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Management Skills for Women In-House Attorneys

September 10, 2019

5:00 to 8:00 p.m. at the Woman's Athletic Club

PROGRAM DESCRIPTION

Learn critical management skills from successful women general counsel.
Networking and cocktails to follow.

Presented by Benesch Law and B-Sharp, a professional development and networking group for women corporate counsel at all levels.

PANELISTS

SUSAN E. BENNETT	LAURA LAZARCZYK
Chief Legal Officer Information Resources, Inc.	Chief Legal Officer Zurich North America
CATHY LANDMAN	
Chief Legal and Human Resources Officer Corelle Brands	

BENESCH MODERATORS

Margo Wolf O'Donnell	Tara Goff Kamradt
Partner and Co-Chair, Labor & Employment	Partner, Corporate and Healthcare & Life Sciences

TIMES

5:00 to 6:00 Registration and Networking
6:00 to 7:00 Panel Discussion
7:00 to 8:00 Networking Reception

MCLE

One (1) Hour of General Illinois MCLE Credit

ACC Chicago is an Approved Illinois CLE Provider. MCLE approval for this Program approved. Participants seeking MCLE credit must sign-in and provide their Illinois Bar number.

LOCATION

Woman's Athletic Club
626 North Michigan Avenue
Chicago, IL 60611
Complimentary Valet Parking Provided by Benesch

COST

Complimentary.

Attendance is limited to ACC members, in-house prospective ACC members and guests of Benesch.

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To set up your ACC Chicago registration account, please follow the site instructions as a "New User" upon your first visit.
You will receive a confirmation at the end of your registration process.

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The Modern Partnership: In-house and Outside Counsel

By Cathy Landman and Margo Wolf O'Donnell | 2019-Jul-24

As lawyers take on increasingly sophisticated business advisor roles in today's marketplace, the partnership between in-house and outside counsel has become more important than ever. And while every lawyer wants to provide the best possible service to the client, the practical steps for achieving outstanding service in this context are not always clear. Drawing on our shared experience, we have identified four key steps lawyers on both sides of this relationship can take to help them build their credibility and deliver solutions that advance their business.

1. Develop a commercial point of view, and base the legal strategy on business goals

So many skilled lawyers bring a nuanced understanding of the law to their work, but when it is time to apply that knowledge and counsel to the company's business strategy, they have difficulty bridging the divide between the worlds of law and business. The key to becoming a valued business advisor and in-house lawyer is understanding not just the legal risks for the company on a given matter, but also the interplay between those risks and the company's larger business goals.

In a legal practice, that means having a conversation early on to ensure an understanding of the desired result. And that conversation needs to continue as a matter unfolds and new information comes to light.

An understanding of what the company is trying to achieve — where they are now and where they want to be — should drive the legal strategy and lead you to the legal remedy that furthers those goals. That may mean litigating or not, finding a resolution outside of litigation, or coming at the problem from another angle, such as a new approach to a deal or contractual language.

2. Educate each other and constantly reflect on what you are learning

It is crucial for both sides of this partnership to make time to educate each other — for the outside counsel to educate the client on the most pressing legal issues they may face, and for the in-house team to educate the outside counsel on how their business works. To facilitate communication that extends beyond just the discovery phase, develop a work process that includes shared folders, files, timelines, and project plans, and encourage both teams to check in regularly.

Designate time for reflection at important milestones throughout the project so that the in-house and outside teams may ask of themselves and each other what they have learned and how it might alter the goals or process going forward. Finally, make sure both teams are speaking the same language by using the right tools and a shared vocabulary.

While written word is the order within law firms, the business community tends to rely on tools like PowerPoint for communication. Sometimes translating a lengthy document into a more visual mode can facilitate understanding and even yield creative, new solutions to the problem.

Always be thinking not just about communication between the inside and outside teams, but also how to enable the in-house team to present ideas to their internal clients, the business leaders.

3. Build a shared roadmap that can evolve, and demonstrate good judgment

The in-house counsel is continuously juggling big priorities with the day to day responsibilities of the job. The best outside counselors help their clients anticipate what is on the horizon and determine whether the current approach and practices will put the company on the right trajectory.

Timeliness is an important factor in building a workable roadmap. Good business advisors understand how to foreshadow what is to come so business leaders have time to digest information and then decide. The partnership also depends on crystal clear communication and a willingness to use technological tools to improve efficiency.

Because skillful navigation involves looking both at your feet and the path ahead, teams must constantly be asking what's coming next, what's the precedent if we do X, and what are the potential costs and benefits? This is where creative problem solvers can demonstrate significant value. Nothing beats good judgment, a great strategy, and a thoughtful plan to execute it.

4. Move beyond a transactional mindset and nurture the relationship

Good client service cannot be merely transactional, so outside counsel can truly demonstrate their worth by providing value outside the billable hours. That means making time to learn their client's business, conduct on-site visits, and make themselves available as a resource. It's also important for other members of the outside team beyond the billing partner — including associates and paralegals — to take ownership of the work.

The in-house counsel can create these connections by inviting everyone on the team to an on-site visit to learn the business and understand the goals of the project. This is an investment in the outside team, which is just an extension of the in-house team, and the work will be more efficient and effective if everyone works together as one entity. The complex legal matters businesses face today require that everyone is on board and invested in achieving the optimal outcome.

In-house and outside counsel see legal and business challenges through distinct lenses that are shaped by their respective training and approach to problems. We need both perspectives to create innovative legal strategies. By embracing the key steps we have outlined above, lawyers can build a thriving, long-lasting inside-outside partnership that yields creative solutions for the company and its outside partners.

Litigation

About the Authors

Cathy Landman is the chief legal and human resources officer at Corelle Brands.

Margo Wolf O'Donnell is the partner and co-chair of the labor and employment practice group at Benesch.

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6 New Leadership Literacies Lawyers Must Build

Paula Davis-Laack Contributor
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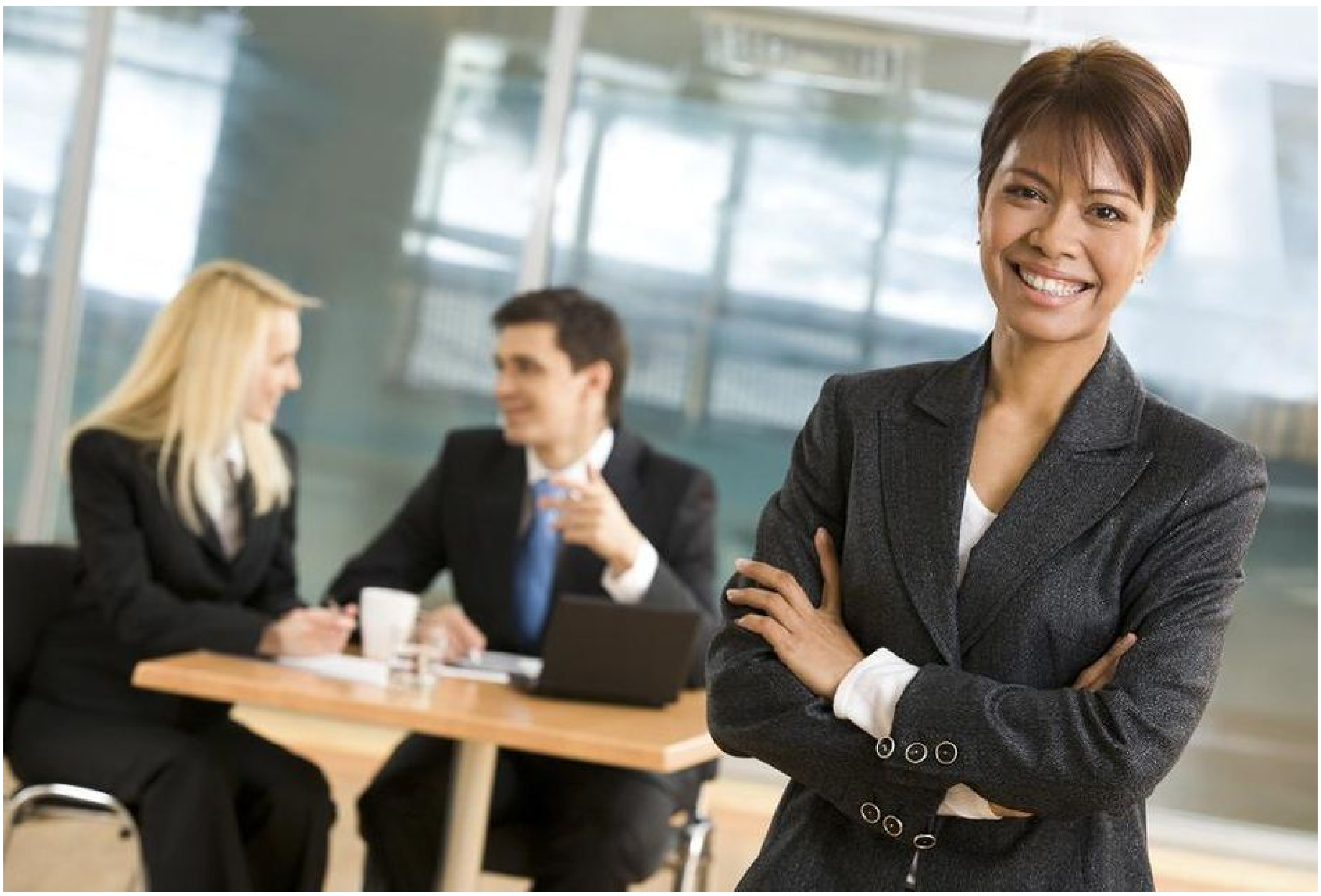

