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Difficult Conversations
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Preview

You've just received word that it's time to conduct annual performance reviews for your direct reports. You know these evaluations offer a great opportunity for change and growth—for stellar employees, subpar performers, and those in between. But year after year, you find yourself ill prepared, and your assessment ends up being more of a formality than an opportunity for employee improvement. This book walks you through the step-by-step process of conducting performance reviews so you'll be better equipped when it comes time for this crucial task. You'll learn to:

- Use direct observation and other resources to make an objective assessment
- Formally document your evaluation

- Discuss both achievements and performance gaps
- Turn negative feedback into a productive conversation
- Set challenging but achievable goals
- Make feedback and follow-up an ongoing part of your job

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Performance Reviews

The Basics

The Basics

Every year you're faced with the same task: You must conduct performance reviews with your direct reports. When handled correctly, this process can result in better job performance and higher morale within your team, which can have a positive influence on your entire organization.

But reviewing and assessing a person's performance, not to mention discussing your evaluation with that individual, can be demanding and stressful. This is your opportunity to help your employees improve, but like most managers, you probably don't enjoy telling people they're not performing as well as they could or should. It's particularly challenging to

broach the topic of constructive feedback with an employee whose overall performance is less than satisfactory. And even a review of a high-achiever requires careful preparation, documentation, and follow-up to be effective.

This book will teach you the basics of conducting performance reviews, from evaluating an employee's performance and documenting your assessment to having the conversation, recording what happened, and following up. The advice in this book will also help you grow more comfortable with the performance review process by giving you techniques for tackling those tough conversations. Finally, you'll learn how to make evaluating performance and giving feedback a regular part of your job throughout the year, so that when review time rolls around again, you're not left stressed and scrambling.

What is a performance review?

A performance review is the process of evaluating the quality of your employees' work and discussing your assessment with them. It is usually conducted annually, with follow-ups as needed. These formal appraisals are an important part of performance management—which includes activities such as goal setting, regular feedback, review, and employee development—and is used to measure and improve employee effectiveness on an ongoing basis.

Just like a doctor conducting a yearly physical, an annual review affords you the opportunity to identify what's going well with an employee's performance and to diagnose problems before they worsen. For the recipient of the review, it answers two critical questions: *What is expected of me?* and *How well am I meeting those expectations?* Both the recipient and the reviewer then have the chance to discuss

opportunities for growth, strategize how to correct course if problems exist, and collaborate on new yearly targets so the employee can move forward in his job and career.

Performance reviews also provide organizations with vital data needed to make and justify staffing decisions by assessing the overall strength of their workforce, identifying top contributors and candidates for promotion, and pinpointing subpar performers. In addition, these evaluations protect your organization with documentation in the case of legal challenges by disgruntled employees who have been terminated, demoted, or denied a raise.

Attentive guidance and coaching, whether scheduled or spontaneous, should be an ongoing part of your working relationship throughout the year (and, in fact, are pivotal to having an accurate depiction of your direct report's performance when review time comes around again). But a formal annual review reinforces that effort by giving you a predetermined op-

portunity to share feedback with your employees and to officially record that feedback for the organization and for future reference.

The performance review process

Your organization's HR department may already have an established performance review system that you should follow or a formal evaluation form you need to complete. If so, be aware of those requirements, and shift your implementation of the process outlined in this book accordingly. If your organization doesn't have any formal procedures or documentation in place for performance reviews, this book provides a process and tools that you can use. This process includes:

- Evaluating your employee's performance throughout the year

- Documenting your impressions
- Gathering necessary materials, including your employee's self-appraisal and 360-degree feedback
- Finding a suitable time and place for the meeting
- Setting the right tone during the discussion
- Offering feedback that the recipient can use to grow
- Defining next steps, including setting goals and creating a development plan
- Following up with your direct report
- Assessing your effectiveness in the appraisal process

Following these steps will make the performance review process less stressful for you and more useful for your employee.

Involve your employee

While it may seem that the performance review process rests solely on your shoulders, your employee plays his part as well. As a manager, you'll be in charge of the review process and lead the discussion. In advance of your meeting, you'll gather and evaluate information about the employee's performance and write a formal appraisal. In the review meeting itself, you'll discuss your assessment with the employee and engage him in a dialogue to plan improvements.

But an appraisal is not intended to present a one-sided point of view. To make the appraisal as objective and effective as possible, you should involve your employee in the process long before the formal meeting. By conducting regular feedback discussions throughout the year and asking the employee to complete a self-appraisal as the review itself approaches, you will promote trust, establish a tone of partnership and cooperation, prevent surprises, and help temper

negative reactions to constructive feedback. Finally, your employee will feel he has contributed to the appraisal, rather than being a passive recipient of your evaluation.

Now that you understand what a performance review entails and how your employee can be involved, let's turn our attention to the evaluation process, which starts with getting the right information.

Gathering Information

Gathering Information

Assessing an employee's performance isn't something you do once, a week before conducting a review discussion—it's an ongoing process. Your information gathering, likewise, should be a part of your daily work throughout the year. To get a complete picture of your employee and fairly evaluate her work, collect information about her performance from a number of different sources.

Observe and track employee progress

Direct observation is the best way to monitor employee performance. It can help you identify strengths

and weaknesses and understand the impact those capabilities will have on your employee's ability to achieve specific goals. In a fast-paced workplace, attentive observation is especially important: If an individual is headed off track, you need to know about it early, before problems are compounded. Flagging issues when they first arise will enable you to take corrective action and help your employee get back on course.

Keep notes about your observations throughout the year so you're not relying on memory when it's time to do a formal assessment. It's difficult to remember everything your employee did over the course of the year, and her most recent work is probably what's fresh in your mind. Maybe your employee saved the day in January but made a mammoth mistake in June. When her July review comes around, which event are you more likely to recall?

Consider these two approaches for tracking employee performance:

- Keep a notebook, file, or folder on each of your direct reports handy, and update it regularly with notes on their performance. Set a reminder in your calendar to periodically add entries.

- Request short, informal monthly progress reports from each of your employees. You might specify a few topics to cover, such as key accomplishments, problems, or concerns, and what the individual plans to accomplish in the next month. The quality, completeness, and timeliness of these reports will also give you a sense of the individual's performance.

The information you gather will help you prepare your annual evaluation, but it will also promptly alert you to problems that may be brewing as well as opportunities for coaching and direction on an ongoing basis. Performance reviews may happen only once a year, but the more you prepare, the less you'll need to rush when the time comes.

If you're facing an imminent performance review meeting and you don't have these kinds of records at hand, use the information you do have to jog your memory about your employee's full year of accomplishments. For example, look over your calendar appointments from the past year: You'll be reminded of the week that Tanya impressed you by smoothly covering for her colleagues when half your team was out with the flu, or the time she botched an important presentation during a quarterly division meeting. Similarly, look through your e-mail correspondence and any meeting notes to unearth details that may have been forgotten.

Request an employee self-appraisal

As the performance review date approaches, requesting observations from the employee will also be helpful. Ask your employee to submit a self-appraisal in

advance of your review session, explaining that you'll use it to take her point of view into account during your evaluation.

Commissioning a self-appraisal has two major benefits. First, it involves the employee in the review process, which sets a tone of partnership, helps the employee remain open to your feedback, and prepares her for the face-to-face discussion. Second, it gives you another perspective on the employee's work and any potential problems.

Your organization may have a specific self-assessment form for employees to use. If not, you can create one. Anything from a formal written report to a quick list of notes will do. The self-appraisal should address questions such as:

- What are your most important accomplishments and achievements since your last review? Has the past year been better or worse for you than previous years in this position?

- Have you achieved the goals set during your previous review?
- Have you surpassed any of your goals? Which ones? What helped you meet or exceed them?
- Are you struggling with any of your goals? Which ones? What's hindering you from achieving them (poor direction, inadequate resources, lack of training)?
- What do you like most and least about your job?
- What do you hope to achieve in the upcoming year?
- What can your manager or your organization do to better help you succeed?

