Blueprint

A New Leadership Journey from Innovation to Execution
Tom Steding

Background

• Systems Control, Sony Microsystems, 3Com, Novell

• CEO 13 Startups: Currently Voise, Inc., pioneer in AI and semantic analysis for language understanding.

• Co-Author: Built on Trust – How to Gain Competitive Advantage in Any Organization, Contemporary Press, 2000.


• MS in Management (Sloan Fellow) Stanford University Graduate School of Business, Stanford, California.

• Ph.D., Electrical Engineering, University of California, Berkeley, California.

• MS and BS in Electrical Engineering, University of Michigan.
Our Purpose

Provide a transformational framework based on leading edge cultural and leadership practices yielding superior execution and a deepened sense of shared meaning.
Leadership in Transition: The Old Leadership Model

Hierarchical, Organization-as-Machine Model

- Top Down
- Command & Control
- *External* Perspective

The Old Model is increasingly limited
Leadership Failure by the Numbers

- 69% employees disengaged from their work (1)
- Startup failure rate up to 90% (2)
- M&A failure rate > 50% (3)

Intimations of the new Leadership Model


Creative Collaboration is profitable

AVERAGE EBITDA
Per employee ($000s)

$1000

$100

-$100

Low

High

TECHNOLOGY

TACIT INTERACTIONS

246
2
-82

805
Creative Collaboration is “The New Management Science”

“Companies that make tacit activities (aka creative collaboration) more productive will not only raise top and bottom lines but also build talent-based competitive advantages that rivals will find hard to match”

“Tacit interactions reduce the importance of structure and elevate the importance of people and collaboration”

“The kind of network building that tacit workers must do to boost their effectiveness thrives in a culture built on trust”
Intimations of the New Leadership Model, Cont’d

Google

Psychological Safety Drives Highest Innovation

Complementary Partnering Drives Outcome

Connectedness Drives Execution

New Language. New Narrative

1 https://rework.withgoogle.com/blog/five-keys-to-a-successful-google-team/
2 Team Genius: The New Science of High-Performing Organizations
Highly Connected, Open Team

- Creative Collaboration: The Central Organizing Principle
- Access to the Deep Imagination
- Superior Intelligence
- Internal Perspective

Transformation of Leadership: New Model

Blueprint: Delivering the New Model with Authentic Impact
Ant Bridge – Emergent form
Blueprint

**Process**

- **Creativity Mode**: Enables Agility
- **Execution Mode**: Enables Completion

**Practices**

- **Collaboration**: Enables Creative Dialogue
- **Communication**: Enables Execution
- **Commitment**: Enables Connection
- **Closure**: Enables Agility

**Principles**

- **Complementarity**: Enables Creative Dialogue
- **Empathy**: Enables Connection
- **Detachment**: Enables Agility
From Innovation to Execution

Transformational Framework: Complete, Fast, Powerful

Internal results: Increased engagement, well being and meaning

External results: Improved performance, revenue and efficiency
## Validation

### Enterprise software company

<table>
<thead>
<tr>
<th>Problem</th>
<th>Solution</th>
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| • $32M invested, seven years  
• Little traction  
• Failing | • Doubled bookings  
• Cut cash burn from $2M to $54K/quarter  
• Acquired premier customers |

*The new leadership approach was magic. We went from a fragmented, disjointed team with low morale, to an enthusiastic and creative team. We only wish we started this process earlier!*  
— CFO

### Message Assurance company

<table>
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<tr>
<th>Problem</th>
<th>Solution</th>
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| • $20M invested, five years  
• No growth  
• Failing | • Increased bookings 67% Q-Q four quarters  
• Increased ASP 50X  
• Cut expenses 25% |

*This leadership approach transformed our company in a short period of time. Not only did we accelerate sales traction beyond expectations, we created an open culture where creativity thrived and staff engagement soared,*  
— VP Sales

