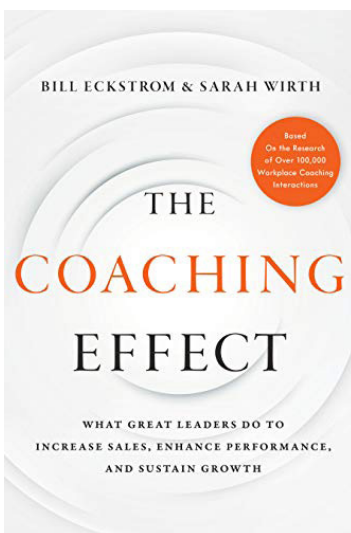


EXECUTIVE BOOK SUMMARIES

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The Coaching Effect

THE SUMMARY

Jim Collins 2005

Preface

Nothing elevates performance more than coaching.

Since our company's inception, we have studied more than one hundred thousand coaching interactions to understand the behaviors and activities of what we now refer to as *high-growth coaches*. What we've learned is that coaches who drive significant growth operate differently than their peers. They are more consistent and accountable in their actions. They are better at developing trusting relationships with the people they lead. And most importantly, they do not worry about creating discomfort because they know they must challenge their team and make them uncomfortable in order to help them grow.

The book is *written to* executive leaders within every company, because ultimately you own the performance environment of the entire organization. Growth and resulting revenue are being unnecessarily left on the table by every business we have researched, and this should shake you to the core. But this book is *written for* frontline managers who must become the catalyst for their team's growth. And, despite my sales background, this applies to everyone who has a team reporting to them. A team of any kind reflects how it is coached, and growth will not be maximized unless the manager drives it. Finally, this book is based on research and best practices, *not opinion!*

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INTRODUCTION

To understand the value you bring to your team as their coach, ask yourself the following question: Will people on your team still do their job without you as their manager? For example, when a sales manager goes on vacation, will the salespeople who work under him still show up for work and continue to sell? Leaders of all levels in organizations—and we've asked more than a thousand—answer that yes, of course their teams do work without them being physically present. So, if your people can still do their jobs without you, the value you bring to them and the organization is measured by how much better they will do their jobs with you as their manager. If you manage a sales team, your value equals how much more your team sells because of you.

Some team members describe their managers as nice and feel their managers have created a comfortable team environment in which to work. Just to be clear, we're not saying there's anything wrong with managers being nice or creating some feeling of comfort. But nice managers don't obtain nearly as much discretionary effort—the additional productivity wins because of a manager—as high-growth coaches who create discomfort. If a manager is simply nice, they're not creating the healthy tension, the discomfort, that leads to optimum performance. They're not pushing their team members outside their comfort zones to get them to grow. And they're certainly not creating a performance environment like the ones we see with a great sports team or high-growth company.

We prefer the word coach to manager. That's for a very specific reason: the term manager is an archaic term describing a role that, by definition, limits growth and performance. A manager oversees managing tasks and managing people to accomplish those tasks. They promote processes and order, but those are not the elements that lead to growth. On the other hand, a coach develops and inspires people to do their best work. Coaches obtain more discretionary effort than managers, which is why the best coaches elevate their team's performance.

We discovered that high-growth coaches perform specific activities whose effectiveness and execution can be measured. This insight showed up that we could quantify what the best coaches did differently.

We discovered that high-growth coaches not only have specific coaching activities they perform regularly but also exhibit unique behaviors when coaching.

We discovered that these successful coaching activities and behaviors could be quantified, taught, and implemented by those willing to change. Coaches who focused on improving the quality and quantity of their coaching in turn had team members who gave them higher marks in their overall coaching acumen. And, not surprisingly, the coaches' measurable performance improved.

In spite of our excitement at all of these discoveries, one discovery we made was more significant than all the others—the discomfort factor. High-growth coaches are not afraid to push, to demand, and to challenge to get their teams to perform. They don't shy away from making their team members uncomfortable. In fact, they relish it because they consciously or subconsciously know that growth can only occur in a state of discomfort. Their goal is to get the best possible performance out of the people they coach, and they must move beyond just being a nice manager to make it happen.

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ONE: THE GROWTH RINGS

As we began researching basic coaching activities and behaviors, we learned that the best leaders were unique in their coaching, and we saw that—either intentionally or unintentionally—they created or embraced an environment of discomfort as a growth mechanism. But why did these behaviors have such powerful outcomes? What was it about discomfort that created so much growth?

We discovered a model that showed *why* exponential and sustained growth only occur in a state of discomfort. We call this model the *Growth Rings*.

