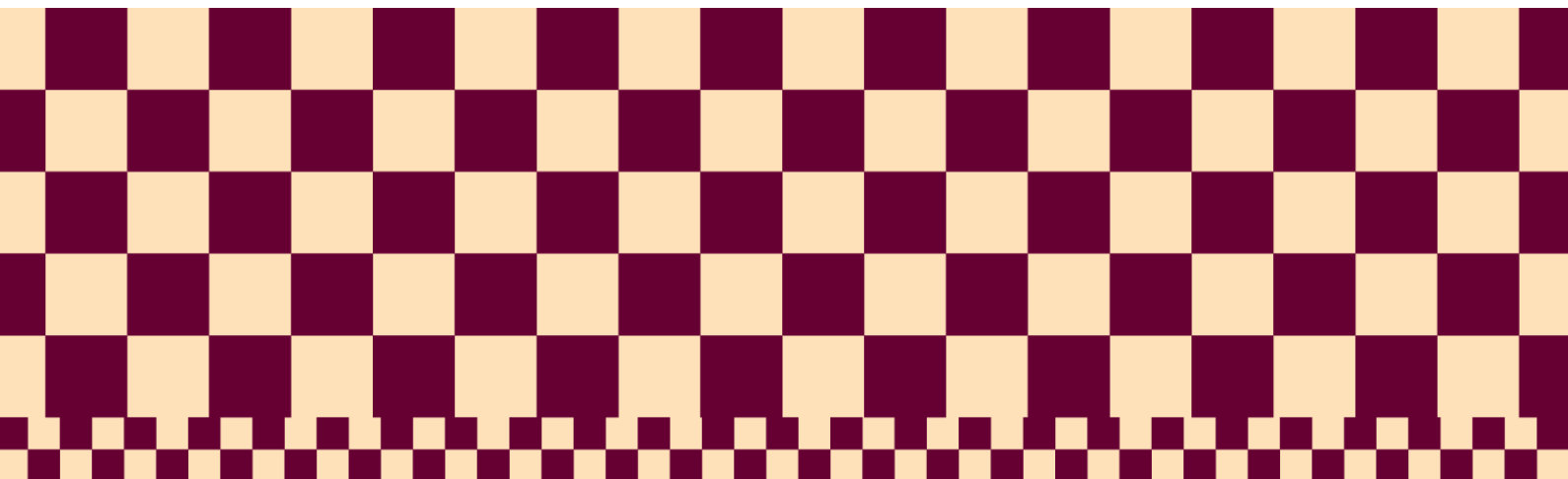


A Set the Table Guide

Setting the Table for Building Highly Effective Teams

WITH JON KLONSKY



Having an effective team can make or break organizations. In this series of Set the Table, we'll explore the critical aspects of team building and leadership, drawing on Jon Klonsky's extensive experience in team management and organizational development. You'll gain helpful frameworks for making difficult decisions in building teams and developing your organizational culture. We'll help you think critically about communicating with your team, and help you create proper performance objectives. Jon will walk you through developing your employee hiring and retention practices so you can build teams that are both efficient and effective.

Leadership practices are subjective. What has worked for Jon may not always work in your context. But we're confident that you will walk away from this series with frameworks and ideas on how to better lead your team in any context.



Meet your expert

Jon Klonsky

Jon is the CEO of HaloKinetic, a systems integrator that builds, supports, and grows ServiceNow solutions for Fortune 500 and large institutions. Prior to HaloKinetic, Jon was the Co-Founder/Co-Executive of Something Digital, a leading North American eCommerce agency that was acquired by Genpact in 2020. From 2020-2022, Jon was the SVP of Commerce for Rightpoint, a Genpact company. Jon lives in New York with his publisher wife and 2 college-age daughters. He also does some consulting on the side through Triklon Strategies.



