



Guttman Insights

December 2011

Year-end is upon us, and all of us at GDS extend our best wishes for a joyous holiday season and a happy and successful 2012. And what better way to ring in the holidays than to talk chocolate, which is what we do in our interview with Betty Palm, president of Dove Chocolate Discoveries. Howard M. Guttman holds forth on how to gracefully pass the decision-making baton to others, and Martin C. Becker provides a compelling example of rigor and results in skills transfer. All this in a five-minute read.

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What's New?

Speaker's Corner

Howard M. Guttman

**"Developing Tomorrow's Leaders
Through Self-Coaching: HR's Role"**

Sussex-Warren, NJ SHRM

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Sweet Discoveries at Mars, Inc.



Betty Palm is president of Dove Chocolate Discoveries, a subsidiary of Mars, Inc., that since 2007 has offered a premium line of chocolate products sold through an independent sales force of 3,000 chocolatiers.

What is Dove Chocolate Discoveries' competitive advantage?

We have the benefit of first-mover status. We have pioneered a new distribution channel; there is no other direct-selling company that conducts chocolate-tasting parties. At the same time, we have the benefit of the Dove brand behind us. Innovation and speed make up our DNA.

What are some examples of innovation and speed?

We've expanded beyond candy to include a wide range of products, such as a martini mix, chai tea mix, and even a barbeque sauce. We've introduced 100 new products over the past three years. And we can go from mind to market in six months.

To what extent has the work you've done in aligning your senior team around high-performance behaviors helped you manage the business?

When you're a start-up business, you need players who are tightly aligned around the strategy and business goals, who have a strong sense of ownership of business results, who are driven to embrace game-changing behaviors, who can deal with conflict and ambiguity, and who are able to depersonalize. The team-alignment work that we've done has been crucial in building a team with the right skill sets and behaviors to launch and leverage an entrepreneurial business.

Why is conflict management an important skill in a start-up environment?

When you're sitting around the table with your leadership team, you're debating a wide range of issues as you determine your core principles, product and market scope, brand identity, sales and method of distribution, and policies and procedures. It's a potentially explosive situation, unless your team can deal with conflict in an open, candid, depersonalized way.

You mentioned “core principles.” What are they for your organization?

We have four mantras that we want everyone to embrace. First, walk in our chocolatiers' shoes: think like they do and act as their advocate. Second, passion for growth: act like an owner and embrace game-changing behavior. Third, discover every day: uncover the insights from experience. And fourth, execute with excellence: deliver quality in what we do and how we do it.

What motivates someone to become a chocolatier?

Our chocolatiers are attracted to the freedom and flexibility of running a home-based business that they can grow on their own terms. They're their own boss and decide whether they want to be hobbyists, part-timers, or careerists. They enjoy representing a premium brand and reaching out to their personal network to conduct chocolate-tasting parties. It's fun and profitable!

What have you learned about aligning your vast army of 3,000 chocolatiers, all of whom are independent contractors?

The principles we espouse must be frequently communicated and embedded in all our touch points. When a chocolatier calls our Field Services Department, our people must treat her as our primary customer. We publish a newsletter, The Chocolate Dish, which, in addition to articles on products, skills, training, and recognizing top chocolatiers' performance, includes an article from me about our values. We also have a field advisory council of top-performing chocolatiers, hold Webinars, and sponsor two major conferences each year.

You've recently taken your senior team through a self-coaching program. What did this accomplish?

The “Coach Yourself to Win” program was a powerful way for each member of my team to envision getting to the next level of performance, set his or her Intention to do so, take personal responsibility for moving ahead, and take the steps to get there. The process gave us greater awareness of—and respect for— one another's goals and desires. And choosing a Guide and Circle of Support made everyone realize that when you are willing to invest in yourself, other people will invest in you. One nice side benefit was that there have been two promotions on our team that came about as a result of the program.

What's your biggest challenge in running a start-up business within a global enterprise the size of Mars, Inc.?

Managing the differences. We are highly entrepreneurial, in a very different channel of distribution, we have less predictability, and our business processes are unique.

How do you manage those differences?

It's a delicate minuet. Having the same high-performance vocabulary as our parent is helpful. We have to celebrate our uniqueness, do a strong job communicating and collaborating with our parent, and produce results.