Lawyers and Leadership Literacies PHOTO SPIN

I stopped practicing law on June 24, 2009, and since that time, I've been astounded at how the legal profession has changed. The Great Recession was certainly a catalyst, but here we are, nine years later, and I can say for certain that change is here to stay. As such, lawyers will need to develop new leadership literacies if they want to be successful as the practice of law continues to evolve.

Specifically, "lawyers of the future" will need to develop key skills in order to transition to a new way of leading focused on how firms and organizations are governed, innovation, economics like rates and fee structures, service delivery, people management, business development, marketing and sales, and how data about all of these things is collected. According to talent development strategist Terri Mottershead, "pivotal to all these changes, particularly if they are to be sustained, is acting strategically, investing in the business, employing the right people and proactively managing change." If you think that sounds like a tall order, it is. That is why these six leadership literacies are required:

1 **Champion change, innovation, diversity & inclusion**. An era of change, innovation and disruption requires leaders to be curious and question existing rules that aren't working. Many firms are appointing Innovation Officers to monitor trends and implement new processes or products within the firm and for clients. In addition, companies like Diversity Lab are holding hackathons, events meant to generate creative thinking about a topic. One recent Diversity Lab hackathon team proposed an idea that is now being tested in more than 30 law firms. It's called the Mansfield Rule, named after the NFL's Rooney Rule, and its goal is to increase diversity on leadership teams. The Mansfield Rule specifies that for hiring in certain law firm power positions, the candidate pool must include at least 30% women and/or minorities.

2 **Engage in people management**. The biggest lesson I learned from watching my parents grow a company they started from scratch is this: when you prioritize people ahead of money, you make more money. Law firms don't make tangible products that can be sold – their best asset is their people, and people are at the core of what firms can achieve. Specifically, "knowing how to identify, predict, nurture and deploy the right people to the right job so they are engaged, motivated and productive is what differentiates new law workplaces."

3 **Prioritize well-being**. Over the past two years, issues surrounding the health and well-being of attorneys have come into much sharper focus, as growing empirical and anecdotal evidence of lawyer distress and dysfunction have collided with a heightened willingness to do something about the problems. Lawyer well-being is about creating an overall healthy and positive quality of life that involves responsible choices for oneself and one's clients. Importantly, well-being is not defined solely by the absence of illness; i

includes a positive state of wellness. This topic has gained traction in law firm and in-house legal departments thanks in part to the publication of a groundbreaking 2017 report by the National Task Force on Lawyer Well-Being (and some states, as a result, now approve continuing legal education credit for these topics). Most recently, the American Bar Association's House of Delegates adopted a resolution urging legal employers to increase efforts to address well-being related topics.

4 **Collaborate**. As legal work becomes more specialized and more complex, teams of multidisciplinary experts are going to be tasked to solve client challenges; however, this presents a challenge for lawyers who are often part of specific practice groups, which can make collaborating across groups expensive for clients. However, research reveals that clients served by two practice groups generate multiple times more revenue than those clients served by a single practice, and this growth continues when more practice groups are involved. In order for teams to be effective, team members need to assess goals, know each others' strengths and working styles, provide ongoing feedback to each other and manage conflict.

5 **Demonstrate and encourage resilience**. Resilience is a person's capacity for stress-related growth and consists of skills and strategies that can be learned, practiced and improved. Change and stress travel together, and some innovative legal service products, processes and systems are going to fail. Law firm leaders and lawyers need to be able to work within and be comfortable with this type of environment, and leaders, in particular, need to inspire others.

6 **Promote design thinking**. Design thinking is a problem solving process that helps you generate options, test strategies, and get feedback so you can innovate (it's the method most often used to facilitate the creation of new products or processes). It's also a great methodology to help you trouble shoot general life challenges as well. Design thinking not only helps you innovate, but it also builds your resilience by helping to develop your capacity to generate multiple pathways and solutions and get unstuck quickly.

How do you want your practice to look in the next 10 years? How do you want your law firm or legal department to evolve to stay competitive in a changing legal landscape?

These new lawyer and leadership literacies can serve as a starting point for thinking about what skills, strategies and resources you need to develop today.

Paula Davis-Laack teaches stress resilience skills to lawyers, leaders and key organizational stakeholders so they can be more effective at leading and working in a stressful, changing environment.

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I am a former practicing lawyer, speaker, media contributor and a burnout prevention and stress resilience expert who has taught and coached burnout prevention and resil... **Read More**

GIVING FEEDBACK

How Leaders Can Ask for the Feedback No One Wants to Give Them

by Joseph Grenny and Brittney Maxfield

JULY 29, 2019

JOHN LUND/GETTY IMAGES

Tad knew he was losing his hearing. What he didn't know was that everyone around him knew as well.

Tad (not his real name) was a senior executive in a multinational company. Much of his work was done in lengthy meetings with dozens of participants. His hearing loss was making it difficult for him to keep track of what was happening in meetings — but his vanity kept him from getting a hearing aid. So instead, when he missed important points, he would try to decipher what was happening from slides or fill in the blanks from the fragments of conversation he could catch. Others in the meetings were, by turns, embarrassed for and frustrated with him. People began trying to hold meetings without him in order to improve efficiency. They would feign strong emotion when making a point so that they had an excuse to raise their volume. But no one dared raise the issue.

It turns out, Tad is not alone. Most managers aren't aware of what their employees really think about them.

We and our colleagues at VitalSmarts recently conducted an online study to understand if employees feel comfortable and able to share critical feedback with their manager — especially when the feedback is about the manager's behavior. Eighty percent of the 1,335 respondents said their boss has a significant weakness that everyone knows and discusses covertly with each other, but not directly with their manager.

It doesn't have to be this way. If there's something about your boss that frustrates you (and everyone around you), here's how you can broach the subject in a thoughtful, productive way — and what managers can do to encourage their employees to open up.

How to Share Uncomfortable Feedback with Your Boss

Don't start with your complaint. Start with consequences. Help your boss understand not just what the problem is (they overschedule and then cancel meetings) but why they should care. If the boss has a *why* for listening to uncomfortable feedback, they're more likely to hear what you're saying. For example: "As you know, we've missed three customer deadlines in the past six months. The problem is fixable, but it involves working with you differently in the future. May I describe what I see going on?"

Offer workarounds rather than turnarounds. It would be nice if your boss committed to a major personality change as a result of your conversation, but don't bet on it. Even if they listen well and care about your concerns, their behavioral patterns may be so longstanding that they're unlikely to change anytime soon. That's why you should propose a workaround that mitigates the boss's weaknesses. For example: "I've examined the kinds of things we wait on you to decide. Of the eight kinds of decisions, four of them are ones you have followed the team's recommendations on 100% of the time. We can eliminate a chunk of our delays, and free up significant time on your calendar, if you delegate those to the team. We would notify you so that you could countermand the decision if you have concerns, but if we don't hear back in 24 hours we will move ahead. Would that work?"

Suspend judgment. Find a way to replace your judgments with empathy. If you're juiced up on resentment when you approach your boss, no amount of fakery will keep you from telegraphing your frustration. Conversations like these work only if the other person feels safe with you. And nothing destroys safety more reliably than a sense of derision. Examine your weaknesses. Examine your boss's strengths. Be honest with yourself about the ways in which you are part of the problem. For example, has procrastinating on having this conversation made matters worse? We've found the longer you wait, the more your resentment grows toward the other person. It's easy to let our own faintheartedness alchemize into disgust toward the boss.