Meet your host

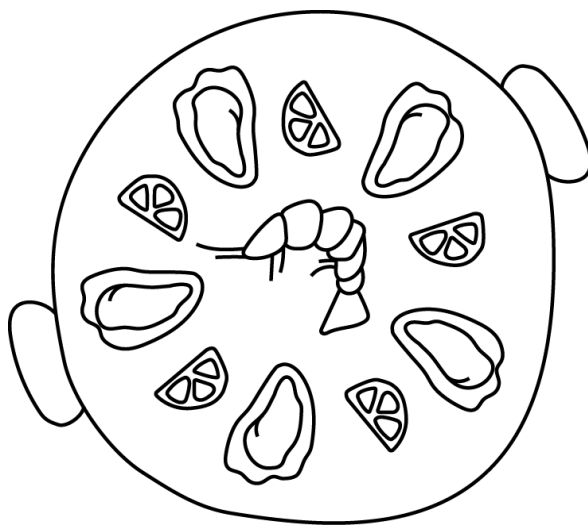
Orchid Bertelsen

Orchid Bertelsen is the chief operating officer of Common Thread Collective (CTC), an eCommerce growth agency specializing in growth strategy, retention strategy, and creative strategy.

Prior to joining CTC, she was head of consumer experience strategy and innovation at Nestlé USA, where she was responsible for holistic digital strategy, owned digital properties, and marketing technology. She has a varied portfolio of over 40 brands including Coffee Mate, Toll House, and DiGiorno.

What you'll learn in this series:

- An easy-to-remember framework that you can apply to your leadership practices.
- How to better communicate with your team
- How to establish clear expectations and objectives for your teams
- Frameworks for hiring and retaining high-quality employees
- A framework for identifying natural talent in your team to help them thrive



LESSON 1

The Operational Triangle

The Operational Triangle is a framework that Jon developed in his experiences building teams. In reflecting on what makes a highly effective team, Jon suggests that leaders focus on keeping three key areas in balance: Teams, Customers, and Profits.

An Overview of the Operational Triangle

Team

Your team is what will get you to your goals. You cannot achieve anything outside of a team. This is why “Team” gets the top spot on the triangle. Every successful team needs the following to thrive:

- Clear goals
- A “why” or a reason for existing
- To feel valued
- Proper incentive structures

Customers

No matter the technical role or what industry one works in, everyone has customers. Furthermore, everyone has customers. If you are a retailer, your customers are, well, the people who buy products from you. But if you are a larger organization, your “customers” may be other teams or organizations that you are delivering your “product” or service to. This could be your C-suite, or another team that you are working with.

Everyone has internal customers (those within your company) and external customers (those buying your product or services).

Profits

All businesses exist to generate profits. Profit can be measured in multiple ways. Typically, the number one way to measure profit is gross profit margin, or the relationship between the revenue coming in and the cost of goods sold.



Balancing the Operational Triangle

It's not a matter of "if" your operational triangle will become out of balance, it's a matter of when. Your organization will need you to focus on one area of team, customers, or profit at any given moment. Your role as a leader requires you to choose which area needs the most focus while maintaining balance in the triangle. If any of these three elements is out of balance, you must focus on that area to bring it back into balance.

Keep Your End Goal in Mind

It is idealistic to think that your operational triangle will stay in balance even 50% of the time. When balancing the operational triangle, it is imperative as a leader to keep your long-term goals as a team in mind to know how unbalanced your triangle can be at the moment. For example, if your team needs important training, your profits may take a hit in order to pay for the training. However, that training may result in long-term profitability. You need to create a threshold of tolerance for short-term unbalance. How much can you allow your operational triangle to be out of balance in the short term to achieve your goals in the long term? That is for you and your leadership team to decide.

Reflection

While everyone's organization is unique, the framework of the operational triangle can be applied. In this reflection section, you'll outline the parts of your unique operational triangle.



Team: who is on your team? Think through the structure of your team. Who are the leaders? Who are those who lead but may not have leadership roles? Who has an influence on your team? Does your team have clear goals, a "why," values, and incentives?



Customers: Who are your external customers? What about your internal customers? What products or services are you providing for these customers? What promises are you making your customers? Are you fulfilling these promises?



Profit: How does your role or your team affect your profits? What does success look like in building profits?



LESSON 2

Leadership Communication Frameworks

Now that we have a foundational model for building teams, let's walk through some leadership frameworks in how a leader should interact with their teams. Leadership can be very subjective and there are many ways of approaching leadership that work for different types of leaders and different types of teams. In Jon's experience, he has found two foundational principles for leaders:

- 1. Be courageous.**
- 2. Be authentic.**

Be courageous

Being a leader means that you have to constantly put your ideas on the table. Oftentimes it means going against the grain to make difficult or unpopular decisions.

Be authentic.

