



Wharton School Publishing



MUST-WIN BATTLES

HOW TO WIN THEM, AGAIN AND AGAIN

PETER KILLING and
THOMAS MALNIGHT
with TRACEY KEYS

Praise for *Must-Win Battles*

"Working with must-win battles has fundamentally changed our approach to where we seek growth in the market and the way we engage our people in realizing these goals. Must-win battles are the glue that ties the business together globally, that everyone understands and can contribute to. The process clarifies for everyone the long-term vision and business direction, where to allocate resources, and why it is important to get aligned."

Diego Bevilacqua, President, Global Business: Foodservice, Unilever

"This is a great book because it addresses the issues increasingly faced by corporations in a global economy; without emotional buy-in from the people within the organization, it is extremely difficult to deliver superior performance. It is no longer enough to have the best strategy, technology, or assets. Total emotional buy-in will provide the differentiator."

**Gautam Thapar, Vice Chairman and Managing Director,
Ballarpur Industries Limited**

"Management teams usually know what needs to be done, but many struggle to act on this knowledge. This book defines a clear pathway to overcome the blockages created when managers either do not know how to get implementation started or are apprehensive about engaging on very difficult issues with their teams. If you are looking for tools to help you win your must-win battles, this is the book you need."

Larry Pillard, Chairman of the Board of Directors, Tetra Laval Group

"This book provides real insight to the leader who is faced with having to very rapidly determine a clear set of priorities and then act upon them. *Must-Win Battles* is a practical guide in determining those battles that simply have to be addressed and won emotionally and intellectually. A pity it wasn't around when I started!"

Tony Froggatt, CEO, Scottish & Newcastle PLC

"*Must-Win Battles* squarely addresses the real challenges that face executives every day. There are no clear-cut formulas to separate strategy, team, and leadership development. They must be completely integrated. The must-win battle process, by recognizing this explicitly, has the potential to make a big difference in developing strategies that work in practice."

Michael Y. Yoshino

**Herman Krannert Professor of Business Administration, Emeritus Harvard
Business School**

"Anyone who has built a business knows that inspiring minds as well as inspiring ideas is what matters. Behind every success are people that are working as a team. *Must-Win Battles* offers practical insights for every business, no matter how big or small, into how to harness aspirations and energy to win the battles that really matter."

James Sanson, CEO, Computers Unlimited

"*Must-Win Battles* demonstrates the critical role that people play in delivering results and, hence, the critical importance of leadership and internal communications in galvanizing people not only to make successful strategies but also to realize them in practice."

Mark Read, Director of Strategy and Member of the Board, WPP PLC

In Strand's case, a complication beyond "protecting turf" was that none of the team knew Sato well. Having to trust the judgment of a colleague whom you do not know well on issues that could impact the overall success of the business, and ultimately your own remuneration or position, is difficult. This is why we emphasize that throughout the MWB journey you should create as many opportunities as possible to allow the team to build strong personal relationships and as high a level of trust as possible. The more trust you can build, the easier it will be to focus on collective goals.

PS: Don't Avoid or Ignore Diversity

Building trust in management teams, especially in an international organization like John's, often requires bridging gaps in understanding that result from the diverse backgrounds of the managers sitting around the table. By definition, a diverse team is one that consists of people who do not all think the same way, possibly because of nationality, age, gender, education, or job history, which means that differences of opinion are more likely, and probably more difficult to resolve. Certainly it is easier to lead a team in which there is a low level of diversity.

But the highest-performing teams are incredibly diverse.³ They use their diversity to make better-informed decisions and to create commitment across organizational boundaries. So if you have a high level of ambition for your team, do not surround yourself with a low-diversity team just to make your life easier. Firmly etched on our minds are the two days we spent with an all-white, male, middle-aged, English-speaking management team of 20 people plotting the 5-year future of their business. After a day of intense intellectual debate, everyone agreed that the future lay in Asia. The target was set: 25 percent of overall company revenue and profit had to come from Asia within 10 years. (The current level was about 7 percent.) After a night's sleep the group reconvened and were still of the same opinion. Money that some had wanted for projects in Europe and the United States was going to be diverted to Asia. Everyone, even the "losers," felt it was the right thing to do.

³ As are the lowest-performing teams. For more on the research findings, see DiStefano, Joseph J. and Maznevski, Martha L. (2000) "Creating value with diverse teams in global management," *Organizational Dynamics*, Vol. 29, No. 1, pp. 45-63.

