

Best Practices to Successfully Lead Your Management Team



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BEST PRACTICES TO SUCCESSFULLY LEAD YOUR MANAGEMENT TEAM

Expect the leadership structure of your company to change as your company grows. What started as one person making all the decisions usually evolves into a collaborative decision-making approach utilizing the expertise of a management team. It's not always easy for business owners to give up day-to-day control; however, when the right managers are trained to make decisions and achieve results, the company has incredible growth potential and can establish long-term sustainability.

Throughout this white paper, we will explore best practices through the viewpoint of three companies at different stages in the business lifecycle.

Company #1: Leader + Employees, but no Managers

At this stage, the company has grown enough to employ a few people, but the leader is still in charge of directing all progress and efforts. However, leaders are frustrated because they are spending time working in the business, rather than developing strategies to grow to the next level. Leaders feel like they don't have the right people in place, or that they can't trust them to achieve results without being micromanaged.

Company #2: Leader + A Handful of Managers, but no Management Team

The company has grown, and a few managers have been hired. However, there is no strategy from the management level, forcing managers to focus on individual — not company — goals. Meetings are held, but they are not focused, monotonous, tactical, and often missed due to their lack of value.

Company #3: Leader + Management Team, but with Gaps in the Management Level

The company has evolved to the point where a management team is assembled. Yet, key organizational roles are missing or lacking the right person for the job, forcing the leader to fill in the management gaps. The leader struggles to find enough budget to support the needed management-level salaries, and they are also faced with the task of differentiating supervisors, managers, and executives within the organizational structure.

Following are three best practices to institute in your organization that will help leaders create an effective and results-oriented management team.





BEST PRACTICE #1: STRONG MANAGEMENT TEAM

The biggest takeaways when choosing people to hire or promote to the management team are to be sure the role is clearly defined, then find the right person to fulfill that role.

Start with defining the role by taking the people out of the equation, i.e. never create a role for a specific person. Instead, create the role that will achieve goals for the company. Think about: what are the ‘must-have’ skills and experience for this position? What are the ‘like-to-have’ skills and experience? What purpose does this role serve? Take time to strategize and determine exactly what is needed for this management position. The Leadership Pipeline (pictured here) is a great resource for getting started on role definition.

Once the role is defined, leaders have a clear idea of the type of individual who will bring that very specific role to life. When choosing an applicant, keep the ‘must-have’ and ‘like-to-have’ list handy to reference during the interview and selection process. If you are looking at a current employee to fill the role, use the ‘must-have’/‘like-to-have’ list to define their growth plan.

When the new manager is selected, sit down with them and define what success looks like and create a set of decision-making parameters with them so that they know exactly what is expected and needed from them. This includes setting 30, 60, and 90-day expectations and continuing to check in with them along this timeline to ensure they are the best fit and meeting their specific goals.

The Leadership Pipeline



Leadership Level	Area of Focus	How Time is Spent
Leading the Organization	Set and communicate vision, ensure adequate resources, build consensus	Plan for the future, reserve time for reflection and analysis
Leading Other Managers	Select and develop managers, engage and motivate others, reinforce vision and goals	Delegate functional work, communication and relationships
Leading Employees	Break goals into achievable projects and actions, oversee work	Be available, develop employees, engage in managerial work, get results through others
Leading Self	Engage in technical work, manage own time	Results through own contribution, be a part of culture and standards

Adapted from "The Leadership Pipeline" by Ram Charan, Stephen Drotter, and James Noel.
The Leadership Pipeline Model is based on 30 years of consulting work with Fortune 500 companies.

Company #1:
**Promote trusted
employees to managers**

Company #2:
**Pull in detached
managers into a
cohesive team**

Company #3:
**Identify strategic gaps in
the management team**

BEST PRACTICE #2: DEFINE THE COMPANY'S DIRECTION AND GOALS, AND COMMUNICATE THEM WITH THE TEAM

The leader must spend their time focusing on setting a clear company direction, vision, and goals. The most important part of this process is to communicate these directives with the management team in order to set them up for success in achieving goals and adhering to the company's vision. There is no such thing as over-communicating! The company's mission and values will be a beacon to guide the company through any changes.