For us, understanding the Growth Rings has changed how we parent, coach, view adversity, and think about human behavior. The Growth Rings have altered how we view the world and thrive within differing environments (or opt out of them). The Growth Rings have played a powerful role in our personal peace and emotional development.

The Growth Rings illustrate differing environments that exist in our world and how they either promote or hinder growth. Each ring encompasses one of four primary environments: Stagnation, Order, Complexity, and Chaos.

Stagnation

The first Growth Ring represents a low-performing, low, or negative growth environment called *Stagnation*. Stagnation is a situation in which people may need to follow too many steps, get someone else's permission, or deal with minutia that stifle creativity, independent thought, or action. Stagnated environments don't just freeze growth; they regress it. Stagnation causes environments within nature to wither and die (think about old, rotting forests and stagnant water); it causes our bodies to lose muscle and our minds to lose imagination.

By the time a business reaches Stagnation, drastic measures need to be taken to reverse the decline. Although more examples abound, the most common example of a stagnated environment is a local or federal government bureaucracy. In these cultures, performance improvement, creativity, effective collaboration, and working out of the norm are not highly valued. They are all components of high-growth teams.

Chaos

The antithesis of Stagnation is an environment called *Chaos*. Also low-growth and low-performance, Chaos can be caused by internal or external events or conditions. Chaos may be a temporary state that occurs (for example, in the early stages of a new business). We also see Chaos ensue as the result of natural disasters and horrific events like 9/11 and, though less tragic, business mergers and newly acquired companies.

It's easy to see how growth is limited in this type of environment. Chaos is having zero predictability or control over inputs and outcomes. And although more common than Stagnation, it is not an environment to desire, frequent, or reside in.

Order

Next to Stagnation is *Order*. Order is where people tend to want to exist because it is the most comfortable environment, but it is also the most dangerous. Order is achieved when the same repeated processes lead to a predictable result. However, predictability can lead to comfort and comfort is what can make Order catastrophic.

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Doing the same thing with predictable outcomes is attractive in many settings. The same, consistent inputs lead to predictable, desirable, and repeatable outcomes—Order. Keep in mind the objectives of putting these specific processes in place have nothing to do with growth or advancement.

Predictable, ordered environments are so desirable, they affect almost everyone's behaviors and daily business practices. Revenue predictability influences share price in publicly traded companies as well as goal setting and budgeting processes. To create more Order throughout our professional careers, we've been required to, and have required others to, create plans—sales plans, professional development plans, territory plans, and operational plans. When predictability is achieved, comfort follows.

However, Order also presents its fair share of challenges. Order, by nature, doesn't promote evolution, and for quite some time science has shown that the absence of evolution leads to extinction. Order that does not evolve is a threat to everything: land and water, our bodies, our governments, and certainly the department or team that you coach.

Complexity

To break the Order, and hence the minimum growth cycle, you need to change what you input. When inputs are altered, you eliminate Order and enter the *Complexity* environment. Complexity is the only environment that creates exponential growth or consistently sustains growth. Everyone, regardless of their life stage or place in their professional journey needs to comprehend this concept and strive to attain this Growth Ring. And to attain Complexity, you must first understand that it is driven by changed inputs, unknown outcomes, and discomfort. While not all Complexity creates discomfort, all discomfort is caused by Complexity.

In a coaching context, our research shows that 52 percent of managers refuse to accept the discomfort of Complexity (which would require them to coach differently), in spite of the profound evidence that doing so will lead to more sales. Change is hard.

Discomfort provides a wonderful opportunity because of your individual ability to recognize it when you feel it. Acknowledging discomfort allows you to analyze its cause, leading you to make a conscious decision to either remain in discomfort, causing Complexity, or back to Order. Knowing that exponential and sustained growth only occurs when you are in Complexity forces you to decide to select growth or no growth.

TWO: COACHING REDEFINED

Though growth is the desired outcome, it is typically stated as a goal—and it is achieved by improving the coaching inputs. To illustrate this, we need to introduce another model—the Coaching Performance Equation.

$$\text{Relationship} + \text{Order} + \text{Complexity} = \text{Performance}$$

These three business coaching variables (Relationship, Order, and Complexity) are inextricably linked to your team's performance and are always affected by the way you coach. Knowingly or unknowingly, you have a relationship with each team member who reports to you, the strength of which affects the discretionary effort you receive. Order and Complexity, which exist in many different forms, are created, perpetuated, or minimized by what you do and how well you do it, again resulting in an increase or decrease in team performance.