The sidebar "Theo's self-appraisal" is an example of a document prepared by Theo, a customer service representative. In studying Theo's responses, you can see his side of the story, including what he's struggling

with the most, why his goals may or may not have been met, and where he's most likely to focus his attention in the upcoming year.

Solicit 360-degree feedback

While the performance discussion itself will take place just between you and your direct report, you may find it beneficial to supplement your findings with 360-degree feedback, an approach that synthesizes many people's perspectives of the employee's performance.

These collective feedback reports can be time-consuming, and people can be uncomfortable giving their colleagues a formal critical report (even if they complain about their shortcomings behind closed doors). But when done right—in an environment of trust within an organization committed to honest feedback—360s can also provide much more complete information than any single person can.

THEO'S SELF-APPRAISAL

What are your most important accomplishments and achievements since your last review? Has the past year been better or worse for you than previous years in this position?

Learning to use the customer database had the biggest impact on my work this year. Now that I understand the database, I'm able to process twice as many orders per day as I used to. Since I've been here for two years now, I can get many more things done without having to ask questions, so this year has been much better for me than the last.

Have you achieved the goals set during your previous review?

My biggest goal for the year was to improve my processing time for orders, which I've accomplished. Another goal was to improve my knowledge of new

product lines, which I was able to do because my mentor instructed me on the new phone script and introduced me to the new products we offer. I also aimed to reduce the number of calls needed to solve customers' problems. I've made progress on this, which I wasn't able to do last year.

Have you surpassed any of your goals? Which ones? What helped you meet or exceed them?

My goal for the year was to increase the orders I process by 25%. I've actually doubled the amount of orders I've processed, thanks to the new customer database. I still have more to learn about the database (the instructional workshop I was supposed to take was cancelled), but fortunately, my colleague Siobhan walked me through the main functions. Siobhan has been a great teacher. Maybe she

(*continued*)

THEO'S SELF-APPRAISAL

could do a group training on the new database—I know others are still having problems with it.

Are you struggling with any goals? Which ones? What's hindering you from achieving them?

One of my goals was to "reduce by 10% the number of calls needed to solve customers' problems." I've been able to reduce the number of calls by 8%. I'm proud of the progress I've made, but I can't do this alone. It might help if someone else on the team were also focusing on call reduction.

What do you like most and least about your job?

I love working with the team and trying new things. But a challenge for me is pacifying angry customers. I get nervous, and they throw me off script. If there's a class or workshop on dealing with difficult customers, I'd be interested in taking it.

What do you hope to achieve in the upcoming year?

I need to continue to learn about new product lines. I'd also like to improve my ability to deal with difficult customers. And while I've made a lot of progress on processing orders faster, I'd like to continue to improve my speed and efficiency.

What can your manager or your organization do to better help you succeed?

Some of my team members are amazing at dealing with difficult customers; a workshop with them could be beneficial. Also, many of the training workshops have been cancelled because of low enrollment. It would help to have these workshops scheduled during weeks that aren't our busiest so that others who are interested could attend.

If an employee's work doesn't bring them into contact with a large variety of people, however, a 360-degree approach may be unnecessary.

To ensure that you gather the most useful information from 360-degree feedback:

- *Clarify your purpose.* Explain to survey respondents and feedback recipients that the purpose of the 360 is to help assess achievements and define areas for improvement, not to amass negative feedback. It should be a constructive process, not a punitive one. Remind respondents, whether they're peers, direct reports, or customers, that if they have ongoing concerns about their working relationship with the employee, they should address those with the individual directly as well.
- *Make your criteria clear.* If you're gathering opinions on hard-to-measure qualities such as "communication skills" or "integrity," ask

your respondents for specific examples rather than a numerical rating so you can understand how they've interpreted these qualities. For instance, knowing that a colleague ranked Joe 5 out of 5 in communication tells you (and Joe) much less than "Joe explains project instructions clearly every time. When I have a question, he is happy to sit down with me to make sure we're on the same page for a given assignment."

- *Diversify your pool of respondents.* Ask several peers, direct reports, and internal and external customers to provide input, rather than a few people from one category, or just one person from each category. You'll get a more complete picture, respondents will feel more comfortable responding freely, and the employee being evaluated will know that you've worked to gather a balanced set of data.

Collect additional resources

After you've solicited information from both your direct report and others in the organization, gather any remaining documents that would be helpful in determining whether an employee has improved during the past year. Some of these sources include:

- The most recent job description for the position. In a performance review you're not assessing the quality of your employee—you're evaluating how well this particular person performed a specific job. To identify how well she is doing, you need to first determine what it is you've asked her do.
- The employee's own performance goals and development plan, as defined at her previous review session or earlier in the year. Goals serve as clear benchmarks for success, so these

documents will be invaluable in assessing performance. (You'll read more about goals and development plans in the chapter "Establishing Next Steps.")

- The individual's employment records, including past trainings, prior years' evaluation forms, and notes or documentation from previous review sessions.

If you're missing some of these items, you may need to improvise. For example, if your employee's job description is out of date, create a new one. Begin with goals you and your employee have set together, or speak to a human resource manager to compose a current job description to share with the employee.

After you've gathered all the relevant information, you'll need to analyze it and write down your evaluation of the employee. We'll cover both of those topics in the next chapter.

Evaluating Performance

Evaluating Performance

Begin to synthesize your thinking into an overall impression of your employee's performance during the year. Review the information you've gathered, sift through the data you've collected, and make some informal notes. Look for common themes, and give equal consideration to positive results and shortcomings. Has your employee excelled, delivering more than you expected? Has he met your expectations, delivering a solid but not exemplary performance? Or have there been problems, with some goals unmet and results undelivered? It's time to come to a point of view and record it in writing so that you can share it with your employee—and save it for future reference.

Assess results

In theory, assessing the results of your employee's work is simple. Just ask yourself, Has he met the goals set for him since his last review? The easiest achievements to evaluate are those that are quantitative, such as numbers of products shipped, new accounts closed, or reports written. But fewer and fewer jobs today produce easily quantifiable results. To make an objective assessment of your employee's performance on the more qualitative aspects of his job, focus your assessment on his behaviors, using examples for support.

Determine which behaviors are most critical for your employee's successful performance, perhaps by referring back to his job description. For someone in a customer-service position, for example, communication skills are critical, while for a software developer, coding skills are more important. Your organization may also suggest key behaviors or competencies that you'll want to track. For instance, in a company that

prizes innovation, creative thinking will be a valuable asset. Beyond the questions that are specific to the position and your company, consider these general attributes suggested by performance management expert Dick Grote:

- *Initiative:* Does the employee demonstrate ambition or take initiative to improve processes and products?
- *Ability to ask questions:* Does the employee know when to ask questions rather than make assumptions?
- *Cooperation and teamwork:* Is the employee flexible when asked to perform a task outside his regular duties or to work extra hours? Does he volunteer to pitch in when the team is short-handed?
- *Communication skills:* Does the employee communicate adequately with managers, peers, and customers? Have any problems been

created or solved because of the employee's communication skills?

- *Focus:* Does the employee maintain focus and prioritize job duties effectively?
- *Productivity:* Does the employee work effectively and meet deadlines?
- *Knowledge:* Does the employee demonstrate an acceptable level of knowledge to perform his job?
- *Reliability:* Does the employee consistently demonstrate dependability and competence?
- *Improvement:* Has the employee improved in areas identified as needing development on his previous evaluation?

As you evaluate the employee in each of these areas, look through the materials you've gathered and jot down notes and specific examples. Then consider

what factors may have played a role in your direct report's performance. You'll work with him in the discussion itself to sort out many of these root causes (see "Addressing performance gaps" in the next chapter), but in advance of the meeting, assess whether you have contributed to any achievements or performance issues.