And speaking of results, what can you point to as indicators of your success?

We've introduced 100 successful new products over three years; we've made a significant positive difference in the lives of our chocolatiers, and we've grown 100 percent in each of our first three years in business.

What's the most important insight you've gained in leading Dove Chocolate Discoveries?

Listen to the chocolatiers. They are closest to the end customer. After all, you can't get more intimate than being in someone's living room every night of the week. By listening to them, almost every product we've introduced has been a significant winner.

And now, for the moment of truth: What's your favorite chocolate?

I love our sea salt caramel. It combines milk and dark chocolate with a variety of different sea salts. You get a salty-sweet taste that's perfectly blended. Absolutely delicious! 🍫





Getting Others to Make Your Decisions

by Howard M. Guttman

Decision making—they are, arguably, the two most important words in the management lexicon. It used to be that the ability to make smart decisions was what set great leaders apart from run-of-the-mill ones. No doubt, the ability to choose the right path among competing alternatives remains a distinguishing quality of effective leadership. But, today, not making decisions—and asking others to assume accountability for them—has become a telltale sign of decision-making prowess and high-performance leadership.

Research on decision making points to the adverse consequences that result from decision overload. Having one person make multiple daily decisions can lead to “decision fatigue,” according to a recent article in the *New York Times* (August 17, 2011, online). As the article points out, “The more choices you make throughout the day, the harder each one becomes for your brain....” The typical reaction? Shortcut the decision-making process by either acting impulsively or doing nothing. It’s not the stuff of high-performing leadership.

The desire to avoid impaired decision making aside, getting someone else to make decisions is just plain smart. It’s a great way to leverage the capabilities around you, as every high-performing leader knows. Today’s global enterprises are too vast and complex for one-person rule, and the tsunami of data flowing through an organization’s arteries makes it impossible for any single Solomon—or even a team of Solomons—to intelligently make all the calls.

Here are five ways for you to effectively pass the decision-making baton without shirking your responsibilities as a high-performance leader:

Create the right context. Delegation fright. It’s an understandable affliction, especially among top-tier players seeking to push decision making down to those below them. If those below are not fully in sync with the strategy and fully capable of shouldering the burden of decision making, delegation becomes a roll of the dice. Compare this with high-performance environments, where decisions are not so much delegated as they are distributed, under controlled conditions, to teams. Leaders can be comfortable making decision handoffs when teams are high-performing entities: tightly aligned with the business strategy, fully accountable for the team’s success, clear on goals and responsibilities, agreed upon decision-making protocols, and transparent in business relationships. It’s a context that inspires confidence.

Establish decision-making ground rules. If you’re planning to hand off decision-making responsibility to a team, your delegation-fright index will certainly rise if you know that there is major confusion regarding who is going to make decisions and how. Such confusion reduces speed and efficiency, lessens accountability, and creates decision waffle, where team members spend more time bickering about who is the “decider” than thinking through the nature of the decision and its implications.

To increase the speed and efficiency of its decisions, every team must come to an agreement about the often-contentious issue of who should be involved in making a decision. For example, which decisions will be made:

- Unilaterally—by one person, with no input from others?
- Consultatively—by one person, after soliciting input from the fewest number who will add value?
- By consensus—everyone has input and everyone must be prepared to live with the outcome?

For each key decision, team members must agree upon which of the three decision modes applies; otherwise, confusion, hard feelings, and subterfuge will reign.

Use a common decision-making

process. A process is a step-by-step approach to gathering and analyzing information to reach some conclusion. For all the fuss about decision making being an “art” and a matter of “gut feel,” decision making is also a discipline that can be transferred to others. If you want to distribute decision making, better be sure that those you involve are all working off the same script. Rather than allow them to flail about, wondering how to proceed or jumping into a discussion of pet alternatives, get everyone to follow the same systematic process: first defining the decision, then laying out the objectives, generating alternatives, and considering the benefits and risks of each. This will increase your confidence level that every decision maker touches all the right bases before coming to a conclusion. It will also make it much easier to review others’ decisions.