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Performance

The way you coach directly affects your team's output. The output is a measurable result that can and should differ for each business, department, region, or role. Employees on your team cannot spend their entire professional existence in Complexity because too much discomfort can be created and will likely lead to turnover or, eventually, Chaos. Likewise, too much Order limits the growth of a team, or it can lead to Stagnation. So to achieve sustainable team growth, there is a continual need for a coach to create a healthy balance of Complexity and Order.

Order

As a coach of a business team, when you think of Order, think of technology, tools, and processes that help you drive more effective and predictable results.

Complexity

Departing from Order and venturing into discomfort is challenging for almost everyone, and it's even harder for coaches to create. But the top high-growth coaches (the top 20 percent) are adept at challenging those on their teams to unique ways to foster growth.

Relationship

Here is the rub: Complexity will never be a healthy and sustainable environment without first creating strong relationships with those on your team. We define relationships as establishing trust connections with those on your team. Do you always do what you say you will do? Do you care about each team member as a person and not just an employee?

THREE: COACHING QUANTITY AND COACHING QUALITY

Our research points to four high-growth coaching activities that have the strongest correlation to discretionary effort. This means that, of all the tasks and duties that a coach can perform in a week, month or year (and there are many) these four are the most important. Think of them as the base of a pyramid on which greater growth can be built.

1. One-to-one meetings—consistent, structured, individual meetings with your team members.
2. Team meetings—consistent, structured meetings with everyone on your team.
3. Performance feedback—objectively documented analysis of an individual's ability to demonstrate key skills that are proven necessary to role success.
4. Career-development plans—individual sessions with team members to discuss, prepare, and document career growth.

Though quantity of coaching and quality of coaching are inextricably linked, we see stronger correlations between *quality* of coaching and how well a team performs than we do with *quantity* of coaching. In other words, coaches who improve the quality of their coaching lead teams who grow their performance levels faster than those who only boost the quantity of their coaching.

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But they are linked because we haven't seen a team of coaches improve their quality and grow performance without also increasing the amount of coaching. Likewise, the opposite is also true: we have seen coaches increase quantity of coaching without improving quality—and measurable performance results went backward. What this tells us is that when bad coaches increase their coaching, they are creating more negative discretionary effort.

FOUR: ONE-TO-ONE MEETINGS

Proactive, consistent one-to-one meetings are necessary to generate trust, communication, and accountability with team members. When coaches take the time to connect with team members individually, they get to know their team members better, and they are able to have strategic conversations about how to do their job more effectively. Coaches can help their team members with any questions they may have, assess their progress toward goals, and help them make sure their plans are carried out successfully, holding team members accountable for executing their visions. A regular, effective one-to-one meeting is one of the most important tools a coach has in driving team productivity.

There is a strong relationship between effective one-on-one meetings and team performance. Specifically, team members who are 11 percent more consistent in having one-on-one meetings with their coaches and rate these meetings 12 percent higher in quality also demonstrate 36 percent more effectiveness in achieving their goals.

There is a measurable relationship between (a) holding one-on-one meetings consistently and doing them well, and (b) the performance of your team. If you're a coach with a lot on your plate and a calendar full of meetings, don't you want to spend time on the activities that have a measurable impact on performance? One-on-one meetings directly affect performance; they shouldn't be missed.

We also found that only 39 percent of team members meet individually with their coaches at least every other week. This means that over half the coaches are not getting the most they could out of their interactions with their team members. And if you're a company or division leader, that means 61 percent of the coaches on your team are missing out on the 36 percent increase in performance they could inspire in their team members by simply holding consistent, effective one-on-one meetings. Don't leave a huge amount of performance on the table; commit to this coaching best practice.

Most coaches make the mistake of using their one-to-one meetings simply to touch base on their team member's current priorities and tasks. Rarely do they use these meetings to address the team member's work on a more holistic level—their bigger-picture concerns, their developmental needs, or their personal goals. This leaves the one-to-one meeting being merely a tactical update of current work rather than a strategic discussion for ways for the team member to develop and improve their performance. The right agenda can help increase communication, camaraderie, engagement, and productivity.

FIVE: TEAM MEETINGS

Team meetings are often used as a communication vehicle for leadership within a company (think of long conference calls in which their manager talks 95 percent of the time) but they are rarely used in ways that could most benefit team members—to help them learn how to do their jobs more effectively.

When we ask in our coaching seminars, coaches say team meetings are a way to disseminate information to everyone quickly. Or they use team meetings to ensure everybody hears the same message. Or they say these meetings provide

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a platform from which to update their teams on key strategies. What's consistent in the coaches' answers is that most of them view a team meeting as a one-way communication vehicle. This isn't a bad reason, but there is so much more that could be achieved on your company's valuable time with a better team meeting.

