

# Building Outstanding Teams

LED BY:

**Lloyd Trotter**

Former President and CEO, GE Industrial Solutions

## A CONVERSATION

### BETWEEN:

Jim Baumbick  
VP, Industrial Pillar,  
Operations, and New  
Model Launch, Ford

Abhi Ingle  
Chief Business Officer,  
Qualtrics

Justin Keppy  
President NA Residential  
& Light Commercial  
HVAC, Carrier  
Corporation

Skip Kodak  
Regional President,  
Americas, Lego

Ric Lewis  
SVP, Systems, IBM

Joe Monk  
SVP Financial Services,  
State Farm

Christopher Roberts  
EVP and General  
Manager of Global Foods  
& Beverage, Ecolab

Jacqueline Woods  
CMO, Teradata

**While extremely bright people can help drive ideas and accomplishments within the company, the success of the organization depends on how well it works as a collective. Senior leaders should spend disproportionate time on building, managing, and evolving highly effective teams.**

*“We win together or we lose together.”*

- Lloyd Trotter

## 01 DRIVE PERFORMANCE

### Stretch your teams' potential

Know the end game you are working towards before building your people. Set a stretch goal for your teams that makes them feel uncomfortable. Make it large enough to ensure they seek collaboration to be successful.

*“The mission is to not let them leave your office feeling comfortable. They must walk away thinking, 'How do I get this done?'”*

- Lloyd Trotter

Separate compensation from the stretch goal condition. Even if stretch goals are not met, they may still unearth an exceptional performance and that should be recognized. Make people feel secure that you measure them on the level of the journey and how that compares to internal and external competitors. It may take a full cycle for them to realize that they will not be penalized for huge efforts that do not reach the goals.

Create a journey tough enough that it brings out the best in people, necessitates transformation, and gets you to where you need to go.

*“In 38 years at GE, I made budget only three times.”*

- Lloyd Trotter

## CASE STUDY

### Stretch

Midwest Can experienced spikes in revenue during large storms as they sold gas cans for industrial and residential use.

They significantly surpassed their revenue targets in a year with three named storms.

Lloyd Trotter awarded them with the corresponding compensation, but reset the threshold above the new revenue levels.

Knowing they were unlikely to get three storms the next year, it forced the team to expand to other markets where extreme weather events were prevalent.

## Compensate growth

Set a threshold for incentive compensation that is higher than the previous year but not necessarily a stretch. If the team had a particularly good year that seems hard to beat, encourage them to change their strategy rather than simply try to do the same thing better. A sliding threshold encourages tenacity and creativity.

*“I do not believe in capped bonuses at all. If they blow it out of the park, that's great.”*

- Lloyd Trotter

## Use a cascading priority of measurements

Ensure that people are working on the metrics that they have influence over and those that move the strategy forward. All other metrics may be pleasant to watch and celebrate, but should not be used as targets.

Set the ultimate metric that indicates that your strategy is successful. Then roll it down to the next layer. What are the three or four things that the layer below needs to pay attention to to achieve the objectives of the layer above? Then roll it down again. Eventually you will get down to the factory or shop floor where individual teams or units are focused on highly detailed measurements.

*“If you want something, you need to measure it.”*

- Lloyd Trotter

As a senior leader, you should not be looking at hourly or daily measurements but rather for drifts in trends. Track the movement in results among business or operating units to identify where they need help but are either unable or unaware to ask for it.

## CASE STUDY

### Measure

The cascading measurement framework forces teams to understand their hard limits and open opportunities for creativity.

At General Electric, Lloyd Trotter knew that the machines could pump out 11,000 incandescent light bulbs an hour. The machine could not work any faster but the value of a lost hour was easy to understand.

To meet targets, teams had to address the factors they could control such as:

- How could they speed up repair time on broken machines?
- If production was interrupted, could they pivot to other products or other machines?

## Communicate constantly

Be consistent in your message but consider adapting the format to suit the needs of different audiences. For example, if you have a large cohort who travel, explore the use of recorded videos or voice notes that they can engage with while in transit.