For this business, at this time, Asia probably was an appropriate priority. The problem with this discussion, however, was that it was a high-level, intellectual, rational debate. No one was actually emotionally committed to the answer. Over lunch, it became increasingly clear that none of these executives wanted to be personally involved in the new initiative. All had good reasons why they could not “at the moment” move to the region. Asia was, on a personal level, “too foreign” for them. No one spoke a language other than English. No one had lived in Asia. The team was insufficiently diverse.

Dealing with Diversity: Map, Bridge, Integrate

Our IMD colleagues Martha Maznevski and Joe DiStefano suggest a three-step process for dealing with individual differences. They call the three steps “map, bridge, and integrate.”

- 1. Map.** Understand the differences. Our natural tendency is to ignore differences in the way people assess information, interpret events, judge others, and so on. But focusing only on commonalities within the group will lead to lowest common denominator solutions. So instead of ignoring differences, explore them. Understand that those differences offer opportunities for innovation, creativity, and higher performance.
- 2. Bridge.** Communicate across the differences. The key here is to create an environment in which members of your team are motivated to understand each other’s point of view. They must believe that by working together and really understanding each other, they can all win. Once people truly understand each other, you can look for common ground.
- 3. Integrate.** Build on the differences for high performance. Now that everyone understands everyone else, push to get the best ideas out on the table, and begin to build on those ideas. This is not unusual advice, but the difference is that having done the first two steps you will be having an open and honest conversation that takes full advantage of diversity, rather than ignoring it, or pretending it does not exist.

For more detail on the MBI process, see Maznevski, Martha L. and DiStefano, Joseph J. (2004) “Synergy from individual differences: map, bridge and integrate,” *IMD Perspectives for Managers*, Issue no. 108, March.

So if you are leading an MWB journey, you need to learn to deal with debate that stems from diversity in your team—not create a team which has no diversity!

If you think that your group lacks diversity, consider inviting a few “outsiders” to the kick-off event. These might be younger managers, topic specialists, or even executives from major customers. Specialists and important customers will bring new points of view to debates, and in a few hours can explain a topic on which most managers are not up to speed. Examples might include the company’s position in China, its inability to serve a particular market segment, or the vulnerability of its intellectual property rights. These specialists make their input, which may have been agreed in advance with the CEO, answer questions, and then depart.

Including younger company managers in the kick-off event has the added benefits of broadening the ownership of the decisions reached, and in the eyes of younger managers who do not attend, legitimizing the whole process because some of their friends and peers were there and were heard.

Imperative Three: A Team Must Be Created

Even as you may be upsetting some of your managers during the kick-off event by insisting that “contradictory” perspectives are fully considered and tough choices are made, you have to begin the process of turning the group into a team. As we said in Chapter 2, “Understanding Your Starting Conditions,” this is not easy to do with managers at the best of times, so it can be particularly difficult in the context of a kick-off event. But such an event also offers opportunities. It is abundantly clear that business as usual and maintaining the status quo are not what the group is here to discuss. Because you have removed people from their traditional support systems and environment, there will be a feeling of loss for some, and they will need to rebond with something—and that something can be the team, with you as its leader.

Creating a real team, with fully engaged members, means that joining the team must be an attractive proposition. People should join voluntarily, even enthusiastically, not with the feeling that they are being coerced. You want active followers, people who are willing to argue with you, not passive minds who will do only what they are told. It is a fine line—you need a team of people willing to debate and engage

fully, but at the end of the day each person needs to know when to stop pushing an argument that is getting no support, and join the rest of the group to create an agreed way forward.

To make the idea of working as a team attractive, start by focusing on the future. Identify shared goals. Ask the group, what do we, as a group, want to achieve? What kind of organization do we want? Do not be afraid of framing questions in an emotional way. Try questions such as: What legacy do we want to leave? What kind of organization would you be proud to create for the generation of executives who come after us? Would you want your children to work here?

Joining the team must be an attractive proposition.

These conversations get people thinking beyond their self-interest. The question becomes “what is best for us?” not “what is best for me?” When people accept that group goals are important, you are well on your way toward instilling a sense of team accountability. If a battle is won, we all win. If a battle is lost, we all lose. So, even if you are in a neighboring silo, or fighting a different MWB from the one I am primarily engaged in, my question is: How can I help you? The job of the leader is to create shared meaning and shared responsibility within the group.