### Optoelectronics company

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<th>Problem</th>
<th>Solution</th>
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| • $65M R&D, 25 years  
• No product  
• Losing momentum | • Convert to product company & team  
• Cut expenses in half  
• Killer app, ahead of schedule |

*We converted the transformation of this research company into a product company in record time, and also developed an innovative new product ahead of schedule. The creativity of the team and the morale of the company both rose dramatically during this period, with a number of people expressing their appreciation for now working in an open and collaborative culture,*  
— VP Business Development
Starting Point: Diagnostic Model

The Hidden to be Revealed
Three-Layer Diagnostic Model Discloses Underlying Layers

“Culture eats strategy for lunch”
(Laszlo Bock, 2014)

“Mindset eats culture for breakfast”
(Mayfield Associates, 2017)
*Bottom-up Progression Drives Performance*

![Diagram showing levels of progression from Mindset to Enterprise]

- **Mindset**
- **Culture**
- **Enterprise**

**Levels of Progression:**
- Competence
- Execution Ability
- Performance

**Sections:**
- Business Content
- Team Interaction
- Execution Leadership
Four Critical Dimensions of Mindset

- **COURAGE**: Facing Danger and Fear with Confidence and Resolution
- **RELATEDNESS**: Ability to establish an Intellectual and Emotional Connection
- **AWARENESS**: Intellectual and Emotional Knowledge
- **AGILITY**: Nimbleness of Thought and Action

Imbedded Complementarity in Each Dimension: Intellectual *and* Emotional
Real World Example

- Bad Forecast!
- Overstated Position!
- Excessive Ramp!
- Forbidden Topics
- Gossip
- Forced Commitments
- Grandiose ego

- Pretend it will work
- “Not my problem”
- Escape the system

- “Can’t talk about it”
- “Don’t believe it”
- “Better sign up!”

- “First Year Revenue is $10 million…or else!”
Foundation Principles
Three Principles

- Complementarity
- Empathy
- Detachment
Foundation Principles - Complementarity

Both/And Thinking: Understanding there are always two sides to a matter

- Wave/Particle Duality
- Double Helix (DNA)
- Electromagnetism

A basic rule of nature.
Complementary Partnering

Spontaneous phenomenon that can be proactively employed

“I have seen what happens when you get two people together [referencing his “twin” Charles Munger] who are totally in sync but also have different ways of working toward a common goal” Warren Buffett
Complementary Mindsets in Product Development

- Creative/Fluid (Needs Completion)
- Directive/Demanding (Needs Buy In)
- Focused/Anchored (Needs Innovation)
- Open/Collaborative (Needs Direction)

States:
- More Frequent State
- Less Frequent State
Puer/Senex Complementarity in Mindset: Icarus & Daedalus

Puer
“Eternal boy” (Latin)
Youth, possibility, growth, and unbounded creativity.

Senex
“Old man”
Age, discipline, order and responsibility.

Icarus & Daedalus
Solar/Lunar Complementarity in Mindset

“Solar”
Rational
Action-Focused
Linear
Executes

“Lunar”
Intuitive
Insight-Focused
Non-Linear
Informs
Collaborative Dialogue Practice: Top Five

• Elicit willingness for a dialogue

• First listen to complete message
  • Encourage completion
  • Don’t interrupt
  • Reconstruct other’s point of view

• Acknowledge out loud your understanding of at least some part of their position

• Present your position as complementary, both/and perspective

• Avoid black and white thinking: “But” or “You’re wrong” or “Agree to disagree”

Collaborative dialogue involves both empathy and challenge
Starting Point
**First Step**

Collaborative communication is being able to empathically see and acknowledge the others perceptions or expectations of reality.
Synthesis in a Connected Communication

From this comes a new perspective
Foundation Principles - Detachment

Promoting a clear perception of reality
Frees from idealized expectations (aka, Cancer of the Mind)

Keats: Achievement requires “Negative Capability, … when man is capable of being in uncertainties, mysteries, doubts, without any irritable reaching after fact and reason.”