Communicate progress by highlighting the wins for the week or singling out heroes or heroines that did something particularly impressive.

For the teams you are directly involved with, micromanage initially and then back off. Ask detailed questions such as, "Have you got a plan? What is the plan? On which dates can I expect what to be done?"

## Connect outside of work

While the focus on constant measurement is crucial, it may appear to your teams that you and other leaders are only there to crack the whip. Counter this by interacting and celebrating with your teams outside of work. They need to see that you are also part of the team.

Plan dinners or drinks off premises. Allow employees to volunteer or mentor in the local community during their work hours and join them on an ad-hoc basis.

*"It's more than just getting the job done at work. It was also, how do I build a sense of camaraderie with that team no matter what?"*

- Lloyd Trotter

## CASE STUDY

### Connect

While at General Electric, Lloyd Trotter developed the “Trotter Matrix” after identifying moments of genius among their 180 manufacturing sites.

He designed the matrix with a set of rules such that if a site was doing something unique or excelling in a particular area, they could share that practice with others. Sites measured themselves on a scale of five and if they were a three or less in any element they were trying to improve, they would seek a four or five at another site to become their mentor.

He created bubble assignments where the inventor of the best practice would be dropped in another location for three months to accelerate performance.

Overall, the productivity of manufacturing jumped from 4% to 8%. The inventory turnover ratio doubled.

## 02 INCREASE POTENTIAL

### Help teams learn from each other

Create structures for more interaction across functions. There is immense potential for teams to learn best practices from each other, or understand how they might get in the way of the work of others.

For example, have people in your production or service areas join the salespeople when they visit customers. They should understand each other’s pain points - you want salespeople working on closing deals, not apologizing for product errors. Teams should be aligned on how the company serves the customer.

Identify people, teams, or units that are doing one part of the process extremely well. Assign them to teach that to other teams.

*“You've never seen people smile so much when you say, ‘You're a best practice. Why don't you go to Salisbury, NC and show them how to do it?’”*

- Lloyd Trotter

### Support non-performers to leave their roles

Switch people out quickly if they are in the wrong position or do not have the skillset to move the organization forward. It’s tough to give up on people but you need to be conscious of how your time is best spent. You will likely get more from helping your top talent to work at their full potential than drawing incremental improvements from people who are struggling.

Start the conversation by proposing that the individual’s heart and head are not aligned in the job. Encourage and assist them to find what they really enjoy. Help them to understand their fears or insecurities around switching jobs and support them to advance their careers elsewhere.

Think critically about the bottom 10% of performers in your organization. What could you do if you had new employees who had better skills or were more dedicated to their roles?

*“To the extent that you have individuals that aren't going to ever move up the curve, you're wasting time for the whole enterprise and you're wasting time for them as well.”*

- Lloyd Trotter

Before letting go of non-performers, ensure that you have a robust employee appraisal system in place. It should never come as a surprise to the individual or leadership that somebody needs to go. Communicate the expectations clearly and that they are in danger of not meeting them. Help them figure out how they can correct their performance or pair them with someone who can help them improve.

### **Educate your leaders**

If you change the goals of the strategy - from growth to productivity, for example - ensure that your key leaders understand the tools available to them. Do not assume that they understand which levers apply or how they influence the outcomes in their and other areas of the company.

Pair them with leaders in other departments or use short courses to bring teams up to speed.

### **Seek reverse mentoring**

Keep up with the fast pace of advances in technology or societal trends by pairing leadership with junior employees who have key expertise or insight into the topics you seek to understand.



CNEXT is a Community of Global Leaders.

CNEXT creates Virtual Leaders Forums, consisting of high-potential senior executives supported by former successful public company CEOs.

Members participate in virtual meetings to gain insights, approaches, and tools to tackle their most pressing leadership and business challenges, while also developing valuable peer networks for the future - all to accelerate organizational performance and achieve their business objectives and professional aspirations.

[C-NEXT.com](http://C-NEXT.com)