How to Encourage Your Employees to Give You Feedback

The main thing leaders can do is make it safe to point out their weaknesses. This demands humility.

Sharing this article with your team is a great way to open this topic. Email it to your direct reports with the following statement: "This made me think about *me* and *us*. I want to know what everyone but me knows about what I can do better. In coming days, I want to create some opportunities for you to help me learn how I can support you better."

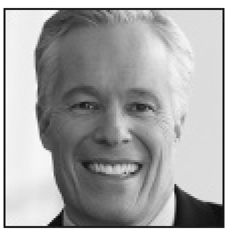
Then, use these three suggestions to follow through on that commitment:

Make it normal. Make employee-to-manager feedback a regular agenda item at team meetings. If you have made commitments to improve, take a moment to report on what you have done, and then ask team members to rate your effort on a scale of 1 to 10. They'll struggle the first few times you do it, but frequency will overcome timidity. Make it normal and it will feel less risky.

Adopt a coach. Ask a direct report who's usually candid to be your coach. Meet regularly to request feedback. Make the coaching relationship public to demonstrate your sincerity about improving.

Prime the pump. One of the most powerful ways to encourage feedback in a group or one-on-one setting is to "prime the pump." Give examples of concerns your coach has raised to demonstrate that it is safe to share tough feedback with you. For example, you might say, "What can I do better? I've heard from Gail that I am often inaccessible. I spend a lot of time out of the office, which makes it difficult for you to involve me in critical issues. I am working on a plan to fix that. What else would you like me to do better on?" If you can quote feedback you've received in a way that shows you aren't threatened by it, you generate evidence for your team that other issues might be safe as well.

The old cliché is wrong — ignorance is not bliss. The frustration and concern people keep from their bosses eat away at productivity, performance, and results. Our research shows that what people don't talk out, they will act out in the form of resentment, turnover, apathy, or deference. The path to results is paved with candid and direct communication. Leaders aren't exempt from bad behavior — and they shouldn't be exempt from feedback either.



Joseph Grenny is a four-time *New York Times* bestselling author, keynote speaker, and leading social scientist for business performance. His work has been translated into 28 languages, is available in 36 countries, and has generated results for 300 of the Fortune 500. He is the cofounder of VitalSmarts, an innovator in corporate training and leadership development.

Brittney Maxfield is the Director of Content Marketing at VitalSmarts.

This article is about GIVING FEEDBACK

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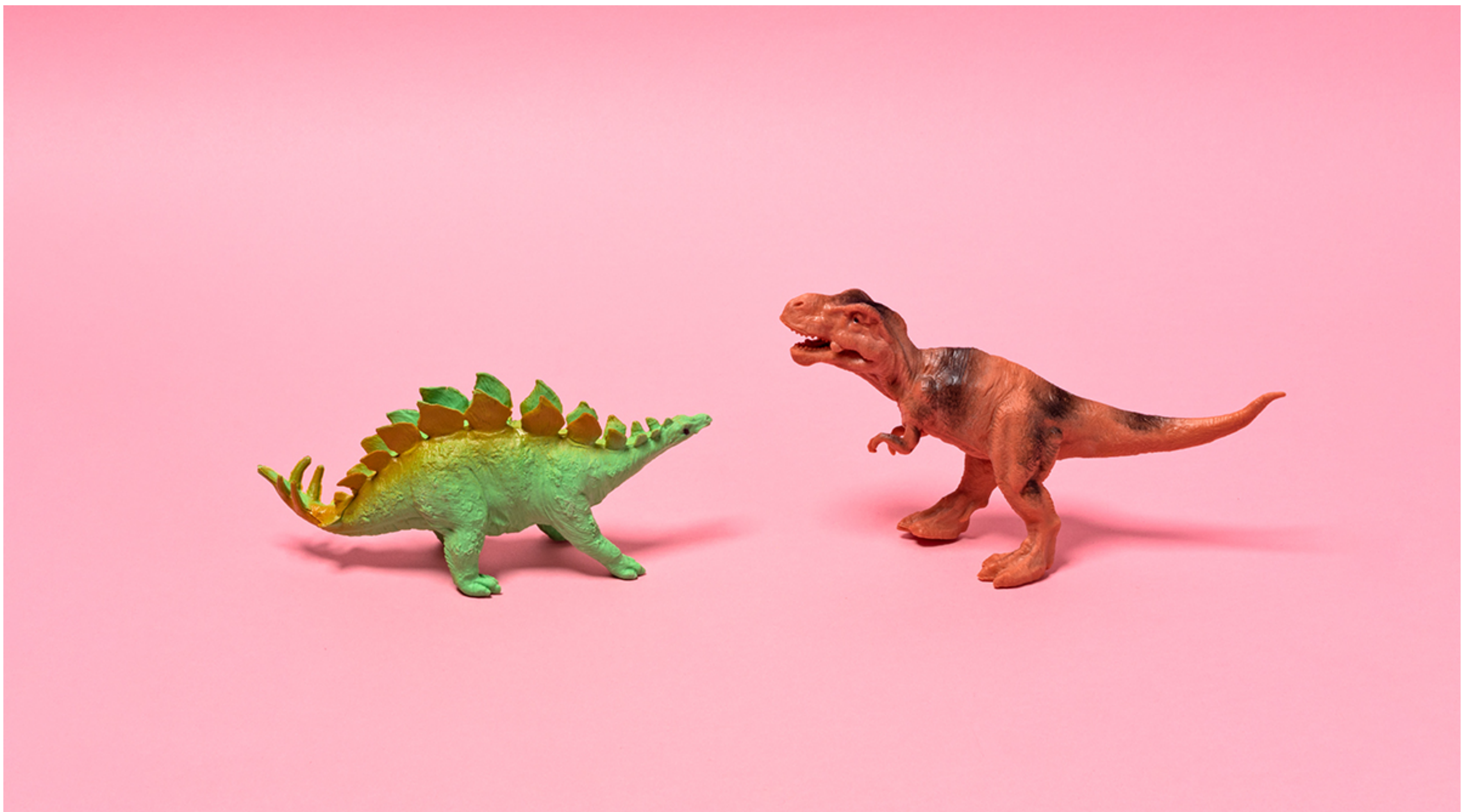
CONFLICT

How to Say "No" at Work Without Making Enemies

by Joseph Grenny

AUGUST 05, 2019



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You define the contours of your character and the shape of your life by what you say "no" to. For example, saying no to invitations is the way you safeguard the attention you need to say yes to what matters most. Saying no to demands that compromise your values is how you secure your hold on those values. Articulating your reservations about a proposal is the work of acquainting yourself with your own thoughts. Expressing disagreement with an exuberant crowd is the very sacrament of personal integrity. A sculptor creates a masterpiece from stone by subtracting the pieces that don't belong. By the same token, it is what remains after removing those things you decline that becomes who you are.

Consider the case of Karla, who chaired the board of a successful nonprofit. In the previous 10 years, the organization had become beloved by donors for its impressive results. It had a talented workforce of 40 employees and a burn rate of $500,000 per month. A year earlier, the board concluded it had largely accomplished the mission for which it had been formed. The question now was, "What next?" Some on the board, and most of the executive team, were determined to find a new mission rather than disband. But others were adamant that the organization shouldn't simply continue spending donor money by default. It should either find a compelling reason for existing, one worthy of the financial trust, or be dissolved.

Executives presented three possible new strategies. Karla saw nothing of substance in any of them. As discussion began, board members expressed enthusiasm for one option or another. She listened politely, but her insides were in turmoil as she scrambled for a way to register her dissent.

As important as it is to say no, many of us — like Karla — feel dread when we have to do it. Saying no is hard because we are a species that (sadly) treats agreement as affection and denial as rejection. When people disagree with us or turn us down, we routinely (and typically incorrectly) interpret it as evidence of enmity. Those who decline our invitations, disagree with our ideas, or oppose our plans *feel* like threats. So, we safely assume others will feel the same when we turn them down.