Most young leaders want to emulate other leaders they admire or try to implement leadership tactics they have read or learned. However, you cannot truly become a great leader until you begin acting like yourself. Leading others requires consistency and honesty. If you choose to hide behind a facade or persona, your team will see right through it and call you out. Find your comfort zone, find your natural methods of communication, and proceed from there.



It All Comes Back to Communication

Doing all you can to make yourself a better person and a better leader is important but leadership is nothing if not helping a group of people achieve a common goal. Meeting a common goal cannot happen without effective communication. As a leader, you need to communicate in a way that is authentic to your own personality and voice. It needs to make sense, and it needs to be delivered in a way that those on your team can respond positively to.

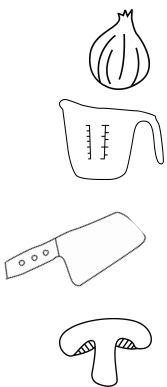
Communicating Measures of Success

The operational triangle forces leaders to reflect upon what success measures are in place. Leaders should measure success with a pre-determined frequency. You should have annual, quarterly, monthly, and weekly measurements of different areas of your business to ensure that your team is on track to hit their goals. It is important to define the different measures and goals before the year begins so that your team knows what to expect and what they should aim for. Your team should expect you to provide regular reporting on goals so they can contribute to the success of your business goals.

Leadership is Not About the Title

Obviously, formal leadership is important. However, leadership exists at all levels of the organization and one never knows who will take leadership in a particular issue. If you are given a formal leadership title, you need to be willing to delegate to junior staff on your team based on their skills and expertise. If you are a more junior employee, you can still have a positive influence on your team.

Reflection



1. As you reflect on your own leadership journey, when have you found it most difficult to lead courageously and authentically? When has it been easiest?
2. In reflecting on your own leadership journey further: when have you been given the opportunity to lead others without the title? What about when you have had the title? Did it change your actions or how you approached leadership?
3. Think about your team: can you name anyone who has shown leadership skills and abilities without the official title? How have they influenced the team?
4. If you do have a formal leadership role, reflect on how you communicate with your team. How often are you sharing expectations and goals with your team? Do you have a set schedule for sharing expectations and helping your team evaluate goals?

LESSON 3

Creating Simple, Measurable Performance Objectives

The way an organization approaches performance objectives varies from other organizations. Regardless of how your organization chooses to approach performance objectives, it is critical for everyone on your team to know how they are performing at any given moment and how they're being measured by the rest of the organization.



I think the most important thing you can give a team member is clear, reasonable, measurable performance goals.

Jon Klonsky



Training as a Performance Objective

As a leader, one of the greatest motivators you can provide your team is a clear path to growing and developing team members' skill sets. Adding training and professional development to your team members' performance objectives is a key way to motivate your team and build your retention rates. Each team member should have a training objective as well as a training budget as part of their evaluation. Not only will training motivate your team, you'll help them grow in their careers and your organization will get better quality work.

Keep the Operational Triangle in Mind When Creating Performance Objectives

The Operational Triangle serves as a straightforward framework for building performance objectives. Here are some ideas for performance objectives that you could create based on category:

Team

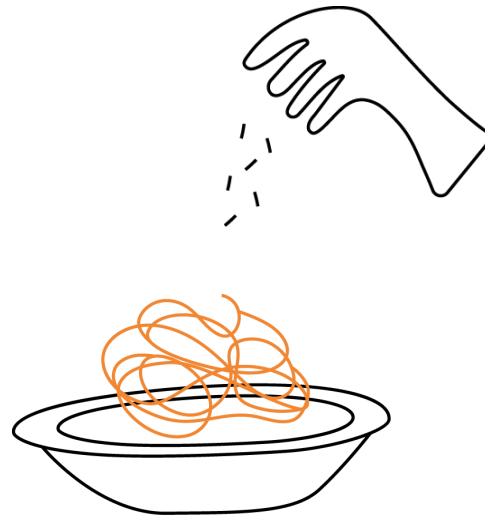
- Team Satisfaction
- Professional Development
- Retention Rate

Customers

- Customer Satisfaction
- Customer Retention Rates
- Ratings & Reviews

Profits

- Top line revenue
- EBITDA
- Gross margin



Reflection



Reflect on your current performance objectives. Are they explicit?



What are the implicit or unspoken performance measurements that your team and culture have created?

