

You're In Charge Now - L.E.A.D!

By Daryl Brewster

Who would have thought at this time last year that Lehman Brothers would fail, Bear-Sterns and AIG would be bailed out, credit would all but disappear, the Dow Jones would return to 2003 levels, gas would run up to \$4 per gallon before falling to under \$2?

Even your own world seems out of control. Your 401-K seems more like a 201-K. You avoid opening pink envelopes. And your dreams of retiring on the beach have been replaced by wondering what part-time job you can find when in your 60's.

But you've just been asked to take over a new group or company. So, now what do you do?

"When placed in charge," my Dad used to say to us, "it is your responsibility to lead."

And that is just what so many companies and even countries need these days. **Leadership.**

There may be as many definitions of leadership as there are leaders, but I've found that a simple acronym sums it up well. **Listen**, to help you learn; **Engage**, with an eye toward energizing; **Align**, so you can act; **Deliver**, while developing the capabilities and processes to do it again.

Listen. The first step in leadership is not to start ordering folks around but to listen to them and to hear

what they have to say. You are only new in a role once and we may have only one opportunity (let's hope so) to live through the 21st century version of the Great Depression. But both are great times to listen, learn and lead.

Reach out to relevant stakeholders and ask them "what's working" and "what's not." After you get the usual surface responses, "sales are down," "costs are up" and "people are scared," dig deeper. As a litigator turned General Counsel once told me, it is the third "why" that usually gets to the answer.

When taking leadership of a company, I study the business' history and then ask those who have had my job - if I can find them - what their thoughts are. I've gone back 20-30 years, finding patterns of issues, insights into the DNA of a company and even ideas whose time had now finally come. At one well-known company, I heard five straight previous Presidents talk about the power of the brands, the difficulties in dealing with manufacturing and how the functions did not get along. We focused on leveraging the brands, restructuring operations and building cross-company alignment.

If you have responsibility for multiple departments, talk

with each of them as well. In one recent turnaround assignment, I heard from a mid-level employee who had been with the company for over 40 years. She had never spoken with a CEO before—"we weren't allowed to"—but offered tremendous perspective on the culture and values of the company into which we were able to tap.

And get out to your customers, be they internal or external. These are the people who pay the bills. It is their needs that must be met faster, more efficiently and more reliably than your competition.

While you have a unique opportunity to listen and ask questions during your first 90 days (or during these difficult days) -- don't stop after that. Seek out a handful of experts—critics and supporters alike—who can provide you clear feedback in the right forum, so you can continue to learn. And that includes your bosses, whether a

higher-level manager, a Board of Directors or the owners.

Engage. One of the added benefits of listening is engaging your constituents. As you enter a new assignment, you may be excited, but your people are often worried, sometimes shell shocked or occasionally filled with fear. They know what the world used to be like, even if it was bad. And these days, of course, people are worried about all sorts of things from how their investments are doing to whether they are going to have a job. Since those who are working for you do have a job (and are getting paid), get them engaged in making the company a better place. It will yield a much better return than sharing fears of the next depression at the water cooler.

Start with your direct reports. Hold team meetings and one-on-one sessions.

About the Author

Daryl Brewster has over 25 years of experience running some of the world's great consumer brands in the US and abroad, providing leadership to well-known brands that found themselves in trouble.

Most recently, he was CEO of Krispy Kreme where he instilled much-needed stability, resolving billions in lawsuits, reducing debt and guarantees by half, building cash flow, growing system sales and expanding internationally. Previously, Daryl held key roles at Campbell's, Nabisco and Kraft. He spearheaded the Nabisco's move from flat sales and declining profits to top and bottom-line growth on two occasions, launching several \$100 million new product



platforms and its global biscuit initiative in the process.

A Phi Beta Kappa graduate in Economics from the University of Virginia, he holds an MBA from the University of North Carolina at Chapel Hill and has served on the board of for-profit and non-profit companies. He has received the distinguished alumni award from UNC and been honored as the volunteer of the year in his local community.