As skittish as we are about saying no under normal circumstances, there are six conditions that ratchet up the perceived risk even more:

- **You're the new kid.** If your reputation is unformed in a group or with a colleague, they may make gross inferences about your personality from this single interaction. For example, they may see you as selfish, stubborn, or closed-minded.
- **Your personal brand is already compromised.** Saying no becomes even riskier if your past reputation makes it easy to dismiss your position as an expression of your flaws rather than facts. For example, it's riskier to say no to a new project if you're already wearing a jacket that says you're lazy, selfish, or small-minded.
- **Your loyalty is being tested.** Groups making decisions can sometimes equate disagreement with disloyalty. Agreeing with a position is seen as a test of commitment to the group's interests. Saying no is riskier when your apparent disloyalty might result in a judgment about your tribal commitment.
- **You're up against a powerful and insecure leader.** It's tough to say no to a leader who might infer that your disagreement with their big idea demonstrates disrespect for their authority. Also, if a leader is insecure, they might personalize your reservations and conclude that you are not disagreeing with their idea, you are disagreeing with *them*.
- **You're going against a group decision.** It's tough to say no when others are inebriated on the euphoria of consensus. Groups can unconsciously begin to value *connection* over results. When that happens, naysayers are seen as ruining the party. Your potentially helpful opposition will be resented rather than welcomed.
- **Everyone has decision fatigue.** Saying no becomes harder if a group has been exhausted by the decision-making process. There is an ecstasy that comes with simply gaining closure after a long struggle. If people aren't careful, they can begin to prize *resolution* over results. They've sunk a lot of effort into getting to their current conclusion, and now you're asking them to take three steps backward. In their minds, it feels like waste or rework to "rehash." Expect resistance.

Understanding the psychology of the problem is the key to mitigating risk. It may be unavoidable that others will be disappointed by your response. Your goal is to ensure disappointment doesn't escalate to insult. You want to separate your answer to the topic at hand from your sentiments about the people involved. Here are some tips for inoculating yourself against inflated negative attributions when you dissent:

- **Show your work.** Don't simply say "no." Share your logic. Share your facts. Share the reasoning behind your decision. And most important, share the values that motivate your conclusion. If you don't, others will fill the vacuum you leave with their fears and biases. For example, Karla should not simply say, "I vote we let the staff go and begin an orderly shutdown." People care less about *what* you think than *why* you think it. When you start with your conclusion, they get to make up the path you took to get there. For example, if Karla simply states her position, others might conclude she simply has it in for some of the executives. Or she never really cared about the mission. Or perhaps she's anxious to free up time to focus on her new startup. Don't leave a mystery for others to solve. Instead, Karla should cite the data and the motivations that led her to that position: "In the last six months, we have explored five different ideas for future strategy. We have agreed these were not appropriate strategies for a nonprofit like us. We have spent $3 million in operating costs during this period. I believe it's wrong of us to spend more of our sacred donor funds looking for a way to justify our existence."
- **Acknowledge value trade-offs.** Let others know you sympathize with the values your position compromises. Decisions are rarely as simple as black and white, right and wrong. They typically involve value trade-offs. Be sure to honor the worthy values that may motivate others' positions. For example, the statement Karla just shared might be misinterpreted as maligning those who are looking for a reason to continue the nonprofit. To avoid unnecessary offense, she should quickly add, "While that's where I come down, I must say it breaks my heart to dissolve the team. I agree with those who think the world would be best served by keeping this team together to do more good. I just can't see continuing when we haven't found a purpose."
- **Be tentatively confident.** It's important to take a firm stand, but not an overstated one. You alienate more than you convince when you make absolute statements like "The only reasonable conclusion we can draw is…" or "The right answer is…" Show that you're a thoughtful person who has arrived at a conclusion. Preambles like "I've concluded…" and "I believe…" demonstrate a combination of resolve and humility that avoids provoking unnecessary conflict.
- **Ask for permission to say no.** When saying no to a person in a position of authority, particularly someone who might misinterpret your denial as disrespect, it can be helpful to ask permission to say no. This allows you to honor their authority while maintaining your integrity. For example, you could say, "Boss, you've asked me to take on a new project. I think it is a bad idea for me to take it on, and I'd like to share my reasons. If, however, you don't want to hear them, I'll take it on and do my best. What would you like?" In most cases, the boss will feel obligated to hear you out. If the boss refuses to hear your reservations, you get to decide if this is an environment you want to spend a significant part of your life in.

In the end, Karla's nonprofit shut down. It was a painful decision that deeply disappointed a group of loyal employees and was questioned vigorously by some stakeholders.

Karla did her best to make her position known without creating unnecessary offense. Her tact and empathy helped. And her resolve through this experience helped define the person she would be in handling countless future dilemmas. Saying no is a crucial process of shaping the person we become.

Joseph Grenny is a four-time *New York Times* bestselling author, keynote speaker, and leading social scientist for business performance. His work has been translated into 28 languages, is available in 36 countries, and has generated results for 300 of the Fortune 500. He is the cofounder of VitalSmarts, an innovator in corporate training and leadership development.

This article is about CONFLICT

LEADERSHIP TRANSITIONS

To Be a Great Leader, You Have to Learn How to Delegate Well

by Jesse Sostrin

OCTOBER 10, 2017

Marion Barraud for HBR

One of the most difficult transitions for leaders to make is the shift from *doing* to *leading*. As a new manager you can get away with holding on to work. Peers and bosses may even admire your willingness to keep "rolling up your sleeves" to execute tactical assignments. But as your responsibilities become more complex, the difference between an effective leader and a super-sized individual contributor with a leader's title is painfully evident.

In the short term you may have the stamina to get up earlier, stay later, and out-work the demands you face. But the inverse equation of shrinking resources and increasing demands will eventually catch up to you, and at that point how you involve others sets the ceiling of your leadership impact. The upper limit of what's possible will increase only with each collaborator you empower to contribute their best work to your shared priorities. Likewise, your power decreases with every initiative you unnecessarily hold on to.

While it may seem difficult, elevating your impact requires you to embrace an unavoidable leadership paradox: You need to be more essential and less involved. When you justify your hold on work, you're confusing being *involved* with being *essential*. But the two are not the same — just as being busy and being productive are not necessarily equal. Your involvement is a mix of the opportunities, mandates, and choices you make regarding the work you do. How ancillary or essential you are to the success of that portfolio depends on how decisively and wisely you activate those around you.

This means shaping the thoughts and ideas of others instead of dictating their plans, having a sought-after perspective but not being a required pass-through, and seeing your own priorities come to life through the inspired actions of others.

On the surface this advice may sound like common sense; it's what motivational leaders should do. Yet too many of us are in a constant state of overextension, which fuels an instinctive reaction to "protect" work. This survival instinct ultimately dilutes our impact through an ongoing, limited effect on others.

To know if you're guilty of holding on to too much, answer this simple question: If you had to take an unexpected week off work, would your initiatives and priorities advance in your absence?

If you answered no or if you're unsure, then you may be more involved than essential. To raise the ceiling of your leadership potential, you need to extend your presence through the actions of others. Regardless of your preferred methodology for delegation, here are four strategies that I've found work for leaders at all levels.

Start with your reasons. When people lack understanding about why something matters and how they fit into it, they are less likely to care. But if you give them context about what's at stake, how they fit into the big picture, and what's unique about the opportunity, then you increase personal relevance and the odds of follow-through. Instead of giving just the business justification, make it a point to share your reasons. You can't motivate somebody to care when you can't express the reasons why it matters to you, so this essential step sets the table for effective partnering. Otherwise, you leave people to come to their own conclusions about what you're asking them to do and why. The risk of misalignment is highest during the first conversation, so make sure you articulate your reasons from the start.

Inspire their commitment. People get excited about what's possible, but they commit only when they understand their role in making it happen. Once you've defined the work, clarified the scope of their contribution, and ensured that it aligns with their capacity, carefully communicate any and all additional expectations for complete understanding. This is crucial when you have a precise outcome or methodology in mind. They can't read your mind, so if the finished product needs to be meticulous, be equally clear-cut in the ask. Once clarity is established, confirm their interpretation (face-to-face, or at least voice-to-voice, to avoid email misinterpretations). "But I told them how I wanted it done!" will not be the reason the ball got dropped; it will simply be the evidence that you didn't confirm their understanding and inspire their commitment.

Engage at the right level. It's essential to stay involved, but the degree matters. You should maintain engagement levels sufficient for you to deliver the agreed-upon mix of support and accountability. However, there are risks when the mix is not right: Too involved, and you could consciously or inadvertently micromanage those around you; too hands-off, and you could miss the critical moments where a supportive comment or vital piece of feedback would be essential. To pick your spot, simply ask people what the right level is based on their style. This not only clarifies the frequency of touchpoints they will find useful but also gives them autonomy in how the delegated work will move forward.