LESSON 4

Hiring Well

At the top of the Operational Triangle is “team.” Having a great team starts with learning how to hire well. Hiring is a team sport. The candidates you interview will likely not be working in a vacuum but with your team. You should develop hiring practices with your team that will help

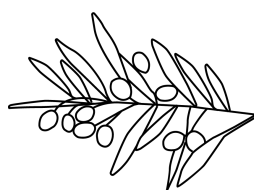
Hire for Attitude, Not Aptitude.

Hiring for **aptitude** is easy — managers can give applicants aptitude tests and ask candidates to submit prior work to measure their ability to do the job. Hiring for **attitude**, however, is a more difficult task, and arguably, more important than hiring for aptitude. The attitude of new candidates will shape the culture of your organization. All individuals involved in the hiring process need to be aligned on what attitudinal qualities your organization is looking for in candidates.

How to Hire for Attitude

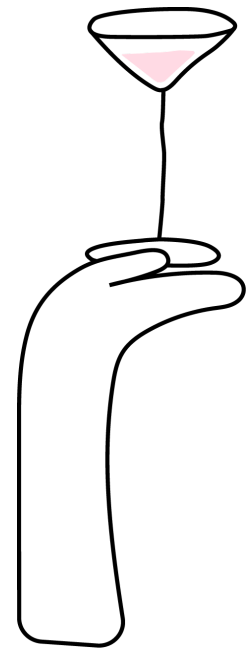
If you don’t have foundations for your team to hire for attitude, here’s a helpful exercise you can do with your leadership team to give you a starting point:

1. Create a worksheet with two columns.
2. In one column, name your five most successful hires.
3. In the other column, name your five least successful hires.
4. Under each, brainstorm the attitudinal characteristics that each of these individuals had.
5. Can you identify the differentiating attitudinal characteristics that each group has?
6. Under your most successful hires, the common characteristics are likely the characteristics that your future successful employees will have. As you hire more candidates, look for these characteristics



Once you have defined the attitudinal characteristics that will make hires a success in your organization, you should develop a method of interviewing in which you can assess whether the candidate has those characteristics. Your hiring process should include a 20-minute attitudinal interview conversation with different questions that reveal whether the candidate has the attitudes your team is looking for. Your hiring team in the attitudinal interview should have the characteristics you outlined on a form with an objective score from 1 to 7, with 7 being the best score, to measure how much the candidate possesses the attitudes you're looking for in an ideal candidate. The goal is not to coach the candidate in the interview but to simply ask the questions to see how they respond.

In Jon's experience, his team stated that if the candidate didn't have a score of 5 or better across all of the categories, they wouldn't be hired. While this is a stringent requirement, having a previously agreed-upon rubric with a previously agreed-upon set of criteria allows the hiring team to make data-informed decisions in hiring. This also aids in retaining team members for the long haul.



Defining Success

When approaching your hiring process and your employee retention (coming next lesson!), it is paramount to define for your team what success looks like. Business leaders should look at a few different areas to define success for new hires.

Revenue Cycles

Every business leader should approach hiring and retention over an 18 to 24-month cycle. The process is longitudinal, so some quarters will be more profitable than others. As you think through these revenue cycles, understanding what your business can afford to pay to create new roles will become clearer and you can better define success in terms of that role's impact on your profit margin.

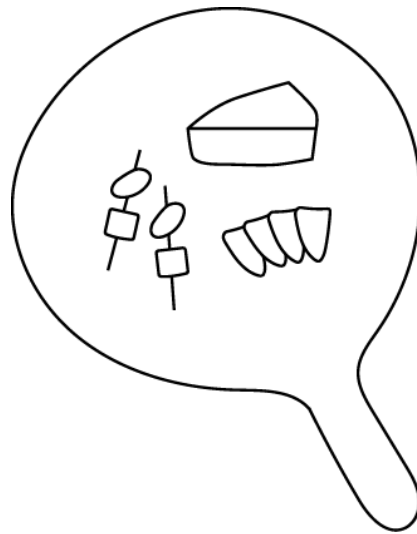
Level of Employee

Your definition of success may be different for different levels of employees. It is a success for a young, entry-level employee, directly out of college to stick around your organization for 18 months to two years. Middle management should stick around for three to five years, and executive level should stick around even longer (Jon suggests at least 10 years).

