



Retail Leadership Team

November 2011

Introduction

Brand X is a high-end American consumer retail brand that sells kitchenware, furniture, linens, and a variety of specialty foods. One of the six brands in the parent company's portfolio, the brand generates close to \$1B in annual revenues. The brand started in 1956 and currently consists of 260 stores and a direct to consumer (DTC) organization, which consists of catalogue, direct mail, e-mail, and Internet sales. The Retail Leadership Team is responsible for the overall performance and reputation of the brand and consists of the top leaders for the marketing, merchandizing, store operations, DTC, creative, inventory/supply chain, human resources, etc. functions. Many on this team have been with the brand for over five years, and only two are relatively new to the team and organization.

Most of the Retail Leadership Team is located in the corporate headquarters, although one or two members are located in nearby buildings. Approximately 160 brand employees work at corporate headquarters and for the most part are the direct or indirect reports of the Retail Leadership Team members. There is a seasonal rhythm to the business, with the 4th quarter being the most critical to the brand's success. Depending on the time of the year the brand will employ between 5,000-10,000 people.

In November 2011 all 17 members of the Retail Leadership Team completed Team Assessment Survey IIs and participated in 30-45-minute phone interviews in order to share their perspectives on team functioning. This report describes the key themes that emerged from these phone interviews. For ease of interpretation the interview themes were categorized into the eight components of the Rocket Model© of team performance. The themes were then color coded as follows:

- + Areas of strength are highlighted in green.
- Areas of improvement are highlighted in red.

CONTEXT: Concerns assumptions about the team's key customers, stakeholders, and influencers.

- + There is a considerable amount of agreement about the economic/market conditions being the key external constituency affecting the brand and in turn the Retail Leadership Team.
- + The Board of Directors, CEO, and CFO play critical roles in the brand. The timing of many of the team's major activities is aligned to the Board of Directors' meeting schedule.

- + Generally speaking, the team has good relationships with the shared services organizations at corporate, such as marketing, IT, finance, and human resources.
- + Historically vendors have had a strong impact on this team, but the brand is beginning to pursue a strategy to lessen this influence.
- The unemployment rate is still over nine percent, the housing market is faring poorly, consumer confidence is low, and the economic conditions are far from ideal. These factors are making it difficult for the brand to hit its financial goals.
- Brand X is a consumer-oriented brand but members may not share the same assumptions about customers. The Retail Leadership Team seems more corporate than customer focused and there may be some disagreement about how to segment customers, best meet their needs, etc.
- Although the brand has good relationship with the shared services organizations, there is a general perception that these organizations are too slow, bureaucratic, and could provide more information and support to the brand.
- It is unclear who the “first team” is for the members of the Retail Leadership Team. Is it this team or the respective teams that they lead? Also, is this a group or a team?

MISSION: Concerns the team’s goals, metrics, and feedback mechanisms.

- + Brand X has clear brand, financial, people, and other goals for 2011, 2012, and 2013.
- + The Brand goals cascade down to individual Retail Leadership Team members. Members know what goals they are responsible for achieving, and brand initiatives are directly linked back to the goals.
- + Some of the Brand goals are benchmarked against the other brands in the portfolio.
- + Progress on Brand goals is reviewed periodically.
- Although the overarching goals are clear, the vision, strategies, and priorities for achieving them are not. As a result, there are too many initiatives and differences in opinion on how to best achieve the goals.
- In terms of strategy, there is a strong tendency to do things more or less the same way they have been done in the past.

- The Brand goals lack any kind of external benchmarking.
- Members seem overly focused on their own goals and only secondarily worried about Brand goals. People work independently, are very good at knowing what is going on in their own silos, but do not have much appreciation for or much need to do joint work.

TALENT: Concerns having the right number of people with the right skills in the right roles.

- + Members of the team are Type A hard chargers—they are results oriented and driven to succeed.
- + Everyone on the team is a subject matter expert and is financially focused, particularly when it comes to his or her area of responsibility.
- + The team has a strong analytical, process, and action bias. Problems get thoroughly investigated and things get done.
- + The team seems to be about the right size and people seem to be in the right roles.
- + Members are starting to provide feedback on the indirect reports of other members' teams.
- Is the team structured properly? Should there be four merchants? Is this structure encouraging a silo mentality? The Brand President is currently playing the role of Chief Merchant--should he be doing this?
- There is a considerable amount of role ambiguity between marketing and creative. Business strategy should drive marketing, which should drive creative, but this doesn't appear to be happening.
- Sometimes people get so focused on their own actions as to be unaware of how they are affecting others on the team.
- The team does not do a good job recruiting, on-boarding, or developing talent or managing performance.
- Are members of the Retail Leadership Team truly operating at the right leadership level (i.e., Functional Leaders) or are they operating as glorified individual contributors?