Streamline. The modern enterprise, with its global reach, asynchronous work patterns, and layers of approval, tends to be a slow-moving Leviathan. Take this challenge: Take a good, hard look at the processes you currently use to make decisions and resolve issues. What’s the lag time between asking teams to make decisions, having those decisions made and approved, and then implementing them? Chances are, you’ll find a crazy quilt of overlapping, competing systems and processes, and gaps wherever there is a need for information sharing and handoffs. It’s time for process reengineering—and maybe even the pruning shears! According to a survey conducted by the Boston Consulting Group, “...over the past 15 years, the amount

of procedures, vertical layers, interface structures, coordination bodies, and decision approvals needed...has increased by anywhere from 50% to 350%.” (Harvard Business Review, September, 2011, p. 80). Such complexity retards decision making and acts as a significant demotivator, especially at lower levels. Distributing decisions is one thing; enabling implementation is quite another.

To increase the speed and efficiency of its decisions, every team must come to an agreement about the often-contentious issue of who should be involved in making a decision.

Provide the right venues. Once you have supplied the high-performance context and made sure that decision-making protocols and a common process are in place, then let teams loose to attack real decisions that make a difference. Think of existing intact teams as platforms for decision making. Are the teams aligned? Are team members skilled up to make decisions: Do they know how to ask the right questions, process

information, and test the integrity of their conclusions? Have you removed complexity from the system, so there’s a clear line of sight from the beginning to the end of the process?

Go beyond the current “as is” and look for opportunities to form issue-specific decision teams. Once they are aligned and team members are equipped with the know-how, and once noise in the system has been removed, such venues will relieve decision-making pressure up the line and create a powerhouse for making the decisions that will get you to where you and your organization want to be. ●



From a Consultant's Notebook:

Martin C. Becker

Working with a major Northeastern financial services firm, GDS Associate Senior Consultant Martin C. Becker custom-designed a multifaceted capability development program for the next generation of leaders. The program, which delivered four sets of critical skills, was delivered to nearly 250 directors and senior directors over a four-year period, with outstanding results. Here are Martin's notes on the project.

Presenting Situation

Employee engagement survey revealed that level below officers was underserved by development programs. . . . Directors and senior directors—future company leaders—weren't being prepared to take over the reins.

Charter

Identify key skills needed at officer level, areas in which directors were deficient, and create a capability development program to close gaps.

Process

- GDS interviewed 26 company officers (AVPs, VPs, SVPs) to learn which skills were most critical in their job and which would be needed to meet future challenges.
- Officers asked to rate importance of each to effectiveness at their level . . . 1-5 scale: 1 minimally important; 5 critically important.

- Officers asked to rate current skills level of directors and senior directors in each of six areas: 1 not at all skilled; 5 highly proficient.
- Gaps identified: problem solving /decision making of highest importance (4.6) but skills low (3.5); strategic thinking high (4.2), skill level low (2.3); etc. Typical comments: "Directors need to be challenged to make decisions themselves"; "They identify problems but don't bring solutions"; "This group is not energized to engage in and demonstrate strategic thinking."
- Based on gaps, focus on five capabilities: influencing, conflict management, strategic thinking, problem solving/decision making, developing team members.
- Meeting held between each participant and his/her supervisor: goals and measures set.
- Design and deliver a comprehensive capability development program: five modules, one month apart, in which each capability was introduced; on-job application between each; presentation of results in next module. Final module: senior managers present and receive calls to action around

compelling business issues being solved by directors using new skills.

Results

Measured several ways:

- Between modules: participant/supervisor meetings to measure progress against goals that were set
- In each module: quality of presentations made to one another
- In final module: quality of presentations made to officers
- Six months and one year later: Focus groups held with participants: Were they using skills? Answer: Definitely.
- Six months and one year later: Colleagues and supervisors: Had participants' behavior changed since program? Answer:

Definitely (Level 3 on Kilpatrick Analysis of training results—gold standard of training evaluations)

- Participants rated program highest of all ever run by company; waiting list a year long
- At least 1-2 participants in each program promoted within a year

Insights

Best results come from customized rather than one-size-fits-all programs . . . Data collection and gap analysis critical to identifying areas of need . . . Supervisors need to be involved throughout . . . Advantages of modular approach: learn new skills, apply immediately, in next module analyze how applied and introduce next skill. . . no need to wait six months for results. ●