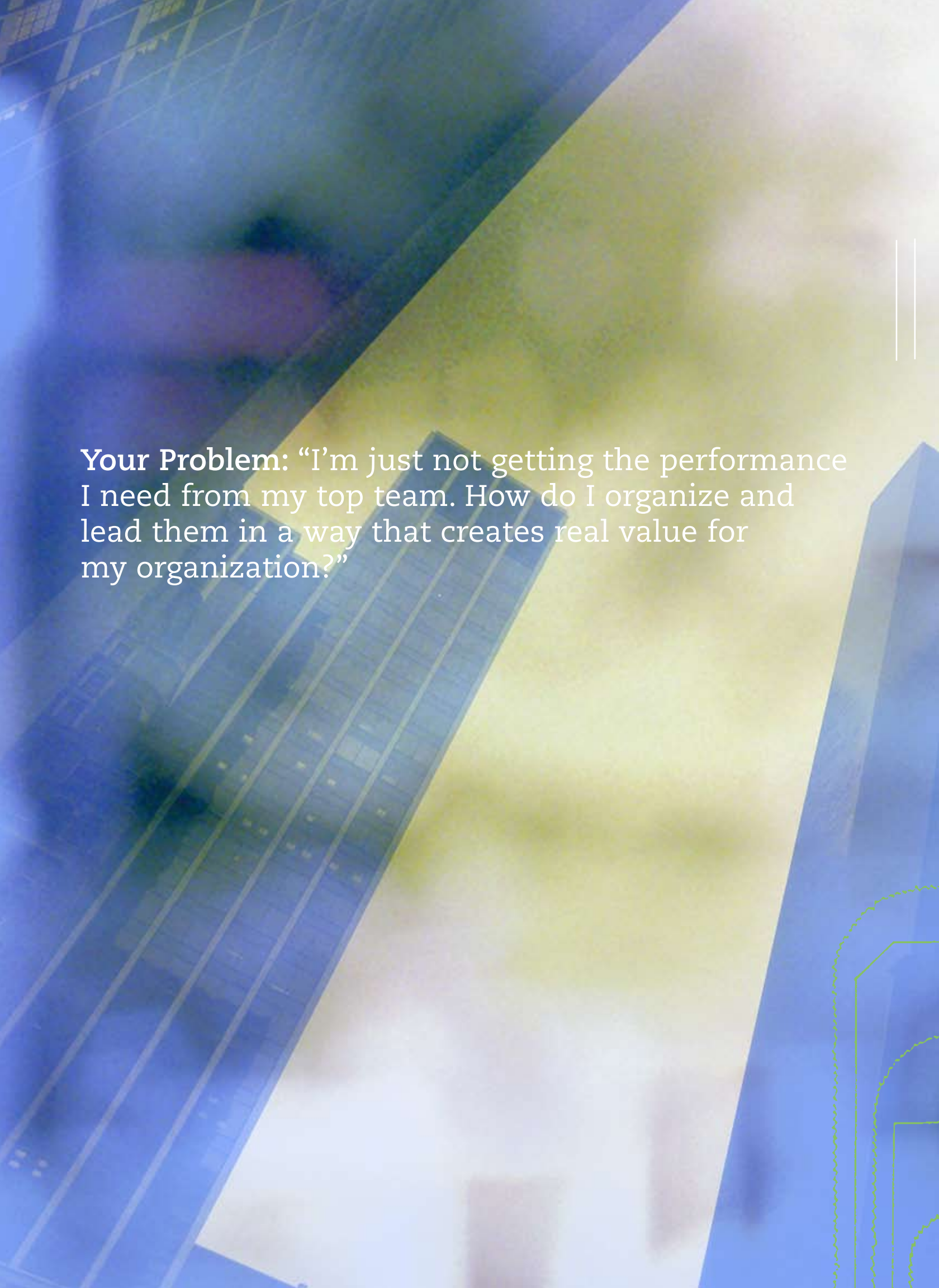



Delta Organization & Leadership

Executive Teams

Encouraging Constructive Work and High Performance



Your Problem: “I’m just not getting the performance I need from my top team. How do I organize and lead them in a way that creates real value for my organization?”