Practice saying "yes," "no," and "yes, if." This is the art and science of being selective. Successful investors don't divert their money into every opportunity that comes their way, so we should be equally discerning with our time. Start by carefully assessing every demand that comes your way, and align the asks with the highest-valued contributions that you're most skilled at making. For those requests that draw on this talent, you say *yes* and carve out the time and attention to be intimately involved. But for those requests that don't align, you say *yes, if…* and immediately identify other people to accomplish the goals through their direct involvement. You may still consult, motivate, and lead — but you're essential as the catalyst, not as the muscle doing the heavy lifting. This discerning approach may mean delegating some tasks to others, negotiating a reduction in your direct contribution, or just saying *no* while making the business case for why your effort and attention will have a greater impact elsewhere.

To illustrate these strategies in action, consider Anika. The word no was not in her vocabulary, and as a result she involved herself in every team priority. As demand continued to rise, Anika could no longer remain credibly engaged in everything. But since she staked out her territory in the middle, various initiatives began to stagnate. As members of her team stood idly by waiting for some of her precious time to consult on, review, or approve various items, their frustration grew. Anika found herself on the edge of burnout, while confronting a potential loss of credibility with her team.

The first step for Anika was challenging the definition of her leadership mandate. Up to that point, she defined her core responsibility like this: "I'm the one in charge of getting the job done." As she reflected on this, she recognized it as doer's mindset that lowered the ceiling of her potential impact. The proof was that in recent months her peers were included in various strategic conversations and business development opportunities with senior leaders, yet Anika, with no energy or space for these endeavors, was dealt out of these opportunities to demonstrate her upside.

She recognized that her focus on executing work was not only holding her back from the big-picture work of leading but also was the source of frustration among her junior staff. Although it was uncomfortable, she wanted to start giving them more rope. As Anika considered her obligation to develop others — upskilling, providing tangible leadership experience, and so on — she redefined her leadership mandate to avoid being involved and not being essential: "I lead people, priorities, and projects — in that order — and the work will get done because the right people are focused on the right tasks."

With this refreshed vision, her next step was to reassess her portfolio. She looked at her calendar for the two weeks prior and two weeks ahead, then she counted the hours devoted to each effort (for example, through meetings, working sessions, and conference calls). Once she finished the time count, she ranked each item on a 10-point scale to assess how important the initiative was to the team's overall success.

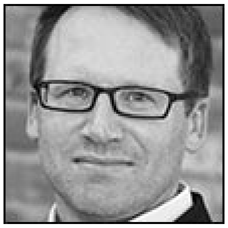
This two-column exercise quickly revealed a few mismatches where Anika was devoting too much time and energy to priorities that were not in the top five. These were candidates for delegation, so her next step was to consider each team member's unique mix of skills and development needs in order to make an intelligent match regarding who could take on more responsibility. Some of the initiatives could be completely handed off, while others could be broken down into a few smaller pieces in order to involve others without a full transfer of responsibility.

With these new assignments in mind, she devoted 15-20 minutes preparing for each conversation. She brainstormed ways to share her reasons for the change, as well as how she could inspire their commitment. With eight team members, this was a significant investment of time on an already overloaded schedule, but Anika recognized it as a short-term cost to create long-term benefits.

Within a short period of time, Anika became considerably less involved in the details, but she remained essential to the purpose and momentum of each critical initiative. Said differently, her influence was ever-present, but the bottleneck dissolved.

Finally, with the additional bandwidth she created for herself, Anika was concerned that her knee-jerk tendency to say yes could quickly erase the gains. So moving forward she made a commitment to apply the strategy of saying *yes*, *no*, or *yes, if* to new requests in order to avoid diluting her impact through involvement in areas that didn't align with her desired growth and personal brand. And to ensure an objective perspective, Anika asked a colleague to act as an ongoing sounding board for her when the factors were ambiguous and the right answer wasn't evident.

Staying mindful of these four strategies, working out the kinks like Anika did, and becoming proficient at empowering others to deliver their best builds your capacity to get the job done through the contributions of others. With this momentum you'll be able to focus on the secondary potential of your deliberate collaboration: to leverage each delegated task as an opportunity for others' development. Then, over time, they too can be more essential and less involved.



Jesse Sostrin, PhD is a Director in PwC's Leadership Coaching Center of Excellence. The author of *The Manager's Dilemma, Beyond the Job Description*, and *Re-Making Communication at Work*, Jesse writes and speaks at the intersection of individual and organizational success. Follow him at @jessesostrin.

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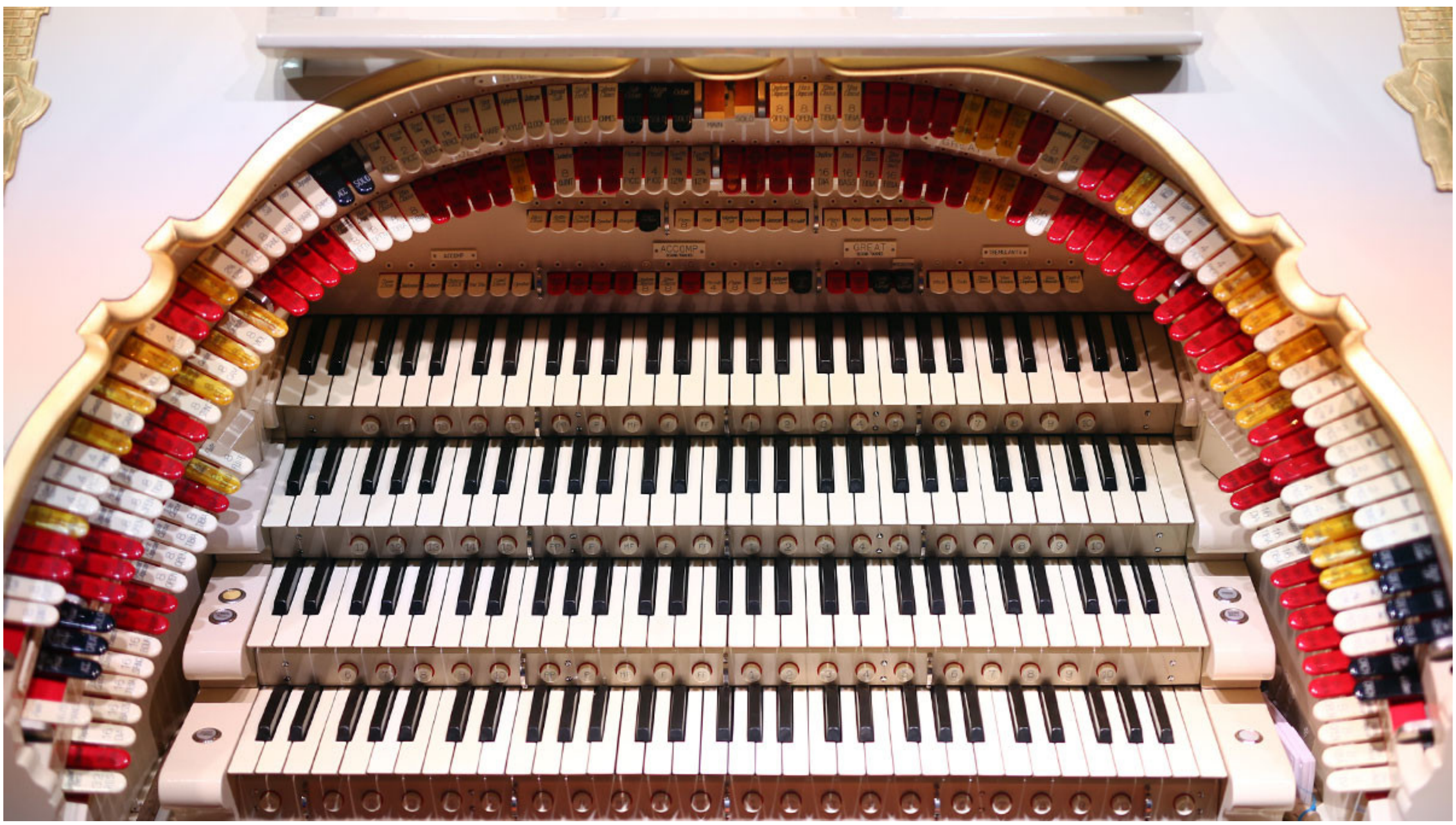
DECISION MAKING

Who Has the D?: How Clear Decision Roles Enhance Organizational Performance

by Paul Rogers and Marcia W. Blenko

FROM THE JANUARY 2006 ISSUE



Decisions are the coin of the realm in business. Every success, every mishap, every opportunity seized or missed is the result of a decision that someone made or failed to make. At many companies, decisions routinely get stuck inside the organization like loose change. But it's more than loose change that's at stake, of course; it's the performance of the entire organization. Never mind what industry you're in, how big and well known your company may be, or how clever your strategy is. If you can't make the right decisions quickly and effectively, and execute those decisions consistently, your business will lose ground.