Consider your role in the employee's performance

Though it's often difficult to see (or admit), some unsatisfactory performance can be linked to issues with the individual's supervision. Be open to the possibility that your actions or behavior may be a factor in an employee's successes or failures. Honestly assessing how you may have affected an employee can help you evaluate his performance more accurately and fairly.

Some managers, for example, unwittingly erode employees' self-confidence by failing to sufficiently praise good performance or by delivering overly harsh criticism, which diminishes motivation and achievement. Some poor performance can be attributed to a common dynamic that organizational behavior and change management experts Jean-François Manzoni and Jean-Louis Barsoux call the "set-up-to-fail syndrome." In this situation, the manager and direct report start with a positive relationship that gradually worsens because of a poor result—a missed deadline, perhaps, or a lost client. The manager begins to micromanage, and the employee, suspecting his supervisor's reduced confidence, stops doing his best work and avoids making decisions. The manager views this new behavior as additional proof of mediocrity and tightens the screws further, continuing the cycle.

When evaluating areas that are unsatisfactory in your employee's work, consider how you may have contributed to or interfered with an individual's success by asking yourself:

- Have you provided your employee with adequate assistance, training, and resources?
- Have you been clear in your expectations and detailed in your direction?
- Have you set realistic deadlines and established clear priorities?
- Have you tried to motivate the individual to excel?
- Have you been too hands-off, providing insufficient feedback or guidance?
- Have you been too involved, not allowing the individual a chance to succeed independently?

Perhaps, in retrospect, you see that you slowed your employee down by micromanaging, or that he could have made faster progress with more frequent feedback and guidance. Thoughtfully considering your own role in his performance will help you view his work more realistically and make your overall

assessment more objective, so you're not assigning blame unnecessarily and you can take the appropriate corrective measures in the future.

Document your impressions

Once you have analyzed your employee's performance, record your feedback in a way that can be shared and saved. When preparing a formal written assessment, refer back to your company's guidelines so you're adhering to the appropriate format. If your company does not have a standard form, create one using Table 1, "Annual performance review template," at the end of this chapter.

Your organization may require you to provide a general rating of the employee's performance, individual ratings of specific aspects of their performance, or a combination of ratings and qualitative information. Follow the instructions given to you, but don't be

constrained by the format of the form. Instead, adapt or amend it so you can tell the whole story. Your employee will find your observations, comments, and examples more useful than a numeric rating alone. Include attachments—comments too long to include on the form, or the employee's development plan from the previous year—if they will enrich your evaluation.

Record your observations about your employee's job performance as objectively as possible, and tie your conclusions to hard data. Provide evidence of progress (or lack thereof) by connecting accomplishments with established goals: "Derek increased sales by 7%, which exceeded his goal of 5%." "Laura reduced her error rate by 20%; her goal was 30%." Then your employee can easily grasp the assessment criteria and recognize the evaluation as fair.

Also include specific examples. The more information you can provide, the more likely the employee will be to repeat and even improve on positive behaviors—or correct less positive ones. Use the most

telling examples to make your point in your written evaluation, and save the rest for your review session in case you need to support your judgment during the conversation. These examples should include:

- Details about what you observed. Let's look back at Theo, the customer service representative in the previous chapter. Theo has more than doubled the orders he's filled over the past year, now that he's learned how to use the new customer database. But don't just say that; back it up with detail. For example, write: "Last year Theo filled 15 orders per day. This year his average was up to more than 30 per day. He also asks fewer questions now that he's effectively using the customer database."
- Supporting data, such as reports or 360-degree feedback: "Siobhan helped Theo learn how to use the new customer database, and she reports that he's using it on a regular basis."

- The impact on your team and organization: "After Theo learned how to use the new database, he no longer had to rely on colleagues to find out pertinent information. The whole team began fulfilling orders more quickly because they were answering fewer questions from him, which improved cash flow for the organization."

Expressing your observations as neutral facts rather than judgments is particularly important when giving negative feedback. For example, "Theo doesn't seem to care about customers" negatively characterizes Theo rather than describing his behavior. "Theo doesn't know how to talk to difficult customers" also isn't helpful, because it infers a lack of knowledge instead of identifying a skill that Theo can improve upon. On the other hand, "Theo received five complaints from extremely unsatisfied customers," is more objective and specific to a particular job requirement.

When giving positive feedback, on the other hand, combine specific achievements with character-based praise. For example: "With the new accounts she generated, which delivered $1.25 million in business, Juliana exceeded the goal we set for her last July by 27%. Her creativity and perseverance drove her to look beyond the traditional client base; she researched new industries and networked at conferences to find new customers." Acknowledging the traits and behaviors that made those results possible will show your direct report that you see her as an individual—which can generate pride and boost motivation.

Supporting your assessment with specific examples and details not only makes it more likely that the employee will be able to hear and learn from your feedback, it also mitigates any possible legal ramifications in particularly egregious situations. If an employee's work is beginning to suffer, or if you suspect that you might need to dismiss someone due to poor perfor-

mance, it's vital that you document the individual's behavior and the steps you've taken in attempting to correct it. As a rule of thumb, include in your evaluation only statements that you'd be comfortable testifying to in court. If you have any questions about legal ramifications, consult with your human resource manager or internal legal team.

Finally, write down the three things the employee has done best over the course of the year and the two areas that most need improvement. Ask yourself, "What's the single most important takeaway I want the employee to remember?" Distill your message down to a single key idea—your overall impression of his performance. These few points will determine the overarching message that you want to convey in the review discussion, and having them documented will prevent you from forgetting any important points when you're in the moment.

TABLE 1 *Annual performance review template*

Employee name:
Supervisor:
Employee job title:
Date of review:
Time period being reviewed: *(for example, July 1, 2015–June 30, 2016)*
Distillation of job description: *(up to 200 words)*
Core individual performance expectations: *(list essential job functions or key job responsibilities)*
Organization-wide performance goals:
Departmental performance goals:

MEASURES OF PERFORMANCE

1 = Unsatisfactory: Far below expectations
2 = Fair: Needs improvement
3 = Satisfactory: Meets expectations
4 = Excellent: Exceeds expectations
5 = Exemplary: Greatly exceeds expectations

Achievement of core performance expectations _____
Comments:

Initiative: demonstrates ambition to succeed in the position; takes initiative to improve processes and products _____
Comments:

Ability to ask questions: knows when to ask questions rather than make assumptions _____
Comments:

Cooperation and teamwork: is flexible when asked to perform a task outside regular duties or to work extra hours for a special project or pressing deadline _____
Comments:

Communication skills: interacts effectively with managers, peers, or customers _____
Comments:

Focus: maintains concentration on work to be done; prioritizes job duties above personal concerns _____
Comments:

(*continued*)

Productivity: meets productivity requirements and deadlines _____
Comments:

Knowledge: demonstrates an acceptable level of knowledge to perform the job _____
Comments:

Reliability: consistently demonstrates competence and dependability _____
Comments:

Improvement: demonstrates improved performance from previous evaluation _____
Comments:

Overall behavior: overall quality of the employee's work _____
Overall impressions:

Strengths:
(no more than three)

Areas for growth and improvement:
(no more than two)

Supervisor signature and date

Employee signature and date

Adapted from Dick Grote, *How to Be Good at Performance Appraisals* (Boston: Harvard Business Review Press, 2011), 98–100.

Conducting the Meeting

Conducting the Meeting

You've prepared your written evaluation. Now it's time to conduct the meeting. These honest discussions can feel awkward, but if you approach them in the right way, you and your direct report can come out of the session confident and ready to move forward. This chapter will walk you through each step, from preparing for the meeting and setting the right tone once you're in the room to discussing the employee's performance itself.

Prepare for the meeting

Proper handling of logistics can put your employee at ease and smooth the path to an effective review. As you set up the meeting:

- *Schedule it well in advance.* Notify the employee at least a week ahead of the meeting to give both of you plenty of time to prepare.
- *Choose a convenient time.* Don't infringe on personal time by suggesting a meeting during lunch. Set aside 45 to 60 minutes for your conversation, but ensure that neither of you has a pressing commitment immediately afterward in case the discussion takes longer than expected. This will also give your direct report time to work through any emotions brought on by a difficult conversation.