When they work well, executive teams can be exceptionally valuable. A new CEO, for example, wary of sending premature signals about a successor, might appoint an executive team rather than naming a chief operating officer. At other times, a new strategy, a major merger or acquisition, or a sweeping restructuring might require a new or reconfigured team. And as the CEO approaches retirement, the executive team provides a useful structure for assessing candidates for the top job.

That's the theory. In practice, executive teams have compiled a decidedly mixed record. Too often, they fail to justify the giant investment in having so many highly paid executives spending so much time sitting around a table together.

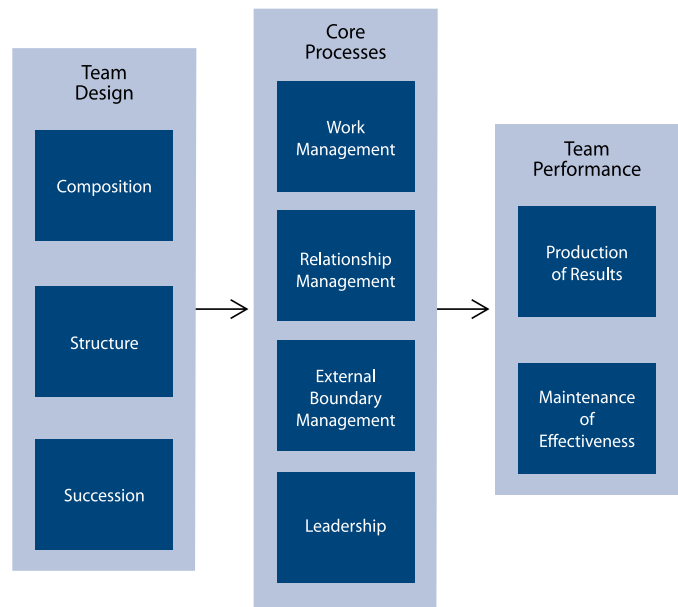


The performance problems lie in the unique nature of the executive team. Its composition, mandate, visibility, politics, and leadership are unlike those of any other team, and its poor performance can usually be traced to these factors:

- **Bloated Membership.** The symbolic importance attached to a seat at “the big table” creates constant pressure to expand its membership. Expanded, diluted, and ritual membership invariably lead to a bloated, ineffective team.
- **Centrifugal Force.** Job pressures, geographic distances, and external demands inexorably pull the team members in different directions, eroding the time, energy, and commitment they invest in their collective work.
- **Succession Politics.** As the CEO’s retirement date draws near, succession politics can easily overwhelm the team’s dynamics. Maneuvering, positioning, and competition can decimate the team’s capacity for constructive work.
- **Unclear Roles.** Members often find themselves totally in the dark about what role they’re expected to play in the team’s deliberations and decision making. The resulting anger and frustration negate real teamwork.
- **Undiscussable Issues.** Certain topics become so sensitive that their mere mention is off limits. The result is a conspiracy of silence and an inability to resolve major issues.
- **Dancing Bear.** Far too often, the executive team becomes a stage for choreographed presentations and self-promoting performances that devour huge chunks of valuable time that could have been put to better use.

If these problems sound familiar, it’s because they’re so common. The good news is that there are ways to deal with all of them.

Executive Team Effectiveness



Our Approach: High-Performance Executive Teams

Over the past two decades, we've identified a set of ingredients that characterize truly effective teams. Basically, you've got to have the right people employing the right processes to perform the right work in the right context.

Here's what we mean. An executive team's success is rooted in its initial design, which involves:

- **Composition.** The mix of skills and experience, and the extent to which team members share common values and beliefs.
- **Structure.** Criteria for membership, team size, goals, formal roles, and the nature of individual and collective rewards.
- **Circumstances.** Teams created as an explicit part of the succession management process will involve unique dynamics.