The most efficient and effective way to communicate with the management team is to hold regular reviews of the project plan and priorities. As part of strategic planning time, leaders need to sit down and develop quarterly and monthly priorities. But, be selective; if there are too many items listed as a priority, nothing will ever be accomplished. Review the example Project Plan (listed here) as an overview of how to prioritize.

Once priorities are established, communicate them with the management team. Each manager should have their own priorities to focus on, and leaders should meet with managers monthly to get progress updates. Be sure to make these meetings more about strategy and less about tactics. By focusing on strategy, the leader and manager can brainstorm solutions, gather input, and gain buy-in from the rest of the team.

Project Plan

ABC Company

Dept	Project	Who	Status	Due Date
Sales/Mktg	Evaluate pricing strategies	Kevin	1-Not Started	12-Dec
Sales/Mktg	Plan for industry conference (booth, people attending, travel etc.)	Kevin	2-In Progress	07-Jul
Ops/Prodn	Research inventory management systems	Anne	3-Complete	08-Aug
Ops/Prodn	Decide on inventory management system	Anne	1-Not Started	08-Aug
Ops/Prodn	Outline rollout plan for inventory management system	Anne	2-In Progress	09-Sep
Mgmt/HR	Update employee manual	John	0-Past Due	06-Jun
Mgmt/HR	Outline plan for new hire orientation/training programs	John	1-Not Started	08-Aug
Fin/Legal	2020 budget created and updated	Liz	1-Not Started	12-Dec

Company #1:
Communicate priorities
(over and over and over!)

Company #2:
Involve managers in
strategic planning

Company #3:
Use managers to
reinforce the company's
values, strategy, and
goals

BEST PRACTICE #3: IMPLEMENT USEFUL MEASUREMENT

Key Performance Indicators (KPIs) are essential to ensure goals are met. KPIs must be quantifiable, correlate to a goal, and are relevant to the company's success.

There are two common mistakes when it comes to measurement:

1. Leaders do not have any measurement capabilities in place, leading them to 'fly blind' and make assumptions about stats that may or may not be true.
2. Leaders have too much information to sift through. There is a thing as too much data, and it makes it difficult for leaders to focus on the right KPIs.

Ideally, KPIs should be visible on a one-page dashboard as a high-level overview of the data. If a deeper dive is needed, leaders can absolutely open up the accordian to find more data. Metrics should help leaders focus on goals to improve the decision-making process, gauge performance, and offer a clear view of accountability. Note the example on this page to see what a high-level KPI dashboard should look like.

High-Level KPI Dashboard

Totals	Aug	Sep	Oct	Nov	Dec	TOTAL	GOAL
# of New Leads	78	47	41	65	28	817	1,093
# of Proposals	35	35	25	29	28	432	395
# of Closes	15	15	14	14	7	153	169
Average # days for close						0	
\$ Closes	\$ 744,028	\$ 575,211	\$ 296,514	\$ 258,991	\$ 272,496	\$ 5,091,197	\$5,000,000
\$ Goal	\$ 405,000	\$ 395,000	\$ 415,000	\$ 275,000	\$ 275,000	\$ 4,271,094	
\$ Closes / \$ Goal	\$ 339,028	\$ 180,211	\$ (118,486)	\$ (16,009)	\$ (2,504)	\$ 820,103	
\$ of Production	\$ 418,595	\$ 454,612	\$ 440,510	\$ 388,521	\$ 496,097	\$ 3,693,671	
Cash-in (Revenue)	\$ 323,693	\$ 460,976	\$ 472,721	\$ 352,788	\$ 426,341	\$ 3,615,931	

Common KPI Mistakes

- Not reviewing KPIs
- Reviewing too much data
- Only measuring activities
- Low accountability
- Awarding wrong actions



THE BOTTOM LINE

"A leader's job is not to do the work for others, it's to help others figure out how to do it themselves, to get things done, and to succeed beyond what they thought possible."

- Simon Sinek

The best way to lead is by example. When the right people are in the right roles reviewing the right data, the company will be able to effectively communicate and move toward the necessary goals to achieve success.