Indeed, making good decisions and making them happen quickly are the hallmarks of high-performing organizations. When we surveyed executives at 350 global companies about their organizational effectiveness, only 15% said that they have an organization that helps the business outperform competitors. What sets those top performers apart is the quality, speed, and execution of their decision making. The most effective organizations score well on the major strategic decisions—which markets to enter or exit, which businesses to buy or sell, where to allocate capital and talent. But they truly shine when it comes to the critical operating decisions requiring consistency and speed—how to drive product innovation, the best way to position brands, how to manage channel partners.

Even in companies respected for their decisiveness, however, there can be ambiguity over who is accountable for which decisions. As a result, the entire decision-making process can stall, usually at one of four bottlenecks: global versus local, center versus business unit, function versus function, and inside versus outside partners.

The first of these bottlenecks, *global versus local* decision making, can occur in nearly every major business process and function. Decisions about brand building and product development frequently get snared here, when companies wrestle over how much authority local businesses should have to tailor products for their markets. Marketing is another classic global versus local issue—should local markets have the power to determine pricing and advertising?

The second bottleneck, *center versus business unit* decision making, tends to afflict parent companies and their subsidiaries. Business units are on the front line, close to the customer; the center sees the big picture, sets broad goals, and keeps the organization focused on winning. Where should the decision-making power lie? Should a major capital investment, for example, depend on the approval of the business unit that will own it, or should headquarters make the final call?

Function versus function decision making is perhaps the most common bottleneck. Every manufacturer, for instance, faces a balancing act between product development and marketing during the design of a new product. Who should decide what? Cross-functional decisions too often result in ineffective compromise solutions, which frequently need to be revisited because the right people were not involved at the outset.

The fourth decision-making bottleneck, *inside versus outside partners,* has become familiar with the rise of outsourcing, joint ventures, strategic alliances, and franchising. In such arrangements, companies need to be absolutely clear about which decisions can be owned by the external partner (usually those about the execution of strategy) and which must continue to be made internally (decisions about the strategy itself). In the case of outsourcing, for instance, brand-name apparel and foot-wear marketers once assumed that overseas suppliers could be responsible for decisions about plant employees' wages and working conditions. Big mistake.

Clearing the Bottlenecks

The most important step in unclogging decision-making bottlenecks is assigning clear roles and responsibilities. Good decision makers recognize which decisions really matter to performance. They think through who should recommend a particular path, who needs to agree, who should have input, who has ultimate responsibility for making the decision, and who is accountable for follow-through. They make the process routine. The result: better coordination and quicker response times.

Companies have devised a number of methods to clarify decision roles and assign responsibilities. We have used an approach called RAPID, which has evolved over the years, to help hundreds of companies develop clear decision-making guidelines. It is, for sure, not a panacea (an indecisive decision maker, for example, can ruin any good system), but it's an important start. The letters in RAPID stand for the primary roles in any decision-making process, although these roles are not performed exactly in this order: recommend, agree, perform, input, and decide—the "D." (See the sidebar "A Decision-Making Primer.")

A Decision-Making Primer

Good decision making depends on assigning clear and specific roles. This sounds simple enough, but many companies struggle to make decisions because lots of people feel accountable—or no one does. RAPID and other tools used to analyze decision making give senior management teams a method for assigning roles and involving the relevant people. The key is to be clear who has input, who gets to decide, and who gets it done.

The five letters in RAPID correspond to the five critical decision-making roles: recommend, agree, perform, input, and decide. As you'll see, the roles are not carried out lockstep in this order—we took some liberties for the sake of creating a useful acronym.

Recommend.

People in this role are responsible for making a proposal, gathering input, and providing the right data and analysis to make a sensible decision in a timely fashion. In the course of developing a proposal, recommenders consult with the people who provide input, not just hearing and incorporating their views but also building buy in along the way. Recommenders must have analytical skills, common sense, and organizational smarts.

Agree.

Individuals in this role have veto power—yes or no—over the recommendation. Exercising the veto triggers a debate between themselves and the recommenders, which should lead to a modified proposal. If that takes too long, or if the two parties simply can't agree, they can escalate the issue to the person who has the D.

Input.

These people are consulted on the decision. Because the people who provide input are typically involved in implementation, recommenders have a strong interest in taking their advice seriously. No input is binding, but this shouldn't undermine its importance. If the right people are not involved and motivated, the decision is far more likely to falter during execution.

Decide.

The person with the D is the formal decision maker. He or she is ultimately accountable for the decision, for better or worse, and has the authority to resolve any impasse in the decision-making process and to commit the organization to action.

Perform.

Once a decision is made, a person or group of people will be responsible for executing it. In some instances, the people responsible for implementing a decision are the same people who recommended it.

Writing down the roles and assigning accountability are essential steps, but good decision making also requires the right process. Too many rules can cause the process to collapse under its own weight. The most effective process is grounded in specifics but simple enough to adapt if necessary.

When the process gets slowed down, the problem can often be traced back to one of three trouble spots. First is a lack of clarity about who has the D. If more than one person think they have it for a particular decision, that decision will get caught up in a tug-of-war. The flip side can be equally damaging: No one is accountable for crucial decisions, and the business suffers. Second, a proliferation of people who have veto power can make life tough for recommenders. If a company has too many people in the "agree" role, it usually means that decisions are not pushed down far enough in the organization. Third, if there are a lot of people giving input, it's a signal that at least some of them aren't making a meaningful contribution.

The people who *recommend* a course of action are responsible for making a proposal or offering alternatives. They need data and analysis to support their recommendations, as well as common sense about what's reasonable, practical, and effective.

The people who *agree* to a recommendation are those who need to sign off on it before it can move forward. If they veto a proposal, they must either work with the recommender to come up with an alternative or elevate the issue to the person with the D. For decision making to function smoothly, only a few people should have such veto power. They may be executives responsible for legal or regulatory compliance or the heads of units whose operations will be significantly affected by the decision.

People with *input* responsibilities are consulted about the recommendation. Their role is to provide the relevant facts that are the basis of any good decision: How practical is the proposal? Can manufacturing accommodate the design change? Where there's dissent or contrasting views, it's important to get these people to the table at the right time. The recommender has no obligation to act on the input he or she receives but is expected to take it into account—particularly since the people who provide input are generally among those who must implement a decision. Consensus is a worthy goal, but as a decision-making standard, it can be an obstacle to action or a recipe for lowest-common-denominator compromise. A more practical objective is to get everyone involved to buy in to the decision.

Eventually, one person will *decide*. The decision maker is the single point of accountability who must bring the decision to closure and commit the organization to act on it. To be strong and effective, the person with the D needs good business judgment, a grasp of the relevant trade-offs, a bias for action, and a keen awareness of the organization that will execute the decision.

The final role in the process involves the people who will *perform* the decision. They see to it that the decision is implemented promptly and effectively. It's a crucial role. Very often, a good decision executed quickly beats a brilliant decision implemented slowly or poorly.

> A good decision executed quickly beats a brilliant decision implemented slowly.

RAPID can be used to help redesign the way an organization works or to target a single bottleneck. Some companies use the approach for the top ten to 20 decisions, or just for the CEO and his or her direct reports. Other companies use it throughout the organization—to improve customer service by clarifying decision roles on the front line, for instance. When people see an effective process for making decisions, they spread the word. For example, after senior managers at a major U.S. retailer used RAPID to sort out a particularly thorny set of corporate decisions, they promptly built the process into their own functional organizations.

To see the process in action, let's look at the way four companies have worked through their decision-making bottlenecks.

Global Versus Local

Every major company today operates in global markets, buying raw materials in one place, shipping them somewhere else, and selling finished products all over the world. Most are trying simultaneously to build local presence and expertise, and to achieve economies of scale. Decision making in this environment is far from straightforward. Frequently, decisions cut across the boundaries between global and local managers, and sometimes across a regional layer in between: What investments will streamline our supply chain? How far should we go in standardizing products or tailoring them for local markets?

The trick in decision making is to avoid becoming either mindlessly global or hopelessly local. If decision-making authority tilts too far toward global executives, local customers' preferences can easily be overlooked, undermining the efficiency and agility of local operations. But with too much local authority, a company is likely to miss out on crucial economies of scale or opportunities with global clients.

> The trick in decision making is to avoid becoming either mindlessly global or hopelessly local.