- *Select a neutral location.* Find a spot that's private and free from distractions and interruptions. You'll both be most comfortable in a business setting—your office, an empty office, or a conference room—rather than in a public environment, such as a cafeteria or coffee shop. If you do meet in your office, sit beside your employee to establish a sense of partnership and open communication. Sitting behind your desk can convey dominance and distance.

- *Agree on content.* Discuss the nature of the meeting with the employee ahead of time, even if the two of you have had review sessions in the past. Tell her what you plan to discuss during the meeting, such as her self-appraisal, your completed evaluation, a summary of her strengths, and a discussion about areas for improvement.

Keep in mind that some employees may require special arrangements regarding schedule, meeting

location, and content if the discussion has the possibility of escalating to an uncomfortable level. (See the section "Addressing unacceptable performance" in the final chapter of this book.)

To support your conversation, gather all of the relevant materials you've referenced throughout the appraisal process thus far. Make sure your direct report feels equally prepared: Give her a copy of your assessment to read an hour or two before the meeting, and ask that she jot down any reactions or questions she wants to discuss. This allows her the privacy to react emotionally and begin digesting the information, so she'll be more composed and ready for a productive discussion.

Set the right tone

Most people, even the highest of achievers, approach performance review meetings with some sense of

dread. Anticipating a manager's criticism, no matter how constructive or well meaning, can make an employee understandably anxious. And many managers feel awkward delivering such feedback, wondering if the employee will become defensive or upset.

To mitigate anxiety on your or your employee's part, set a tone of partnership right from the start. Establish a rapport by welcoming your employee. Limit distractions: Silence your cell phone, and if you're near your computer, turn off any audible notifications.

Remind your direct report that the purpose of the review is to determine how the individual can best meet her goals and to help you understand what she needs to excel in her job. Tell her explicitly that her input is necessary and valuable, and that you hope the conversation will be an open dialogue, so you can work together as partners on any issues that arise. You should also let your employee know that you'd like to take notes so that you can both remember what you've discussed (see the sidebar "Taking notes").

TAKING NOTES

During your discussion, document key points and outcomes. Doing so is good for both of you: In case you later disagree about what was discussed or planned during the review session (or in the rarer case of a legal dispute), you can check the record.

Include the following elements in your notes:

- The date of the meeting
- Names of attendees (in some instances, your boss or human resource representative may attend)
- Key points and phrases used during the meeting
- Any points of disagreement

If you discuss any plans or objectives moving forward (covered in the next chapter), also include:

- Performance goals for the coming year
- An overview of any development plans you and your direct report discuss
- A summary of agreed-upon next steps

Even if you're an inveterate computer user, take notes with pen and paper; a computer screen can create distance between you and your direct report. Type up your notes right after the meeting, while your memory is still fresh.

Your organization may require you to distribute copies of this record to the employee and to HR for the employee's file, in addition to keeping a copy for yourself. Some organizations require that both manager and employee sign the performance review report, and sometimes the employee has the right to append her own comments.

After stating the purpose and objectives of the meeting, ask the employee to talk about her self-appraisal. This will help you understand her perspective on her performance and prevent you from controlling too much of the conversation early on. If she's hesitant to speak up, ask probing questions to get her started: "How do you feel things are going on the job? What's going well, and what problems are you having?" This is the time to focus on her point of view, not to agree or disagree on specific points.

During the conversation, practice active listening. Don't interrupt. Show that you're paying close attention by periodically paraphrasing what you've heard after your employee has finished talking. For example, "If I understand you correctly, you feel that you are meeting all goals with respect to the weekly sales reports, but that you are struggling to contact all the key customers you've been assigned. Do I have that right?" This gives your employee the opportunity to correct any misunderstandings.

Discuss employee performance

During your performance review session, you might feel nervous—or even reluctant—to offer constructive feedback. But even your most stellar employees can benefit from ideas for improvement—and if you don't take this opportunity to deliver them, your time-consuming evaluation won't have much use.

Frame your feedback as a way to reach a goal-related outcome, such as boosting sales or improving service. It then becomes an opportunity to solve a business problem rather than a time to criticize a person. Or focus on the employee's development—the feedback then becomes an investment in her career. Throughout your discussion, make your employee's performance the subject of the conversation, rather than the employee herself. As in your written evaluation, don't say anything negative that could be perceived as a statement about her character, values,

or intentions (such as, "You don't seem dedicated to this project"). A character attack offers no ideas for change and puts your employee on the defensive, which makes learning nearly impossible. Instead, use straightforward, neutral language, such as, "I've noticed that you haven't offered any suggestions at our service improvement meetings. Why is that?" Even with employees who need to improve their performance significantly, take care not to express any anger, judgment, or contempt.

Don't rely on your written assessment to dictate the agenda of your meeting. Doing so can lock you and the employee into an item-by-item negotiation rather than a productive discussion. Instead, use your evaluation as a reference so you don't forget important points in the conversation.

Base the appraisal discussion on how previously agreed-upon performance goals relate to specific business outcomes. For example, you might say, "We agreed that you would bring in 10 new clients this

quarter, and you exceeded that goal," or "We agreed that you'd reduce the number of production line errors by 10%, but you've only reduced them by 5." Home in on issues that the employee can improve in the future. Be selective; you don't need to recite every shortcoming or failing you've noticed.

Recognizing strong performance

For those employees whose results and behaviors fully meet or exceed expectations, concentrate on their strengths by identifying and celebrating their successes. Thank your employee for her contributions. She may not know how much you appreciate her good work. This will grab her attention and also reduce the defensiveness that she might have felt going into the performance review.

Move on to discuss specific examples you've listed in your evaluation where her successes and strengths were most apparent: "You've increased sales by 8%,

you did a terrific job organizing the quarterly sales meetings, and your contributions at staff meetings are exemplary." By starting with her most important contributions and most noteworthy strengths, focusing on achievements, and pinpointing the behaviors that led to success, you'll encourage your employee to feel motivated and energized.

For these star performers, introduce improvements within the context of their strengths and contributions. Your conscientious employee will likely herself acknowledge missed targets or unmet goals and may initiate a discussion of opportunities for improvement. If so, she can take the lead in discussing improvement—which may make her more invested in the conversation and more motivated to improve.

If your direct report doesn't volunteer any areas for improvement, prompt her to do so. You might ask questions such as: How do you see the situation? What do you think worked, and what could have gone better? How might you do things differently in the fu-

ture? By asking questions, rather than making statements, you can establish a supportive atmosphere without devaluing any of her accomplishments. By answering your questions, the employee can raise issues and explore alternative approaches. This will afford her more control of the conversation and a sense of ownership of the improvements she suggests.

Addressing performance gaps

For those direct reports who require corrective feedback, you'll need to clearly define where performance gaps exist. Which of their goals went unmet? You'll still want to lead with the positive, however. To start, note any areas in which your employee did meet or exceed her goals. Acknowledging achievements first will establish trust and goodwill by showing that your evaluation is fair and based on previously agreed-upon criteria. This will also make your employee more receptive to your recommendations for

improvement. That being said, don't sugarcoat bad news by sandwiching it between positive points, as that can confuse your message (see the sidebar "Beware the sandwich approach").

Once you've highlighted your direct report's accomplishments, describe the gap between the goal in

BEWARE THE SANDWICH APPROACH

For no employee should you use the shopworn "sandwich" approach, in which you name a few strengths, then some weaknesses, and then more compliments. The problem with this seemingly balanced method is that it lacks a single clear, consistent message. With the sandwich approach, you risk demoralizing your stars, who will fixate on the negatives, and falsely encouraging marginal performers, who may tune into praise without registering criticism.