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Develop a simple “stump speech” that can provide a framework for how you are thinking about the current business situation and ask them to help fill in the blanks. Even though you are still learning about the business, you can still provide a high-level roadmap, offering a sense of where the company or department is, where you and your customers want it to go and how, by working together, you can get there.

You can then roll this approach out to the broader organization through a disciplined communication process—weekly meetings with your staff, monthly sessions with an extended staff and quarterly gatherings with relevant employees. The themes you talk about in your stump speech can provide a framework on which you can elaborate as plans solidify.

It is important that you also identify a few cross-company projects that you can rally the team around to create value—increasing sales and cash flow or reducing costs and cash needs. This is especially true in the current economic tumult. In one company I led, we identified a War Against Stupid Things Everywhere (WASTE); in another an effort to SME--Save Money Everywhere, with a goal that each person would look to save their own salary. Both generated millions of dollars in bottom-line benefits while also engaging the broader company. I knew we had gained engagement on the SME effort when an administra-

tive assistant led an effort to consolidate the office cleaning across three sites, saving the company twice her salary.

Engagement is one of the most powerful forces you have to rev up the energy of an organization.

Align. Alignment is not necessarily agreement, but it does mean we all know and are working toward the same priorities. Surveys indicate that a typical organization wastes between 25-50% of its time, because people are hitting each over the head with the oars, not rowing together.

After sharing and aligning on a sense of where we are as a company, it is important to identify where we want to go and then develop a roadmap to get there, including 4-6 crucial strategies and actions with responsible parties. We try to get this on one page, with increased specificity as it rolls out through the organization. This one-page plan provides a simple way to see where we are focused—our key strategies, actions, accountabilities and metrics. If the Ten Commandments could be engraved on a stone tablet, we should be able to get our key plans on a single page.

To ensure cross-functional, cross-geographical and cross-business alignment, we sit down quarterly (more often, in a turnaround) to review and rate our performance by individual and/or function from the last quarter and to set the aligned and interconnected goals for the next period. We use these same goals when we review our

business with the Board or other key stakeholders, although at a different level.

Gallup, which has a terrific organizational management system to go along with its surveys, talks about a few factors that drive organization performance. Two of the most powerful are: 1) how does my work connect to the bigger picture and 2) what is expected of me? Alignment ensures people know how they fit in and what their specific roles and projects are. At least once a year, I require a copy of each individual's goals to be sent to me (I've had thousands) or to be used as a ticket for admission into an all-colleague meeting. This provides me a chance to review the alignment of individuals and teams and comment as appropriate.

Once we are aligned, we can act.

Deliver. Once you are aligned on what needs to be done, you've got to lead your team to deliver. Look for easy wins to build momentum, but avoid over-promising. The four M's are helpful here—mobilization, metrics, motivation and money. Some people go right to the last of those, but that's a mistake. We've seen what happens when folks just chase the mighty dollar. To be sure, it incents behavior, just not always the right kind. I'll focus on the other three.

Mobilization is about putting our resources where the alignment is. As part of our quarterly alignment meeting, we want to ensure that we have resourced the goals and

strategies we've set. This requires trade-offs and prioritization, but it is essential to delivery. We also identify a leader (or owner) for each priority and members of the team as well.

Metrics ensure we can measure our efforts. If we can't, why do it. Measurement provides real-time feedback and helps maintain the focus. The key is to measure what matters. At one company, we measured recipes delivered each year. We went from thousands to billions of impressions, which drove double-digit growth on our highest-profit item. At another, we measured points of distribution, where we were sold, doubling our outlets over three years. And at a third, a turnaround situation, we measured cash and obligations, building the cash balance while reducing long-term debt and guarantees by more than half.

They say that motivation comes from within, but it helps to be reminded. The L.E.A.D. process is designed to ensure people are motivated once alignment is reached on the goals, not just once but over and over. By listening to people, engaging them in the company's efforts and ensuring alignment on the goals and strategies, we significantly increase the probability that they'll be motivated to deliver not just once, but again and again. This part of the process enables us to develop our organization for the long haul. The success of an organization requires a simple process; one that requires you to L.E.A.D.