As far as profits are concerned, entry-level employees are going to have to work harder and longer hours to deliver the same results that a senior person can deliver. That is expected and should be considered when defining success for a specific role.

Ability to Train

Your organization may have different levels of ability and freedom to train entry-level and new employees. You need to understand how many teachers (see lesson 6) your organization has and your ability to walk with younger employees to help bring them up to speed on the skills necessary to thrive in their roles. Assess how much bandwidth your team has and hire the appropriate amount of entry-level employees.



Reflection



Walk through the exercise listed above with your team. Who are the best 5 hires your team has made? What qualities did they have? This will help you clarify the qualities that will be most successful in future hires.



Have you defined what a successful hire looks like? If you haven't defined it yet, take a moment to brainstorm how you'll measure success in new hires.

LESSON 5

Making Retention a Team Sport

The flip side of hiring, and arguably more important, is retention. As a leader, you don't need the pains and payoffs of retention explained. However, few leaders have mastered getting their whole organization around a cohesive team member retention strategy. As we stated at the very beginning, your team is at the top of the operational triangle for a reason. Your team will make or break your company.

Retention affects your bottom line

Plain and simple, how well your organization's employee retention rate directly affects your bottom line. We outlined a goal around how long employees should stick around your company. If you're not hitting those goals, your business loses money because each replacement costs time and energy to train as well as recruitment fees. Unless there is a rare exception, you will have to pay the replacement you hire a higher salary. Because of all of the costs, your finance team should be an ally in your retention strategy.

Retention affects your culture

In order to have an established culture, you need to have established employees. Building employee retention allows companies to establish a long-term culture. Furthermore, culture results from chemistry.



**“When you have the right mix of
individuals on your team, you start to
become a better organization and a more
efficient and a better place to work.”**

Jon Klonsky



Employee Feedback

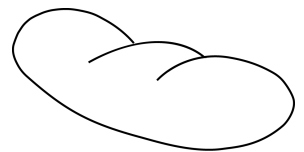
Anonymous employee feedback surveys can provide important information for your company if done correctly. However, employee feedback survey responses tend to be near-sighted and don't consider the operational triangle. What Jon has found more helpful than feedback surveys is regular check-in loops for middle managers and their direct reports a minimum of every two weeks. In these check-in meetings, managers and employees should deliver feedback to one another and document it in a way that can be analyzed later if needed.

Depending on your company's culture and values, it may also be helpful to create a culture in which any employee is welcome to present their own ideas to make the company better. If an employee sees a void, then allowing them the opportunity to offer a solution will not only lead to higher retention rates but will also bring fresh ideas to your team. If it's a good idea, present it in a public manner to encourage other employees to see that good ideas are not only celebrated, they're implemented.

A Note on Workplace Trends

There are many workplace trends companies put in place to attract employees like unlimited PTO, flexible hours, and work-from-home structures (and many of these can be excellent tools to hire quality employees!). Business leaders should be careful to only implement and offer the trends that they can deliver well. Put bluntly, if your company strongly depends upon employee presence and your structure cannot allow employees to take unlimited PTO, don't offer it. At the end of the day, people want to work in an environment they enjoy, where they are respected and supported, are able to grow, and have clear goals. If you're unable to offer a trending desire for new hires, think about what perk your company can offer to new employees.

Ultimately, it's up to an individual to decide whether the company is for them.



As a leader, it is sometimes too tempting to shy away from the more difficult expectations your company has when hiring new employees. However, you need to be transparent about your company's expectations. You should offer the benefits and perks that your company is able to offer and be upfront about the more difficult aspects of the role. Being honest about expectations at the beginning of the relationship will lead to better retention rates. Your role as a leader is to find a balance and to communicate clarity. It is the employee's responsibility to decide if the role is right for them.