Instead, concentrate your conversation on either celebrating success or triggering change—but not both.

question and the actual performance: "We were aiming for ten new accounts by the end of the quarter, and we closed seven." Don't compound the trouble of performance gaps by assigning blame; instead, work with your employee to uncover the root causes. Ask for the individual's input: "Why do you think your sales this year have fallen short of your goal?" Give your employee the first opportunity to identify the cause, and listen carefully.

The reasons for poor performance may not always be obvious and may have nothing to do with skill or motivation. It may be the result of flawed work processes, personal problems, conflicts with coworkers, or even exhaustion or burnout. Talking together to uncover the reasons for performance gaps will, in most cases, create an atmosphere of objectivity in which both you and your direct report can contribute in positive ways.

If your employee doesn't independently identify her stumbling blocks, ask more questions: Does she need more product information or training? Are

there too many distractions in the office? Does she have sufficient resources at hand to get the job done? Is the scope of her responsibilities clear? Your questions and statements will come across as attempts to problem solve, rather than to attack, so your employee will be less likely to react defensively. And you might discover that the gap between desired performance and actual results was really caused by a different sort of problem, such as unrealistic deadlines or unclear expectations.

Once you've teased out the causes behind any performance shortfalls, you're armed with the material you need to create an action plan with your employee, which should happen at a separate meeting. Before your review session ends, take a moment to summarize what you've discussed and suggest a way to move forward: "Let's think about the things we've discussed today and meet next week to develop our course of action." We'll explain how to do that in the next chapter.

Establishing Next Steps

Establishing Next Steps

A performance review discussion is the natural end of an appraisal cycle—and the beginning of a new one. After the meeting is over, hold a separate performance-planning session with your direct report to identify goals and create a development plan for the next year.

Allowing some time between the two meetings will give your employee the opportunity to process the conversation, digest your feedback, and gather information needed to create a meaningful plan for development. A week between the two meetings is ideal, but even a few days is helpful.

Set goals

Meaningful goals will provide motivation and direction and help your employee understand how to invest his time, energy, and resources. Goals define the results an employee will aim to achieve over the next year, making them a valuable mechanism for providing ongoing and year-end feedback.

Suitable goals will come from different sources for different people. Performance gaps and comments noted during the previous review period may be an obvious source of goals for some employees. For high achievers with minor performance gaps, think beyond their work results to their career ambitions. What objectives could such an individual pursue to expand her role or increase her contribution to the organization? (See the sidebar "Career development.") If your organization or field is in a rapid state of change, or if an individual is on a fast track to success and mas-

tery, goals may change drastically from one year to the next.

Other sources for goals may include an employee's job description or your department's or organization's plans and strategies. Consider which parts of the individual's job are most time consuming and which aspects have the biggest impact on departmental or organizational success. How can more time and focus be spent on those assignments that matter most?

Give your direct report the opportunity to participate as much as possible in developing his own goals. When your employee has input into setting these objectives, he will feel a valuable sense of ownership—and people are naturally more committed to things they own. They also feel more engaged if they understand how their work contributes to big-picture success, so connect each employee's goals to larger organizational and unit ambitions, articulating how an individual's efforts support the larger strategy.

CAREER DEVELOPMENT

If your employees aren't growing or developing, they may grow bored and unmotivated—which means you're at risk of having them leave for more interesting, challenging work elsewhere. A well-thought-out plan for employees' skill and career development can boost morale and motivation, enriching their work experience so they continue to build skills and make valuable contributions. As a manager, your role is to help them determine how to keep improving.

Keep in mind that your employees—especially your top performers—may have their own set of career ambitions they'd like to pursue in the coming year. Creating a development plan for an employee requires that you have an understanding of those aspirations as well

as his current skill set, motivation, and values. Engage him in a conversation, asking questions such as "What do you want to be known for?" or "What matters most to you in your work?" This will give your employee a chance to reflect on his career path. When you understand what he wants from his career, you can figure out ways to broaden his professional experience and align his aspirations with the larger interests of the organization.

Don't allow good people to get stuck on career plateaus. For individuals with the talent and motivation to move toward a higher-level role—someone you'll want to promote in the future—identify any gaps between the skills and experience they have now and those they'll need for a higher position.

As you define goals with your direct reports:

- *Make their goals challenging.* At their best, goals should be achievable but ambitious. The toughest targets usually spur the greatest levels of effort and performance, energizing people to meet a challenge. But make sure that any demanding goals are not impossible. Overly ambitious goals can backfire; if an employee can't possibly meet an objective, he may feel frustrated or unmotivated, and may ignore the goal entirely. Targets that can be reached too easily, however, can result in low effort and mediocre work. It can be helpful to set tough goals as a range ("increase sales between 15%–20%") rather than a narrow benchmark ("bring in $2 million in new business"). Flexible expectations allow for psychological breathing room.

  People are more likely to pursue challenging objectives when they see a personal benefit.

Discuss what achievement of a tough goal may bring: greater visibility in the organization, skill development (which can lead to promotion), recognition, or even a financial bonus, if that's customary in your organization.

- *Make their goals measurable.* How will you know if a target has been met? As we've seen, for goals that can be measured quantitatively—such as sales revenue, number of errors, or time to market—assessing achievement is a simple matter of looking at the numbers. More qualitative goals, such as those related to professional development or customer satisfaction, are harder to measure. We know that one way around this is to analyze the employee's behaviors, but you can also set goals to measure the more tangible facets of a qualitative skill. For example, there's no obvious measure of "customer relations," but you may be able to

quantify the average time needed to resolve a customer's problem or the number of customer complaints handled satisfactorily per quarter. Determine in advance how you plan to measure progress toward each objective.

- *Don't set too many goals.* When you establish too many objectives for your employee, the importance of each one may become trivial and the individual is likely to make less progress on each one. Limit the number of goals for your employee to three or four. The smaller the number, the more important each one will be.

Keep in mind that the goals you formally instate are just one part of the employee's job—they are not the whole job. Many important aspects of performance—such as helping a colleague in a last-minute crunch, or coaching a new member of the team—aren't suitable targets for goal setting.

Create a development plan

A development plan specifies how an employee will reach his goals. How can your direct report eliminate any performance issues you've discussed while also reaching those agreed-upon objectives? Begin by asking him what he would propose. As with the goal-setting process, giving the employee the first opportunity to suggest a plan can increase his sense of ownership of the solution—and make him feel more committed to following through. Offer ideas to strengthen the plan, and challenge any questionable assumptions.

Rarely is there only one solution to a problem, so if your employee is having trouble putting together a credible plan, discuss a few different approaches. Offering flexible options in resolving a problem demonstrates that the choice is about how—not if—a problem will be fixed. You can suggest solutions such as training or coaching, on-the-job practice, or working closely with a more skilled associate.

Once you decide which steps to take, document them. (Use Table 2, "Individual development plan template," at the end of this chapter as a sample form to get you started if your company hasn't provided one for you.)

First, list each of the goals that you and your direct report have agreed upon. Include next to each of those goals any details on how they'll be measured or what you expect outcomes to look like.

Then, for each performance goal, describe specific actions that your employee will take to fulfill each one:

- Break down each goal into isolated tasks, with interim objectives and clear outcomes.
- Plan the execution of those tasks and assign start and end dates.
- Establish clear checkpoints for progress; set milestones, perhaps monthly or quarterly, along the way to monitor progress toward the goal.

- Determine the resources needed to fulfill each task, such as time, equipment, training or coaching, or assistance from support staff. Make sure sufficient resources are allotted to fulfill each task.

- Discuss any contingency plans. What will happen if something goes wrong while the employee is working toward the goal? What are possible risks, and how could he manage them?

Keep a copy of the development plan, and give a copy to your direct report. Seeing a written record of next steps and commitments can keep targets foremost in mind. With a clear set of goals and a logical plan, your employee will know what you expect of him and how he'll be evaluated, and you'll have a practical guide to assessing his performance over the course of the year and preparing for next year's review.

Monitor progress and follow up

Your task isn't over, however. As a manager, you'll need to continue to check on progress, provide feedback, and determine whether your direct report needs additional training, coaching, or support throughout the year. Frequent feedback and interaction will help your direct report meet goals and stay on track.