Our surveys paint a consistent picture of what team members want from team meetings—more education, more learning, and more training. Whether it's bringing in speakers or sharing best practices among peers, team members see team meetings as a good vehicle to learn strategies they can use to improve and develop their skills. Simply put, team members want information, ideas, and training so they can do their jobs better.

As with all the coaching activities we discuss, the quality of your team meetings can be improved by knowing how often they should occur, the right agenda to use, and how to make them more focused on your team's needs.

Frequency

What we learned was that top-performing coaches were 18 percent more likely than their lower-performing counterparts to hold a team meeting on a monthly basis. And those monthly meetings were also 13 percent more likely to be rated by team members as providing valuable information than meetings that were held on a weekly basis.

Agenda

An essential way to improve the quality of your team meetings is to define an agenda that encourages interaction and information sharing. This means having an agenda that proactively drives everyone to ask questions, share ideas, and engage through the entirety of the meeting. We also learned that team members want to learn more from one another, so have team members share their best practices at your team meetings. And according to our research, one of the most important things a coach can do is recognize and reward team members. This can be a great way to end your time together on a positive and motivational tone.

SIX: PERFORMANCE FEEDBACK

Good feedback is a gift to the people receiving it. It helps them improve their skills. It helps them overcome challenges. It helps them achieve their performance goals. And, yes, it even helps them avoid the embarrassment of making a mistake that everyone but they can see.

In fact, when we look at the different coaching activities executed by the coaches of our client organizations, we see that delivering effective, consistent, and documented feedback is one of the biggest factors in driving team performance. In a recent study we completed for one of our clients, the coaches who led the best performing teams, as measured by each team's percent to sales goal, completed over double the amount of documented feedback conversations as the coaches who led lower-performing teams. Simply stated, giving consistent, effective feedback has a high relationship to improved team performance.

The impact of feedback on performance is really not that surprising. As a coach, when you help your team members understand what they're doing well, what they're doing poorly, and what they can do to improve, they have the information to get better. Sounds simple, right? They why aren't more coaches giving consistent, effective feedback to improve their team's performance? Why doesn't everyone make this a key priority on their to-do list? Unfortunately, many coaches simply don't know how to give good feedback.

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Learning to give great feedback is a lifelong learning experience for most coaches, as it's one of the most challenging coaching skills to master. Not only do you have to be able to clearly articulate the points you want to make but you also have to ensure that you create an effective back-and-forth with the person to whom you are giving feedback. More importantly, you have to really understand your team members so you know when to be more direct, when to be positive, and when to challenge them into Complexity.

We recommend Four Rules of Feedback that offer good guidance on how to facilitate an effective conversation with your team members:

1. Be specific rather than general, so the team member realizes where they need to improve.
2. Describe their behavior rather than evaluate it, to keep from putting them on the defensive.
3. Focus on behavior rather than the person, so they feel like they can actually improve.
4. Maintain the relationship rather than self-indulging, by giving them smart feedback on how to improve rather than you just being smart.

Finally, if we could offer only one piece of advice to coaches who want to improve their feedback, it would be to ask more questions. It's important to realize you can perhaps offer them the most help by first listening to them.

SEVEN: CAREER DEVELOPMENT

Supporting and guiding your team members in developing their careers is one of the most important yet challenging things you can do as a coach. As we have studied the coaching activities and behaviors that drove team member success, our research revealed that having a coach who helped team members make progress toward their long-term career-development goals strongly increased that person's achievement of their current daily work goals. That is, investment in a person's long-term growth also yielded short-term performance benefits. Yet when we asked these same team members how effective their coaches were in doing this, career development ranked among the lowest-rated skill sets that their coaches possessed. It's a vital activity but it is also a difficult one.

For many coaches, and for their team members, career development simply feels optional. There are so many critical priorities to accomplish on a day-to-day basis that it's easy to move longer-term career development to the back burner. But the top-performing coaches we have studied recognize the importance of career development and make it a priority for their teams as well.

The first step in helping your team members create a plan for their career development is to have a discussion with them about their goals and how they hope to grow. Because effective career development has to be highly individualized to the person, you can't just put somebody into a company development program and expect them to flourish. As their coach, you have to first figure out how they want to grow and how you can support them.

We recommend that coaches hold a career discussion with each of their team members on at least an annual basis. People's needs, goals, interests, and skills change regularly, so if you are not touching base with your team members about their career goals at least annually, you are likely missing out on the developments and changes that could help you support them more effectively. Don't be surprised if this meeting lasts up to two hours.