NORMS: Concerns having effective meeting, communication and decision-making processes and accountability mechanisms.

Operating Rhythm

- + The bi-weekly team meetings start and stop on time.
- + The November 7th meeting to revise the 4th quarter strategy was universally well received. The team needs to have more of these meetings.
- There are far too many meetings and many do not have clear goals, agendas, or next steps. As a result, many meetings are seen as inefficient uses of time.
- Is the frequency of meetings an indicator of a lack of trust?
- Team meetings are very operationally/financially focused; the team spends very little time discussing strategy and setting strategic priorities.
- Discipline can break down during meetings—people often check their Blackberries or iPads when others are speaking.
- If the President is not at a meeting, then people are very unlikely to show up.
- Although this is not his intent, the President has a commanding presence and can take over meetings.
- It is very difficult to get all the right people at the right meeting to talk about the right things.

Communication Norms

- “What would the Brand President think” is a pervasive attitude among team members and causes a considerable amount of self-censorship. There is little push back and few courageous conversations in team meetings.
- There are far too many e-mails and not enough phone calls or face-to-face communication.

Decision-Making Norms

- + The Brand President is very detail-oriented and decisive.
- + Members do their homework before discussing issues or presenting results.

- Members spend so much time dwelling on the details that it can interfere with their ability to think strategically. Is the high need for data and analytics truly helping the team make better decisions or is it due to a lack of trust or not wanting to be seen as making a mistake?

- Members have a hard time owning up to blown decisions or making mistakes—people are more likely to say make excuses than say they made the wrong call.

Accountability Norms

+ The Brand President does not play favorites and everybody is held to the same standards.

+ Members are held accountable for their performance.

BUY-IN: Concerns the level of commitment team members have towards team goals, roles, norms, etc.

+ Everyone on the Retail Leadership Team is a 100% committed to Brand success. This commitment to succeed is so strong that it has a cascading effect on the rest of the organization.

+ People are very passionate about the brand.

+ In general, there is a great deal of alignment on the organization's major goals.

+ People do their best to carry out and complete actions assigned to them in team meetings.

- Their intentions may be good, but members' ability to get assigned tasks completed can get overwhelmed by shifting priorities and "crises du jour".

- Members often do not know the context or issues surrounding decisions, which causes a considerable amount of second-guessing and makes implementation difficult.

POWER: Concerns having the material and authority needed to accomplish team goals.

- Members feel somewhat resource constrained. People complain about being overstretched, but is this due to resource constraints or not working on the right things?

MORALE: Concerns the team's esprit-de-corps and culture.

- + There are many long-term relationships among members.
- + Team members are professional, polite, and respectful of each other.
- + The team has a moderate level of esprit-de-corps.
- The Retail Leadership Team does not have a warm culture; many of the relationships seem transactional in nature.
- In general, members avoid confrontation and conflict. When it does occur, there is a tendency to blame or point fingers at others.
- There is some degree of territoriality and one-upmanship, but not a lot.
- The Retail Leadership Team does not present a united front to the rest of the organization. Few members advocate for or ask others for help.

RESULTS: Concerns the actual results obtained by the team.

- + The team is getting better results than last year.
- + Once the team decides to take action, it is fairly good at execution.
- + The team wins by achieving its financial goals.
- + The team is seen as on par with other executive leadership teams and seems to be getting better over time.
- The team is struggling to achieve the medium scenario goals set for 2011. It has not had a lot of wins this year and seems to be more reactive than proactive.
- There is a tendency to manage by exception and only point out what is going wrong. The team rarely talks about what is working or celebrates success.
- The business challenges are interfering with the team's ability to achieve some of its other goals.
- The Retail Leadership team is not really working as a team. Members are not competitive with each other but rather work independently to pursue their own goals. This creates silos across the rest of the organization.