To strike the right balance, a company must recognize its most important sources of value and make sure that decision roles line up with them. This was the challenge facing Martin Broughton, the former CEO and chairman of British American Tobacco, the second-largest tobacco company in the world. In 1993, when Broughton was appointed chief executive, BAT was losing ground to its nearest competitor. Broughton knew that the company needed to take better advantage of its global scale, but decision roles and responsibilities were at odds with this goal. Four geographic operating units ran themselves autonomously, rarely collaborating and sometimes even competing. Achieving consistency across global brands proved difficult, and cost synergies across the operating units were elusive. Industry insiders joked that "there are seven major tobacco companies in the world—and four of them are British American Tobacco." Broughton vowed to change the punch line.

The chief executive envisioned an organization that could take advantage of the opportunities a global business offers—global brands that could compete with established winners such as Altria Group's Marlboro; global purchasing of important raw materials, including tobacco; and more consistency in innovation and customer management. But Broughton didn't want the company to lose its nimbleness and competitive hunger in local markets by shifting too much decision-making power to global executives.

The first step was to clarify roles for the most important decisions. Procurement became a proving ground. Previously, each operating unit had identified its own suppliers and negotiated contracts for all materials. Under Broughton, a global procurement team was set up in headquarters and given authority to choose suppliers and negotiate pricing and quality for global materials, including bulk tobacco and certain types of packaging. Regional procurement teams were now given input into global materials strategies but ultimately had to implement the team's decision. As soon as the global team signed contracts with suppliers, responsibility shifted to the regional teams, who worked out the details of delivery and service with the suppliers in their regions. For materials that did not offer global economies of scale (mentholated filters for the North American market, for example), the regional teams retained their decision-making authority.

As the effort to revamp decision making in procurement gained momentum, the company set out to clarify roles in all its major decisions. The process wasn't easy. A company the size of British American Tobacco has a huge number of moving parts, and developing a practical system for making decisions requires sweating lots of details. What's more, decision-making authority is power, and people are often reluctant to give it up.

It's crucial for the people who will live with the new system to help design it. At BAT, Broughton created working groups led by people earmarked, implicitly or explicitly, for leadership roles in the future. For example, Paul Adams, who ultimately succeeded Broughton as chief executive, was asked to lead the group charged with redesigning decision making for brand and customer management. At the time, Adams was a regional head within one of the operating units. With other senior executives, including some of his own direct reports, Broughton specified that their role was to provide input, not to veto recommendations. Broughton didn't make the common mistake of seeking consensus, which is often an obstacle to action. Instead, he made it clear that the objective was not deciding whether to change the decision-making process but achieving buy in about how to do so as effectively as possible.

The new decision roles provided the foundation the company needed to operate successfully on a global basis while retaining flexibility at the local level. The focus and efficiency of its decision making were reflected in the company's results: After the decision-making overhaul, British American Tobacco experienced nearly ten years of growth well above the levels of its competitors in sales, profits, and market value. The company has gone on to have one of the best-performing stocks on the UK market and has reemerged as a major global player in the tobacco industry.

Center Versus Business Unit

The first rule for making good decisions is to involve the right people at the right level of the organization. For BAT, capturing economies of scale required its global team to appropriate some decision-making powers from regional divisions. For many companies, a similar balancing act takes place between executives at the center and managers in the business units. If too many decisions flow to the center, decision making can grind to a halt. The problem is different but no less critical if the decisions that are elevated to senior executives are the wrong ones.

Companies often grow into this type of problem. In small and midsize organizations, a single management team—sometimes a single leader—effectively handles every major decision. As a company grows and its operations become more complex, however, senior executives can no longer master the details required to make decisions in every business.

A change in management style, often triggered by the arrival of a new CEO, can create similar tensions. At a large British retailer, for example, the senior team was accustomed to the founder making all critical decisions. When his successor began seeking consensus on important issues, the team was suddenly unsure of its role, and many decisions stalled. It's a common scenario, yet most management teams and boards of directors don't specify how decision-making authority should change as the company does.

A growth opportunity highlighted that issue for Wyeth (then known as American Home Products) in late 2000. Through organic growth, acquisitions, and partnerships, Wyeth's pharmaceutical division had developed three sizable businesses: biotech, vaccines, and traditional pharmaceutical products. Even though each business had its own market dynamics, operating requirements, and research focus, most important decisions were pushed up to one group of senior executives. "We were using generalists across all issues," said Joseph M. Mahady, president of North American and global businesses for Wyeth Pharmaceuticals. "It was a signal that we weren't getting our best decision making."

The problem crystallized for Wyeth when managers in the biotech business saw a vital—but perishable—opportunity to establish a leading position with Enbrel, a promising rheumatoid arthritis drug. Competitors were working on the same class of drug, so Wyeth needed to move quickly. This meant expanding production capacity by building a new plant, which would be located at the Grange Castle Business Park in Dublin, Ireland.

The decision, by any standard, was a complex one. Once approved by regulators, the facility would be the biggest biotech plant in the world—and the largest capital investment Wyeth had ever undertaken. Yet peak demand for the drug was not easy to determine. What's more, Wyeth planned to market Enbrel in partnership with Immunex (now a part of Amgen). In its deliberations about the plant, therefore, Wyeth needed to factor in the requirements of building up its technical expertise, technology transfer issues, and an uncertain competitive environment.

Input on the decision filtered up slowly through a gauze of overlapping committees, leaving senior executives hungry for a more detailed grasp of the issues. Given the narrow window of opportunity, Wyeth acted quickly, moving from a first look at the Grange Castle project to implementation in six months. But in the midst of this process, Wyeth Pharmaceuticals' executives saw the larger issue: The company needed a system that would push more decisions down to the business units, where operational knowledge was greatest, and elevate the decisions that required the senior team's input, such as marketing strategy and manufacturing capacity.

In short order, Wyeth gave authority for many decisions to business unit managers, leaving senior executives with veto power over some of the more sensitive issues related to Grange Castle. But after that investment decision was made, the D for many subsequent decisions about the Enbrel business lay with Cavan Redmond, the executive vice president and general manager of Wyeth's biotech division, and his new management team. Redmond gathered input from managers in biotech manufacturing, marketing, forecasting, finance, and R&D, and quickly set up the complex schedules needed to collaborate with Immunex. Responsibility for execution rested firmly with the business unit, as always. But now Redmond, supported by his team, also had authority to make important decisions.

Grange Castle is paying off so far. Enbrel is among the leading brands for rheumatoid arthritis, with sales of $1.7 billion through the first half of 2005. And Wyeth's metabolism for making decisions has increased. Recently, when the U.S. Food and Drug Administration granted priority review status to another new drug, Tygacil, because of the antibiotic's efficacy against drug-resistant infections, Wyeth displayed its new reflexes. To keep Tygacil on a fast track, the company had to orchestrate a host of critical steps—refining the process technology, lining up supplies, ensuring quality control, allocating manufacturing capacity. The vital decisions were made one or two levels down in the biotech organization, where the expertise resided. "Instead of debating whether you can move your product into my shop, we had the decision systems in place to run it up and down the business units and move ahead rapidly with Tygacil," said Mahady. The drug was approved by the FDA in June 2005 and moved into volume production a mere three days later.

Function Versus Function

Decisions that cut across functions are some of the most important a company faces. Indeed, cross-functional collaboration has become an axiom of business, essential for arriving at the best answers for the company and its customers. But fluid decision making across functional teams remains a constant challenge, even for companies known for doing it well, like Toyota and Dell. For instance, a team that thinks it's more efficient to make a decision without consulting other functions may wind up missing out on relevant input or being overruled by another team that believes—rightly or wrongly—it should have been included in the process. Many of the most important cross-functional decisions are, by their very nature, the most difficult to orchestrate, and that can string out the process and lead to sparring between fiefdoms and costly indecision.

Many of the most important cross-functional decisions are, by their very nature, the most difficult to orchestrate.

The theme here is a lack of clarity about who has the D. For example, at a global auto manufacturer that was missing its milestones for rolling out new models—and was paying the price in falling sales—it turned out that marketers and product developers were confused about which function was responsible for making decisions about standard features and color ranges for new models. When we asked the marketing team who had the D about which features should be standard, 83% said the marketers did. When we posed the same question to product developers, 64% said the responsibility rested with them. (See the exhibit "A Recipe for a Decision-Making Bottleneck.")

A Recipe for a Decision-Making Bottleneck

At one automaker we studied, marketers and product developers were confused about who was responsible for making decisions about new models.

When we asked, "Who has the right to decide which features will be standard?"

