingdoms we have seen were not created by the client but by employees that were hired quickly to face the challenges of growth.

As you are growing, challenge the leadership team to focus on serving the customers' needs and watch as your company grows and matures into something that you could sell for a maximum value because you are not tied to its success.

Hone Your Hard Conversation Skills

When is the right time to have a hard conversation?

"Now would be good."

This is probably a familiar thought of yours at work...is it at home? Chances are that as a business owner you have developed your own style for handling conflict. This white paper is not about you improving your conflict resolution skills at your company because you have all the power. Rather it is a question for you to ponder about your team where the power is murkier. What would your company look like if you could push conflict resolution skills to the lowest power rung at your company?

What would your company look like if the answer to the question above was:

"Now would be good" VS. "Never"

In a kingdom the employees don't take risks and follow orders. In an enterprise the employees are empowered to think and act on behalf of the customers' needs within the context of the company values. Another way to look at this is the difference between a command and control leadership style versus a fully distributed thinking system. Think NFL versus Rugby.

In football the quarterback gets the play from the coach and everyone runs the play. If you don't do your part correctly or improvise you will be replaced by someone who follows orders. In rugby every player on the field is constantly evolving and adapting on the fly based upon the situation that they face. Today's business marketplace favors the game of rugby much more than football.

We recommend coming up with a common language for conflict resolution inside your company. Consider conflict or indecision in the context of a stop watch. How long does it take us to spring into action? Could this become a competitive advantage?

A New Set of Tools

So how do you have a hard conversation with a customer or a vendor?

The team at Vital Smarts has been teaching people for several decades with their best-selling book "Crucial Conversations, Tools for Talking When the Stakes are High."

Crucial Conversations teaches a pragmatic approach of starting from the heart and then using mutual purpose and mutual respect to stay in dialogue about a hard topic as safely and as long as it takes to get to a resolution.

Another term they came up with that really helps people envision how to have a hard conversation is the pool of shared understanding. While tensions are high, and people are considering leaving the scene, it helps to build the agreed upon facts that can exist in the pool of shared understanding.

These agreed upon facts allow emotions to cool and for progress to occur. During a hard conversation, the peacemaker at your company is then moving the agenda forward by gaining an agreement on the purpose of the dialogue.

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When the team feels empowered and equipped to get in and out of conflict, they don't need to check with the boss. This in turn allows the boss to stop being a cop and focus on thinking how to improve the business.

Taking It to the Street: Using Your New Tools

A great way to start using your new technique is to go around to each department and ask them about the pinch points in their processes. Where do they get stuck? See if you can identify in the challenge a moment of maximum influence (MOMI) where the right words or phrases might solve the problem.

If you can identify a MOMI in each department and the correlating words, phrases, and tones that are best practices to for those moments, you can then track the team's performance and empower them to keep improving. Overlapping your hard conversation techniques on moments of maximum influence will empower your people to move at the pace your marketplace demands.

Summary

Unlocking the hidden enterprise value in your company that comes with running a customer focused enterprise is difficult. Establishing a culture that honors and practices how to get in and out of hard conversations is a great first step to building an enterprise. The two challenging cultural concepts go together. Consider investing in your people's ability to handle hard conversations and watch as they sprint towards a challenge like a first responder towards a crisis. The lift in your business profitability and valuation could afford you the chance to keep hiring top tier talent that can transform the experiences of your customers. It is a great infinity loop that you can build and maintain.

We help companies pursue the path to re-mark-ability with their best clients. This includes being both architects and anthropologists of customer acquisition and success. We look forward to helping you tinker with and build a winning culture that will transform the financials of your company, and the lives of those who work there.

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