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The questions you ask your team members are some of the most important aspects of an effective career discussion. Avoid broad, generic questions. If you want to help your team members start to identify their longer-term career goals, you need to have specific questions that spark their imagination. We recommend career discussion questions that focus on three areas: (1) Overall goals and needs; (2) Current role goals and needs; and (3) Potential future roles.

During the discussion, your goal is to work with your team member to identify at least one, but not more than three, priorities they'd like to pursue over the next year to develop their career. Pursuing too many development priorities at once makes it less likely that they will be able to achieve any of them.

By definition, your team member's career-development plans should push them outside their comfort zone into Complexity. Under your coaching, career development no longer will feel optional. It will feel like a vital part of their success, both now and into the future.

CONCLUSION: THE FOUR-STEP COACHING PROCESS

There are four steps our clients have successfully used to implement their coaching processes and create high-growth coaching cultures.

The steps within this process, though independent, are inextricably linked. You cannot do just one of them and expect growth. In fact, doing only part of them could create negative discretionary effort. For example, to begin with *measurement* and not follow with *education and training* is paralyzing. What you've done is shown your coaches their strengths and weaknesses but not offered a way for them to improve. To only *educate and train*, while attractive and—when done well—exciting, yields minimal long-term impact. Indeed, training research shows that almost everything learned is lost in thirty days without accountability for *implementation* of what was learned. And to do the first three steps without tracking and analyzing results would be analogous to a medical treatment without follow-up tests to see if the treatment was effective or how to treat the next patient. Simply put, if you want to build a high-growth culture, it takes consistent execution of the entire four-step process.

Step 1: Measure

We begin with a measurement to establish a baseline from which to assess progress and improvement over time.

The most important way that we measure our client's coaching acumen and execution is by asking team members about the consistency and effectiveness of the coaching they receive. This helps us to understand their organization's current coaching environment, to establish a baseline of performance, and to allow us to tailor our recommendations and coaching process to better meet their needs.

Step 2: Educate and Train

Unfortunately, too many companies view education and training as stand-alone events that will single-handedly provide what is needed to create behavioral change and growth outcomes. But most people's desire is to stay in Order. So despite what is learned at an educational event, that knowledge is often not applied and change is often not implemented.

We begin the education process by building the coaches' understanding of the importance of coaching and how good coaching can improve the performance of the team. Since coaches aren't going to change their coaching behavior

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unless they emotionally buy in to the need to do so, we use videos, stories, and interactive exercises to emotionally connect them with the impact of effective coaching.

Next we cover what the best coaches do to maximize growth of those on their team by looking at how they spend their time and behave differently than less effective coaches. We also introduce high-growth coaching activities.

We'll be blunt: change is hard. If you are a senior leader who wants your coaches to improve, or if you are a frontline coach who is interested in leading your team more effectively, it's not enough to get excited about the coaching ideas we've shared. You have to commit to real change, and that takes real work.

Step 3: Implement

It is easy to say, "Go forth and execute," but if it were that easy, we wouldn't be writing about this step in the process. Unfortunately, a desire for Order reigns supreme. Even after education and training on how to coach better, venturing into Complexity is too uncomfortable. By default, most coaches return to old habits and behaviors.

We have found that the best way to combat this tendency is to create a collaborative implementation environment that is driven by bringing together people who are trying to improve their coaching behavior in *implementation huddles*. The focus of these huddles is on the continued sharing of best coaching practices and open discussion of the challenges to overcome in improving coaching. These huddles provide coaches the ability to collaborate with one another about what is working and not working, create accountability for implementing the coaching activities, reinforce the importance of the coaching process, and allow different coaches with different skill levels to collaborate.

Step 4: Track and Analyze

What would happen if doctors followed evidence-based medicine best practices only 54 percent of the time? What if engineers provided bridge designs that met only 54 percent of the safety standards they were supposed to meet? In most companies we study, coaches are doing only 54 percent of the necessary coaching activities. Further, when they are coaching their team members, 45 percent of coaches are falling short of the coaching quality standards they need to achieve in order to hit their performance goals.

Because the vast majority of coaches in the business world don't have the data and information they need, they have been underperforming for decades. Analysis of this kind of coaching information solves long-standing performance improvement mysteries. Many of our client organizations have used this kind of analysis to make targeted improvements to their coaching efforts. They've used data to see which coaches are falling behind so they can help them define specific improvement strategies. They've used data to create more accountability for coaching across the entire company.

If you think most businesses wish to become high-growth coaching organizations, you are correct. But that is like saying most people wish to eat healthier or get fitter. Just like many individuals aren't willing to commit to a diet and workout regimen to be in great physical shape, many companies aren't willing to charge into Complexity and experience the discomfort necessary to build great coaching environments. For many, discomfort leads to avoidance.