Arrange weekly or biweekly meetings with your employee to discuss his progress, or consider scheduling follow-ups according to the deadlines and key dates documented in his development plan. Your goal in these meetings is to understand your employee's progress against this plan. You'll find that check-ins provide an opportunity to reinforce learning, prevent backsliding, and continue improvement. Frequent follow-up sessions allow for early intervention if an employee isn't meeting the mark. They also provide an opportunity to recognize and reinforce good work and to celebrate when your direct report achieves a goal.

If an individual isn't used to hearing feedback often, he may initially be startled or even bristle at this ongoing dialogue. But monitoring and meeting with your employee on a regular basis will, over time, make the process easier and more familiar. Frequent feedback can help both of you establish a partnership in achieving goals and start a real dialogue about how the employee can grow and develop.

In these meetings, ask your employee what's going well and what isn't. Is he on track to meet his goals? Encourage him to note his achievements, identify needed resources, and pinpoint factors that support or hinder his work. In addition, make it clear that you hold yourself accountable in supporting his success. You might ask how you can continue to support his progress or how the organization can better help him achieve his goals.

Few people meet every goal without encountering some bumps in the road. When things are going well for your employee, acknowledge that success. But if an individual encounters obstacles in achieving

a goal and the contingency plan you agreed upon doesn't seem to be working, ask him to suggest a potential solution. If that doesn't work, get more involved through activities such as coaching. Your direct report's goals and development plans may need to be modified if he continues to struggle. But even if goals or plans change, taking an active role in helping your employee meet his goals will help him feel supported and understood.

Monitor an employee with significant performance gaps particularly carefully; meet with him often to stay on top of his progress and challenges. If he doesn't make progress or meaningful contributions, his employment may be at risk; the more often you check his progress, the more you'll be able to gauge his status.

Feedback and follow-up should not be restricted to struggling employees, however. It's essential that you give feedback to all employees, whether they are strong performers who independently raise concerns or poor performers with specific problem areas.

Evaluate your approach

Effectively reviewing employees' performance takes practice, so assess your own performance as you monitor your employee's progress, and consider how you might make improvements. After the goal-setting meeting, ask for feedback: How did the review process go? What was useful, and what was not? For instance, perhaps you didn't provide enough specific examples of performance gaps or give the employee enough time to complete his self-appraisal. Ask for suggestions for ways to do things differently in the future. You'll build trust when an individual sees you acting on the things he mentions.

Also think about how you handled the preparation process and the conversation itself. Did you create an open climate for communication? Did you listen carefully to what the employee said? Was your feedback clear and specific? What worked well, and what could be improved next time?

Compare your view with any feedback your employee offered, and determine what changes you can make for future reviews. Conducting a performance review isn't easy, but with practice and thoughtful reflection, you can become more effective and comfortable.

By now you understand all the elements of the performance review process. Next, you'll learn how to manage particular kinds of difficult conversations that may arise during your discussion.

TABLE 2 *Individual development plan template*

List three primary goals the individual will accomplish in the upcoming year. Include a description of how those goals will be measured and/or the expected outcomes.

Goals	Measures of achievement/expected outcomes
1.	
2.	
3.	

Describe specific tasks that need to be completed to accomplish each of the three goals above and assign a start and an end date for each. Include a plan for executing the tasks, checkpoints for progress, resources needed, and possible contingency plans.

GOAL 1:

Tasks required:	Start date:	End date:

Plan for executing the tasks:

(*continued*)

Checkpoints for progress:

Resources needed:

Contingency plans:

GOAL 2:

Tasks required: Start date: End date:

Plan for executing the tasks:

Checkpoints for progress:

Resources needed:

Contingency plans:

GOAL 3:

Tasks required:	Start date:	End date:

Plan for executing the tasks:

Checkpoints for progress:

Resources needed:

Contingency plans:

Include any additional notes about the development plan here:

THIS PLAN IS AGREED TO AS INDICATED BY THE SIGNATURES BELOW.

Employee	Date
Manager	Date

Handling Tough Topics

Handling Tough Topics

No matter how well you prepare, you may run into some difficult situations as you hold your performance review discussion. This chapter will cover tough topics that you may need to discuss, such as raises, promotions, or particularly poor performance.

Responding to a raise request

Many employees use their performance review meeting to ask for a raise. If possible, keep this discussion separate by holding it at a later date. Performance and compensation are each significant enough on their

own, and it's usually not ideal to mix the two. Thank the person for bringing up the request, and promise to get back to her by a specific date. (If it's already been decided whether a raise will be granted, however, and the individual is set on discussing it as part of your review meeting, do so at the beginning of your conversation; otherwise your employee may be too distracted to listen to your feedback.)

If a decision has not yet been made, you will need time to fairly assess the situation and decide whether an increase in pay is appropriate. When you do meet to discuss the request, explain that an individual's salary is determined by two factors: the value of the job itself to the organization and the quality of the individual's performance. Regardless of the individual in the role, every job holds a certain market value. If that position's pay isn't negotiable because it has reached the peak compensation allowed by the company for that role, rejecting a raise request will clearly reflect only the value of the job to the organization, not on the person's worth as an individual.

Ask the employee to consider both factors, examining both how the job can be made more valuable to the organization and how her performance can be improved. What additional duties could she take on? How much extra responsibility could she assume? Discuss these possibilities in light of the performance review discussion you've conducted. Once these issues have been settled, follow your organization's procedure for determining if a raise is warranted or possible.

Discussing a promotion

An employee might also use the review session to request a promotion—an elevation in title as well as in salary. As a manager, you might feel responsible for helping others move up in an organization, but promotion decisions require careful consideration. As with a raise request, don't respond immediately. You need time to determine if the individual is truly ready for the next challenge.

Rewarding an individual with a promotion sends a signal to the rest of your organization, so only endorse behavior that reflects organizational values. For example, in a workplace that values teamwork, someone who meets all her sales targets but mistreats team members would not be a wise candidate for a promotion.

Keep in mind, also, that a traditional move up the career ladder—taking on more management responsibilities—isn't the right path for all employees. An operations genius might not find the "reward" of a higher-level managerial position appealing. Is the new job a fit with her interests and skills? Would she enjoy the position? Ask the employee if she's excited about the potential new responsibilities. If not, consider a more flexible path to success, such as an alternative role that meets an organizational need while also fulfilling her ambitions.

Before moving forward with a promotion, be certain that the individual will be able to do the job she

has asked for. Having just reviewed her performance will make it easier to assess her on this front, as her current performance will likely illustrate how she'll do in the new role. You may also consider gathering others' input (if you didn't already use 360-degree feedback during your evaluation process). You may discover that your employee is already successfully taking on tasks that are part of the new position—which is the best evidence that she's ready to move up.

If your direct report's performance in her current position isn't a useful predictor of success in the new role, you'll probably need more information before you move her into a new permanent position. Before making a final decision, create an assignment similar to a task she'd take on if promoted. This will allow you to assess how well she'll perform in the new role. Outline criteria for success in the assignment, and establish a (short) timeline for evaluation. Make it clear that this is a short-term assignment, not an ongoing responsibility. (If you change the scope of her position

without a corresponding change of title or pay, she may become dissatisfied or frustrated.)

If you determine that an individual is not, in fact, ready for a promotion, discuss your concerns with her and provide a clear explanation as to why you're declining her request. Discuss which tasks and assignments can best prepare her for the next step. Then create an action plan to address how she can develop the skills and experiences she will need to move up. You might formalize this course of action in her development plan.

Of course, as you decide whether an individual is ready for promotion, always follow your organization's guidelines, processes, and requirements.

Addressing unacceptable performance

Often teams are made up of a mix of high achievers, those who simply meet expectations, and those who still require improvement in certain areas. But,

more rarely, you will encounter a subpar performer who needs stark, critical feedback in her performance review—as well as immediate improvement on her part—to continue employment with the organization.