64% of product developers said, "We do."

83% of marketers said, "We do."

When we asked, "Who has the right to decide which colors will be offered?"

77% of product developers said, "We do."

61% of marketers said, "We do."

Not surprisingly, the new models were delayed.

The practical difficulty of connecting functions through smooth decision making crops up frequently at retailers. John Lewis, the leading department store chain in the United Kingdom, might reasonably expect to overcome this sort of challenge more readily than other retailers. Spedan Lewis, who built the business in the early twentieth century, was a pioneer in employee ownership. A strong connection between managers and employees permeated every aspect of the store's operations and remained vital to the company as it grew into the largest employee-owned business in the United Kingdom, with 59,600 employees and more than £5 billion in revenues in 2004.

Even at John Lewis, however, with its heritage of cooperation and teamwork, cross-functional decision making can be hard to sustain. Take salt and pepper mills, for instance. John Lewis, which prides itself on having great selection, stocked nearly 50 SKUs of salt and pepper mills, while most competitors stocked around 20. The company's buyers saw an opportunity to increase sales and reduce complexity by offering a smaller number of popular and well-chosen products in each price point and style.

When John Lewis launched the new range, sales fell. This made no sense to the buyers until they visited the stores and saw how the merchandise was displayed. The buyers had made their decision without fully involving the sales staff, who therefore did not understand the strategy behind the new selection. As a result, the sellers had cut shelf space in half to match the reduction in range, rather than devoting the same amount of shelf space to stocking more of each product.

To fix the communication problem, John Lewis needed to clarify decision roles. The buyers were given the D on how much space to allocate to each product category. If the space allocation didn't make sense to the sales staff, however, they had the authority to raise their concerns and force a new round of negotiations. They also had responsibility for implementing product layouts in the stores. When the communication was sorted out and shelf space was restored, sales of the salt and pepper mills climbed well above original levels.

The Decision-Driven Organization

The defining characteristic of high-performing organizations is their ability to make good decisions and to make them happen quickly. The companies that succeed tend to follow a few clear principles.

Some decisions matter more than others.

The decisions that are crucial to building value in the business are the ones that matter most. Some of them will be the big strategic decisions, but just as important are the critical operating decisions that drive the business day to day and are vital to effective execution.

Action is the goal.

Good decision making doesn't end with a decision; it ends with implementation. The objective shouldn't be consensus, which often becomes an obstacle to action, but buy in.

Ambiguity is the enemy.

Clear accountability is essential: Who contributes input, who makes the decision, and who carries it out? Without clarity, gridlock and delay are the most likely outcomes. Clarity doesn't necessarily mean concentrating authority in a few people; it means defining who has responsibility to make decisions, who has input, and who is charged with putting them into action.

Speed and adaptability are crucial.

A company that makes good decisions quickly has a higher metabolism, which allows it to act on opportunities and overcome obstacles. The best decision makers create an environment where people can come together quickly and efficiently to make the most important decisions.

Decision roles trump the organizational chart.

No decision-making structure will be perfect for every decision. The key is to involve the right people at the right level in the right part of the organization at the right time.

A well-aligned organization reinforces roles.

Clear decision roles are critical, but they are not enough. If an organization does not reinforce the right approach to decision making through its measures and incentives, information flows, and culture, the behavior won't become routine.

Practicing beats preaching.

Involve the people who will live with the new decision roles in designing them. The very process of thinking about new decision behaviors motivates people to adopt them.

Crafting a decision-making process that connected the buying and selling functions for salt and pepper mills was relatively easy; rolling it out across the entire business was more challenging. Salt and pepper mills are just one of several hundred product categories for John Lewis. This element of scale is one reason why cross-functional bottlenecks are not easy to unclog. Different functions have different incentives and goals, which are often in conflict. When it comes down to a struggle between two functions, there may be good reasons to locate the D in either place—buying or selling, marketing or product development.

Here, as elsewhere, someone needs to think objectively about where value is created and assign decision roles accordingly. Eliminating cross-functional bottlenecks actually has less to do with shifting decision-making responsibilities between departments and more to do with ensuring that the people with relevant information are allowed to share it. The decision maker is important, of course, but more important is designing a system that aligns decision making and makes it routine.

Inside Versus Outside Partners

Decision making within an organization is hard enough. Trying to make decisions between separate organizations on different continents adds layers of complexity that can scuttle the best strategy. Companies that outsource capabilities in pursuit of cost and quality advantages face this very challenge. Which decisions should be made internally? Which can be delegated to outsourcing partners?

These questions are also relevant for strategic partners—a global bank working with an IT contractor on a systems development project, for example, or a media company that acquires content from a studio—and for companies conducting part of their business through franchisees. There is no right answer to who should have the power to decide what. But the wrong approach is to assume that contractual arrangements can provide the answer.

An outdoor-equipment company based in the United States discovered this recently when it decided to scale up production of gas patio heaters for the lower end of the market. The company had some success manufacturing high-end products in China. But with the advent of superdiscounters like Wal-Mart, Target, and Home Depot, the company realized it needed to move more of its production overseas to feed these retailers with lower-cost offerings. The timetable left little margin for error: The company started tooling up factories in April and June of 2004, hoping to be ready for the Christmas season.

A Decision Diagnostic

Consider the last three meaningful decisions you've been involved in and ask yourself the following questions.

1. Were the decisions right?

2. Were they made with appropriate speed?

3. Were they executed well?

4. Were the right people involved, in the right way?

5. Was it clear for each decision

- who would recommend a solution?
- who would provide input?
- who had the final say?
- who would be responsible for following through?

6. Were the decision roles, process, and time frame respected?

7. Were the decisions based on appropriate facts?

8. To the extent that there were divergent facts or opinions, was it clear who had the D?

9. Were the decision makers at the appropriate level in the company?

10. Did the organization's measures and incentives encourage the people involved to make the right decisions?

Right away, there were problems. Although the Chinese manufacturing partners understood costs, they had little idea what American consumers wanted. When expensive designs arrived from the head office in the United States, Chinese plant managers made compromises to meet contracted cost targets. They used a lower grade material, which discolored. They placed the power switch in a spot that was inconvenient for the user but easier to build. Instead of making certain parts from a single casting, they welded materials together, which looked terrible.

To fix these problems, the U.S. executives had to draw clear lines around which decisions should be made on which side of the ocean. The company broke down the design and manufacturing process into five steps and analyzed how decisions were made at each step. The company was also much more explicit about what the manufacturing specs would include and what the manufacturer was expected to do with them. The objective was not simply to clarify decision roles but to make sure those roles corresponded directly to the sources of value in the business. If a decision would affect the look and feel of the finished product, headquarters would have to sign off on it. But if a decision would not affect the customer's experience, it could be made in China. If, for example, Chinese engineers found a less expensive material that didn't compromise the product's look, feel, and functionality, they could make that change on their own.

To help with the transition to this system, the company put a team of engineers on-site in China to ensure a smooth handoff of the specs and to make decisions on issues that would become complex and time-consuming if elevated to the home office. Marketing executives in the home office insisted that it should take a customer ten minutes and no more than six steps to assemble the product at home. The company's engineers in China, along with the Chinese manufacturing team, had input into this assembly requirement and were responsible for execution. But the D resided with headquarters, and the requirement became a major design factor. Decisions about logistics, however, became the province of the engineering team in China: It would figure out how to package the heaters so that one-third more boxes would fit into a container, which reduced shipping costs substantially.• • •

If managers suddenly realize that they're spending less time sitting through meetings wondering why they are there, that's an early signal that companies have become better at making decisions. When meetings start with a common understanding about who is responsible for providing valuable input and who has the D, an organization's decision-making metabolism will get a boost.

No single lever turns a decision-challenged organization into a decision-driven one, of course, and no blueprint can provide for all the contingencies and business shifts a company is bound to encounter. The most successful companies use simple tools that help them recognize potential bottlenecks and think through decision roles and responsibilities with each change in the business environment. That's difficult to do—and even more difficult for competitors to copy. But by taking some very practical steps, any company can become more effective, beginning with its next decision.

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Paul Rogers (paul.rogers@bain.com) is a partner who leads Bain's London office; he formerly led Bain's Global Organization Practice. They are coauthors of the forthcoming book Decide and Deliver: Five Steps to Breakthrough Performance in Your Organization (Harvard Business Press, 2010). Portions of this article are adapted from the book.

Marcia W. Blenko (marcia.blenko@bain.com) leads Bain & Company's Global Organization Practice and is a partner in the firm's Boston office.