Quantum Vacuum State: Spontaneous appearance of energy and particles

Our application: Maintaining creative flow, avoiding rigid, dogmatic thinking
Practices
Setting It Up: Understanding What People Want

• To make a contribution
• To be recognized for their contribution
• To be seen and heard, not necessarily to win every position
• To be part of something bigger than themselves

Addressing these needs sets up the Engaged Organization
Practices

Open, Direct, Truthful and Respectful

Avoid False & Forced Commitments

Commitment

Communication

Collaboration

Closure

Agreement + Date

Both Empathy & Challenge

In-Depth Training (“Top Ten” Techniques) Yields Effective Practice
How Principles Support Practices

- Encourages Openness to Alternative Perspectives
- Eliminates Dialogue-Ending Dogmatism
- Communication
- Commitment
- Collaboration
- Closure
- Detachment
- Complementarity
- Empathy

Intersection of Principle with Practice

Avoids Indifference to Other Party
Enables the Connected Team
Commitment Practice: Top Five

• Define commitment: Intention of no conditions (not a guarantee)

• Explain cost of false commitments (saying “Yes” without true intent): False commitments lead to dramatization in the organization

• Allow time to consider commitment (“Honoring doubt”)

• Focus on internal commitments first: places ceiling on ability to make external commitments

• Write it down for accountability
Benjamin Franklin’s Autobiography

“I made it a Rule to forbear all direct Contradiction to the Sentiments of others, and all positive Assertion of my own. I even forbid myself...the Use of every Word or Expression in the Language that imported a fix’d Opinion; such as certainly, undoubtedly, &c. and I adopted instead of them, I conceive, I apprehend, or I imagine a thing to be so or so it appears to me at present.

When another asserted something that I thought an Error, I deny’d my self the Pleasure of contradicting him abruptly, and of showing immediately some Absurdity in his Proposition; and in answering I began by observing that in certain Cases or Circumstances his Opinion would be right, but that in the present case there appear’d or seem’d to me some Difference, &c.

And this Mode, which I at first put on, with some violence to natural Inclination, became at length so easy & so habitual to me, that perhaps for these Fifty Years past no one has ever heard a dogmatical Expression escape me.

For I was a bad Speaker, …and yet I carried my Points.”
Communication Practice: Top Five

- Ensure communication is open, direct, truthful
  - Open: Speak your mind fully (capture the “small voice in the room”)
  - Direct: To the people who have the authority to act on the information
  - Truthful: The truth in its entirety
- Drive out indirect communication or “toxic gossip” (“Hate the buzz but love the buzzer”)
- Explicitly ensure diplomatic immunity
- Demand communication be respectful and preserving of dignity
- Resolve muck* quickly (what distinguishes great teams)
- * Term for all types of discomfort that arise in working relationships
Closure Practice: Top Five

• Introduce concept of “closure” as an agreement plus a date

• Explain consequence of non-closure (“I’ll take care of it”): non-closure → wondering → suspicion → mistrust

• Volunteer dates automatically; otherwise, ask for a date

• Establish goal: 100% of communication is closed

• Use date for a date (or date for a date for a date) if necessary
**Practices**

Incomplete Implementation Creates Leakage and Drama
Practices

The Self-Regulating Organization

Commitment

Communication

Collaboration

Closure
Starting Point: The Random Organization
Core Team Integration
Full Team Integration
A New Entity: The Highly Connected Team
Blueprint Implementation Phases

Phase I
ORIENTATION
- Principles
- Practices
- Process
- Assessment

Month One

Phase II
CREATIVE
- Formation
- Inspiration
- Ideation
- Prototyping

Month Two

Phase III
EXECUTION
- Definition
- Development
- Test
- Launch

Month Three

Phase IV
EVOLUTION
- Feedback
- Revision
- Re-commission
- Iteration

Next Period
Thank You!

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