If an employee's performance—either her work results, behaviors, or a combination of both—is poor, the focus of the review session should be on an immediate turnaround. Planning for this conversation will be different than it would for better-performing employees.

Do not give marginal performers a copy of your appraisal for review in advance of the meeting, and, if possible, don't have the employee fill out a self-appraisal. Such tasks can reinforce the mistaken perception that all is well, and your task is to make the individual realize that, in truth, it is not.

Hold the meeting in your office. Unlike in review sessions with solid or good performers, where you worked to establish equal footing, it's appropriate in this situation to sit in a position of authority, behind

your desk with the employee in front of you. If possible, schedule the meeting for the end of the day. The individual may have a strong reaction, and it will be easier for her to leave the office afterward than to return to her desk and pretend everything is fine.

As with solid and successful performers, open your conversation by reminding the employee of the purpose of the review and acknowledging that this sort of meeting can feel awkward. Then get right to the point: "I need to tell you that your performance is not acceptable. I want to spend our time together talking about the problems I see. Then I'd like to hear your ideas about what you can do to correct this situation."

After this opening, explain what problems you perceive—and make it clear that these problems must be solved. The following steps can be useful:

- State your concern precisely: "Your approach to customer service is of serious concern."

- Follow with examples: "Customers have complained about your sarcastic and condescending tone. They've reported that you've called their questions 'dumb' or 'obvious,' and a few have escalated to the point of needing management's involvement."

- Close by requesting the employee's reaction to your perception, and make a specific mandate for change: "We need to decide how to proceed so that your work is a better fit for the objectives of this company and our customers, or we may need to explore whether customer service is the right career for you."

Hopefully the ongoing feedback you have been giving this employee will make this assessment less of a surprise, but chances are that direct confrontation about the employee's unacceptable performance will be painful for her to hear. Like most employees, a marginal performer is probably used to the old

sandwich-technique review, which enabled her to selectively focus on the few positive comments she received and brush off any discussion of problems. She may be surprised that you are focusing directly on her unacceptable performance and may respond with what she sees as her accomplishments. Or she may argue that previous reviews have always been positive and that her work this year has been no different. Acknowledge that the employee may not have had the facts presented clearly in previous discussions, and reemphasize that her performance this year was not at an acceptable level. Make it clear that she will need to correct the situation immediately if she is to remain employed.

As a manager, you may well find this approach uncomfortable. But excessive diplomacy can be just as damaging as undue harshness. Avoiding offense will only muddy your message and create less-effective feedback. Employees can't adjust their behavior in a meaningful way if you give them indirect, sugar-

coated criticism. Embrace the opportunity to deliver meaningful criticism: Every employee deserves an honest assessment.

Some poor performers, however, honestly believe their work has been satisfactory. In this case, correct the misconception by discussing specific examples you've noted in your evaluation, and give the employee an opportunity to improve. The individual's performance may get substantially better with direction, support, follow-up, and regular feedback.

For some employees, no amount of coaching, training, or feedback can coax performance to an acceptable level. The performance review or ensuing plans to correct performance gaps may have confirmed that the employee's performance is beyond your organization's resources to change. If the employee and organization are irredeemably mismatched, termination may be the right course of action, at which point you should speak to your HR department and follow your organization's guidelines for dismissing the employee.

Whether your direct report is struggling or soaring, the performance review process includes many important and sometimes difficult tasks—from gathering the right information, evaluating performance, and conducting potentially awkward conversations to creating realistic development plans and following up in a disciplined way. But by actively pursuing some of these activities—such as collecting your observations and giving regular feedback—throughout the year, you'll help ensure that the next appraisal period is less stressful and more effective. Done right, performance reviews can be among your best assets in cultivating great performance in each of your employees, your team, and your organization.

Learn More

Quick hits

Dattner, Ben. "In Performance Appraisals, Make Context Count." HBR.org, June 3, 2013. http://hbr.org/2013/06/in-performance-appraisals-make/.

An individual's performance is difficult to measure. Organizational psychologist Ben Dattner argues that organizations could achieve greater accuracy in performance evaluations by considering both the person *and* the situation in which his performance is being assessed. In this piece, readers will learn how looking at the broader situation can lead to a fairer and less biased appraisal and what questions to ask to include these considerations in their assessments.

"Goal Setting: The Art of Stretch Goals." HBR.org Video, February 15, 2011. http://hbr.org/2011/02/goal-setting-the-art-of-stretc/.

Setting challenging goals, also known as stretch targets, can energize your employee, encourage her to think more creatively about how to achieve certain objectives, and help create

a high-performance culture. But if those goals are *too* challenging, they can weaken morale. In this video, Srikant Datar, board member at Novartis, discusses the delicate balance between goals that are motivating and those that are simply discouraging.

Sytch, Maxim and D. Scott DeRue. "Ditch Performance Reviews? How About Learn to Do Them Well?" HBR.org, June 22, 2010. http://hbr.org/2010/06/ditch-performance-reviews-how/.

Many managers balk at the idea of doing performance appraisals, claiming they're ineffective. But research reveals that these evaluations can lead to improved performance. In this piece, the authors explain three challenges that prevent performance reviews from being effective—and provide four tips managers should remember to do them well.

Books

Falcone, Paul. *2600 Phrases for Effective Performance Reviews*. New York: AMACOM, 2005.

Struggling to find the right words to describe a direct report's performance? In this book, Falcone provides a variety of phrases to assist managers in writing performance appraisals and communicating feedback effectively. Whether searching by core competency or by job function, readers can find the right words to express their thoughts in a concrete manner.

Green, Marnie E. *Painless Performance Conversations: A Practical Approach to Critical Day-to-Day Workplace Discussions*. Hoboken, NJ: Wiley, 2013.

Green helps managers conquer their anxieties about performance appraisals, allowing them to have effective feedback conversations with their direct reports, whether it's in day-to-day interactions or an annual performance review meeting. Her book provides summary tips, reflection questions, conversation checkpoints, and case studies to help managers stop dwelling on their discomfort and start focusing on improving performance.

Grote, Dick. *How to Be Good at Performance Appraisals: Simple, Effective, Done Right*. Boston: Harvard Business Review Press, 2011.

This hands-on guide goes beyond the scope of this 20-Minute Manager to explain how to succeed at every task required by a company's performance appraisal and management process. Using step-by-step instructions, examples, sample dialogues, and suggested scripts, performance management expert Grote shows the reader how to handle appraisal activities ranging from setting goals, defining job responsibilities, and coaching to assessing performance, conducting the discussion, and creating development plans.

Harvard Business School Publishing. *HBR Guide to Giving Effective Feedback*. Boston: Harvard Business Review Press, 2012.

Productive performance discussions start with effective feedback. Filled with actionable advice on everything from delivering on-the-spot feedback to determining whether an employee is ready for a promotion, this guide offers tools for giving positive and constructive feedback. Readers will learn how to incorporate feedback into daily interactions with employees, reward direct reports with greater compensation and responsibility, reinforce organizational values and goals, and deliver constructive criticism without generating anger or defensiveness.

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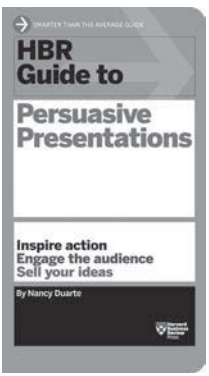

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Preview

It takes more than personality and PowerPoint to give an effective presentation. But you can learn how, whether you're presenting for the first time or you just need a refresher. This book walks you through the basic steps:

- Articulating a clear message.
- Tailoring it to your audience.
- Organizing your content.
- Gathering relevant, persuasive data.
- Choosing the right tools and visual aids.
- Rehearsing and getting feedback.

- Delivering your talk with clarity and confidence.
- Fielding questions and following up.
- Making improvements for next time.

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Presentations

The Key to Presenting

The Key to Presenting

You have a message to communicate, and you've decided to give a presentation. You'll need to do some work to win people over to your way of thinking. But that's definitely not out of reach, even if you don't consider yourself a naturally gifted public speaker.