Reflection



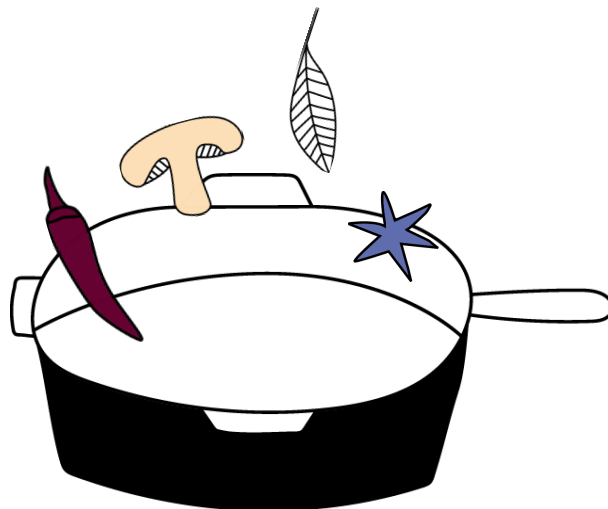
Review your employee retention rates. Are you satisfied with your retention rates? In which areas could you improve?



Think about your hiring process: how do you communicate expectations in your interview process? At what point do you introduce more difficult expectations?



How do you collect employee feedback as an organization? Are there ways in which you can improve?



LESSON 6

Optimizing Your Team

The Role of Personality Tests

Personality tests are very popular for businesses to employ. They give snapshots of how an individual may see the world and how they interact with others. However, when used incorrectly personality tests can be limiting for both business leaders and employees. The bottom line is that a person's personality doesn't matter when it comes to doing their job well. All personalities should succeed in their specific roles if they understand their strengths and weaknesses. Personality tests are best employed after a person has been hired to help your new employee and your team know how to best communicate with one another.

Four Common Employee Roles

Leaders

Leaders in an organization are the ones who guide teams toward your shared objective. They should understand the company's goals and how their team helps achieve those goals. In order to identify the leaders in your organization, it is necessary to outline the characteristics you want your leaders to possess. Do they need to be able to assess other talent? Build their own team? Write job descriptions? Perform performance reviews? Have tough conversations? Pitch, sell, and close? Identifying what characteristics you desire for each leadership role will help you identify who your leaders (and potential leaders) are. Ultimately though, leaders put thought into what they're bringing to their role as leaders.

Specialists

Specialists are the people on your team who greatly excel in one area of the business. These individuals are subject matter experts, diving deep into areas like product, technology, finance, or business environment. Specialists tend not to delve into multiple areas of your organization and prefer to build their skills in one aspect and research their area of expertise. Specialists have an unparalleled depth of understanding that is very critical in the realm of eCommerce.

Teachers

Teachers are culturally one of the most important pieces of your organization. Teachers aren't put in the formal role of "teacher." Rather, teachers are the individuals in your organization who are willing to take on training the next generation of your business. Teachers make an effort to understand the resources that people need to succeed in their roles. They are the person that your new hires gravitate towards when there is a question or problem they need help with. Teachers generally tend to be more nurturing and patient in their personality type. Because it isn't a formal role, organization leaders need to be cognizant of who the teachers are and compensate them correctly.

Earners

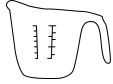
Earners are the individuals who will have the largest impact on your revenue. They are your most efficient, hardest-working employees who are willing to put in the extra time and effort to make sure your product is delivered and your customers are happy. Earners may not have the capacity or time to focus on areas outside of their focus but that's okay because earners have a high impact on your profits. Leaders can identify earners by their impact. Earners are the individuals who align and deliver on an organization's most important goals. They are the ones that leaders want in the room when a problem needs to be solved. Not all earners have the same personality or the same type of worker. Earners aren't even the ones with the fanciest titles. They are the ones that are hitting and exceeding their goals most consistently.

Positive Outliers

In the world of HR, leaders need consistency and to treat employees equally. However, when you have an outlier who is going to have a disproportionately positive impact on your organization, you may need to give them privileges that not everyone on your team has. While this can be an uncomfortable subject, leaders need to address how they treat the "star athletes" when they get one. What are the benefits and freedoms that you can give your outliers to have a positive outcome for your organization? You need to be clear about expectations and why this positive outlier is getting privileges. When leaders clearly communicate these things, and these positive outliers have a positive impact on other members of the organization, people will understand and aspire to contribute positively as well.



Reflection



As you think through the four types of employees, what role do you see yourself in?



Now think about your team. Looking first at your direct reports, what roles do they naturally fill? Do you have any employees who fit into multiple categories?

Set the Table

The Recipe for Building a Highly Effective Team

1. Remember the Operational Triangle.
2. Decide what kind of leader you want to be.
3. Make sure your team has simple and measurable performance objectives.
4. Make hiring and retention a team sport.
5. Optimize your team.