The first key test of your progress in building a management team usually comes toward the end of the kick-off event, when you ask all participants to make a personal statement of their commitment to the chosen MWBs and to commit to new behaviors to support the group. It is at this point that the realities of interdependence hit home. “I am really going to have to depend on these guys to get things done. Can I trust them?” This is a scary feeling, particularly if you do not know your colleagues well. Naturally, questions spring into executives’ minds: Who will win the political battles? Will someone else get the credit for my work? How will this impact my career? Why should I try new approaches—and if I do, what if my colleagues won’t? Should I really put the interests of the collective ahead of my own?

These entirely reasonable doubts make the first weeks and months back at work vital. Were the promises made at the kick-off event real, or just a passing dream? It depends on you, the leader, to make sure that the fine words and promises turn into actions. Which begs the following question . . .

Is There a “Best” Management Style for Leading an MWB Journey?

No, there is no single “best” management style for leading an MWB journey. But if you want to turn your management group into a team while you are en route, we do have some advice. We believe that successful MWB leadership requires flexibility—the capacity to use a variety of styles, and to recognize when each is appropriate. So although you undoubtedly have a preferred style with which you are most comfortable, there will be times when you should behave differently. If you are by nature a “commander,” for example, who likes to take charge and stay in charge, there will be occasions when you should back off, listen, let others have the floor, and even carry the day with their arguments. You need to know when to let go, and when to assert leadership, which may mean deciding that a debate has gone on long enough, and forcing resolution on a contentious issue. In fact you may need to use different styles with different members of your team, especially in small group or one-on-one discussions. Bear in mind that as you enter the kick-off event, some people will be much less comfortable than others. For some, the process will challenge their loyalties, existing relationships, status, and ways of thinking. And because what you are promising in return is nothing more than the possibility of a better future, it is not surprising that they will have an initial, and perhaps continuing, reluctance to fully engage in the MWB process. Others will see a compelling need for change and fully believe in the MWB journey, wishing it had happened sooner. You have to work with both groups. Sometimes you will have to be a diplomat, sometimes a motivator, at other times a thinker or maybe a commander. The critical skill is recognizing the situations in which each style is appropriate.

There are four management styles that we come across frequently during MWB journeys.⁴ They are described here, together with advice to leaders who prefer each style.

⁴ These are our own definitions, drawing on many of the excellent leadership and management-style descriptions available. If you would like to investigate your leadership or management style in more depth, there are a number of institutions that offer diagnostic tools, including Center for Creative Leadership (www.ccl.org), Personnel Decisions International (PDI) (www.personneldecisions.com), Development Dimensions International (www.ddiworld.com), and Emerging Leaders (www.emergingleaders.com.au).

The Commander

If you are a commander⁵, you know the right answers and do not need a lot of input from the rest of the management team. You are sure of your opinions, and decisive. A one-man show. The rest of the team may or may not be comfortable with your style. Good people may have been driven away as they realized their opinions were not valued or, if the business has been very successful, people may have stayed because of the exhilaration that has accompanied the success. Many entrepreneurs are commanders.

The commander style is not likely to work well in an MWB setting because the process is built on the assumption that listening to others on the management team is, on average, likely to lead to better decisions, and better implementation of those decisions. The exception is if the business is in crisis and decisions have to be made quickly; building the commitment of the management team is not a major challenge, as people will work to save the business and their jobs. Our advice to commanders is this:

- Encourage others to offer their opinions. But do not be surprised if they are hesitant to do so, because you do not usually ask for their input. When management team members begin to speak up, do not be harshly critical or dismissive when their opinions or conclusions differ from your own.
- Avoid using the power of your position or force of personality to win the argument, especially when disagreements persist. As we said earlier, begin to explore differences by making sure that everyone has the same information and then lead a discussion of everyone's assessments of the probabilities of success, based on that information. When others' assessments differ from your own, listen!
- Be as patient as you can. Most commanders are impatient. If you see yourself as surrounded by people less competent than yourself, ask yourself why. For you one of the most challenging aspects of the MWB process will be to develop your management group into a team.

⁵ This particular style and label was drawn from the work of our colleague, Paul Strebel, on trajectory management. Please see Strebel, Paul (2003) *Trajectory Management: Leading a Business over Time*, J. Wiley and Sons, UK.