These design factors will influence how effectively the team employs certain processes to do its work. These processes include:

- **Work Management.** How the team organizes and manages its work—how it shares information, creates its agenda, makes decisions, and coordinates activity.
- **Relationship Management.** How the team manages interactions among team members. Key elements include the degree of openness, trust and cohesiveness, and conflict resolution.
- **External Boundary Management.** How the team deals with concerns and constituencies—such as customers, the financial community, regulators, etc.—that lie outside the team and the organization.
- **Leadership.** The ways in which the CEO's behavior shapes the team's approach to each of the core processes.

Finally, how successfully the team manages those processes will determine its performance on two measures:

- **Production of Results.** How well the team produces consistently positive results (earnings, growth, returns, etc.) and addresses strategic challenges. It also includes the quality of its decisions, its ability to implement them, and ultimately, the quality of its institutional leadership.
- **Maintenance of Effectiveness.** How effectively the team operates as a team over an extended period of time.

Both dimensions of success are critical in order for the team to consistently produce quality results.

How Oliver Wyman – Delta Organization & Leadership Can Help

There are any number of internal and external resources that can assist with the formation and development of your executive team. What makes Oliver Wyman – Delta Organization & Leadership unique is our understanding, based on our extensive work with CEOs and their teams, of the special dynamics that inevitably complicate the work of executive teams and the unusual challenges CEOs face in their role as leader of the team. More specifically, we can help by:

- Assisting CEOs in identifying the role, purpose, and membership of their executive teams, which includes helping a CEO clarify how an investment in developing the team should directly relate to goals involving growth, profitability, and strategy design and implementation
- Assessing executive team members' perspectives and expectations about important aspects of team design, approaches to the work of the team, and team performance
- Assisting with a carefully planned start-up of newly formed executive teams and processes for enhancing the effectiveness of existing teams
- Identifying the gap between team aspirations and current realities, and assisting with the development of approaches to close the gap
- Assisting the team in understanding and developing the interrelationships between the executive team and other sub-structures and teams in order to achieve the team's full value
- Coaching CEOs on their unique role as the leader of the executive team, which includes influencing behavior both in and outside of meetings, resolving conflict, clarifying roles, managing work processes, developing appropriate rewards, addressing performance issues, and managing succession politics
- Coaching other executive team members concerning their roles on the team and in the organization



As You Move Forward...

Regardless of whether you decide to pursue this work with Oliver Wyman – Delta Organization & Leadership, there are several issues you should keep in mind as you think about how to improve your executive team's performance:

1. Generally speaking, executive teams are populated by ambitious, hard-driving executives with outstanding records of individual achievement. Their background and temperament are often ill-suited to collective work. Without deliberate planning and deft leadership, they're highly unlikely to coalesce as an effective team.
2. Unless there's a direct and substantial link between collective work and collective rewards, the team will sputter and die. A symbolic slap on the back won't overcome a reward system skewed toward individual performance.
3. The easiest way to poison the executive team's dynamics is to engage in a long, drawn-out succession horse race. The moment the CEO announces a likely retirement date, competition among candidates and factions will erode effective teamwork.
4. Unless the CEO strikes the right balance between participation and direction, the team will fail. If the CEO tries to be "one of the boys" instead of leading, the result is sluggish, indecisive consensus decision making. If the CEO leads as an autocrat, the potential for genuine teamwork is squandered. Either way, the result is an ineffective team and weak leadership for the enterprise.

About Oliver Wyman – Delta Organization & Leadership

Oliver Wyman is building the leading global management consultancy, combining deep industry knowledge with specialized expertise in strategy, operations, risk management, organizational transformation, and leadership development. Delta Organization & Leadership works collaboratively with CEOs and senior executives to meet the challenges of building talent, accelerating organizational performance, and driving business success. Our Executive Learning Center provides top-tier executive education around the world, designing and implementing customized programs that develop the leaders you need to compete and grow.

We bring deep expertise and a track record of high-impact solutions that minimize business risk by:

- Maximizing CEO and senior team effectiveness
- Making your strategy work
- Building an effective board
- Managing the business of change
- Redesigning your organization
- Developing a pipeline of the right leaders for your business
- Securing commitment through communication and engagement
- Bringing meaningful data to decision-making

To obtain further information about Oliver Wyman – Delta Organization & Leadership, please contact us at deltainfo@oliverwyman.com or the telephone numbers below.

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