No matter what form your presentation takes—whether it's a status report, a product demonstration, a sales pitch, or a strategy rollout—the key to presenting effectively is to know your goals, your audience, and yourself. That core idea informs all the principles in this book.

Let's get right to them.

Why Give a Presentation?

Why Give a Presentation?

If you're planning to present to a business audience, you probably want to inform, persuade, or sell. This may entail:

- Explaining new data.
- Soliciting ideas or feedback to build consensus.
- Asking people to take action.
- Seeking help solving a problem.
- Getting buy-in on an initiative.

Are you trying to do one of those things or something else? Write down your purpose in a phrase as short as the ones listed above.

Now look at what you wrote and ask whether you even need to give a presentation. Is that the best way to get the job done?

For example, if the number of people you need to reach is quite small, perhaps a quick face-to-face chat with each of them would be more efficient. If the audience is larger but the message is simple and you don't need feedback, an e-mail might suffice.

Sometimes, of course, those forms of communication are inadequate and it's clear you'll need to give a presentation. If that's the case, you're ready to start working on yours. Hold on to that purpose phrase you wrote down a moment ago; you'll need it.

Define Your Goal

Define Your Goal

An effective presentation begins with focused thinking. You'll need to figure out your primary aim, which usually involves getting people to understand something or take action.

Your broad objective

Go back to that short phrase you wrote down earlier—turn it into a crisp sentence that states your goal. Begin with "I want," and include your audience. Here are some examples:

- "I want to inform my department about the new process for proposing new product ideas."

- "I want my colleagues to help brainstorm ideas for the project we're about to start."
- "I want to show people how well my team's new system works."
- "I want to get other managers to sign on to a set of recommendations I've developed for our top executives."
- "I want to give people in my group the tools they need to reach their targets this quarter."

Your broad objective may be nothing like those, but state it just as succinctly. Anyone should be able to understand it without reading it twice.

Your desired outcomes

Now it's time to get specific, not about what your presentation will include (that comes later) but about

what results you want. Take, for example, this objective from the preceding list:

> "I want to show people how well my team's new system works."

You don't just want attendees to walk away impressed with the system. You seek outcomes. What are they? Maybe you need people to identify ways they can use the system in their daily work or to take the first step toward implementation within one week. Or maybe you'd like them to troubleshoot obstacles and report back to you with their findings within 10 days.

Whatever your desired outcomes, write them down in a list. There's no magic number, but be realistic; fewer items are usually better. That way, you'll tighten your focus and avoid setting your own and your audience's expectations too high.

Your measurement of success

With your broad objective and desired outcomes in hand, identify how you will measure whether you've met your goals.

Do you expect to leave the presentation with ideas that audience members generated? Do you want attendees to complete a set of tasks by a certain deadline? Are you trying to measure "soft" data, such as enthusiasm and buy-in? How will you gauge those?

Keep the metrics simple and easy to assess, accounting for what your audience can realistically produce. If you're looking for feedback, you might ask people to complete a brief form or online survey. If deliverables are part of the mix, provide a handout that lists those items—something physical that audience members can carry away with them and that you can easily send to people who missed the presentation.

Know Your Audience

Know Your Audience

The better you understand your audience's goals and concerns, the more likely you are to achieve your objective and your desired outcomes. And the better able you will be to measure those successes.

The audience, not the presenter, is the heart of any presentation. To figure out what makes it tick, answer these questions:

1. *How big will the group be? Who will be absent?* Are you expecting 5, 15, or 50 people? The size of the audience affects the type of presentation you'll give and the resources you'll need (see "Identify Your Resources" later

in this book). Keep track of which people can't attend. Absent stakeholders are stakeholders nonetheless; you'll want to follow up with them afterward.

2. *What roles do your audience members perform in the organization? To whom are they accountable?* Having a basic understanding of their responsibilities will help you engage them. Consider why your message matters to them and how you can make their lives easier. You'll highlight those things when you present.

3. *What does the audience already know? What do people need to know?* Don't state the obvious, but give people enough background information to understand what you're saying and how it affects them.

4. *What are people likely to assume? Which of those assumptions are correct and which incorrect?* Anticipating your audience's assump-

tions helps you make better choices about how to present your content. If there's a misperception you need to correct, this might be the time to do it—gently. For example, if your audience believes that the new system you're proposing will take too much time and effort to learn, clearly explain how you'll help ease the transition with training sessions and extra technical support.

5. *How well does the audience know you?* If you don't already have strong relationships with the people in the room, you'll need to establish a rapport with them early on. For instance, you might open with an amusing anecdote about your own struggles with the old system you'd like to replace. Show that you share the group's frustrations with the way things are.

6. *Will some attendees' goals conflict with others'?* If so, acknowledge that up front and explain how what you have to offer may help.

7. *What types of presentations are your audience members accustomed to?* Think about what's likely to get their attention, given what's worked in the past (data, demonstrations, personal stories). If you're doing something that's new to them, find ways to make them comfortable with it. Talking to a group of number crunchers? Open with a relevant story to give your presentation greater personal meaning, but make it one that they can relate to.

8. *Is someone requiring them to be there? Is that person you?* This will affect how receptive people are to your message. You may need to overcome apathy or even hostility.

9. *Will you or someone else hold them accountable for what happens during or after the presentation?* Consult with the attendees' managers about the feedback or deliverables you'll be soliciting, to make sure your goals align with theirs.

Not every question here will be relevant to your presentation. And, clearly, other pertinent considerations exist. The point is not to write up answers to a bunch of questions in a handy book. It's to reflect on the human context in which you will deliver your message so you can tailor it to suit your audience's challenges and goals.

Anticipating the needs and concerns of your audience helps you calibrate your mind-set as you prepare and execute your presentation. Take the old adage about putting yourself in others' shoes to the next level: *Put yourself inside their heads and behind their eyes. Imagine yourself sitting there witnessing what you have to say.*

Did you do that? *Really* do that? OK, now you're ready to craft your message.

Craft Your Message

Craft Your Message

Many presenters mistakenly assume that a great idea will speak for itself, as long as it comes in an appealing package. Packaging matters, no doubt, but your audience needs much more than that. Guide people through your logic, facts, and examples, but without bogging them down in details that don't pertain to them. You want them to arrive where you are and, ideally, enjoy getting there. So chart a clear path by following three basic steps.

Step 1: Define your core message

What main point do you want people to remember when they walk away from the presentation? That's your core message. As with the phrase stating your purpose for presenting, it should be short and sweet. But test your assumptions: Have you really chosen the most critical message to articulate? Does it jibe with your objective and desired outcomes (see "Define Your Goal" earlier in this book)? Make sure your answer to both questions is a resounding yes.

Every part of your presentation should advance the message you select. Does that mean you need to keep repeating it? Of course not. But almost anything you say or show that doesn't support your main point may weaken it and undercut your goals. So keep a tight focus here. It will help you choose the right supporting material in Step 2.

Step 2: Identify relevant arguments and data

Every good presentation makes a case. And a strong case needs support.

Back up each assertion with well-chosen facts and data. Statements made without evidence are merely opinions, and opinions alone don't move an audience. Give people reasons to share your views or adopt a course of action.

Include only those facts and data that will persuade. Extraneous details distract listeners from what you want them to hear, process, and remember. If you're not sure about the value of a point, leave it out.

Excluding the extraneous doesn't mean focusing only on cold, hard data. It's also important to connect emotionally. Be explicit about why your audience should care about your message. Tap into the anger or pain wrought by the status quo.

After you've gathered material for your argument, step back and reflect:

- Will everyone in your audience be able to follow you? Or will you need to briefly define terms or provide a little more background to bring some people up to speed?
- Will your supporting content persuade your audience? What else might you need to make your case?
- Are you showing people why what you're saying should matter to them?
- Are you making their journey engaging?

Step 3: Organize the content

A well-organized presentation makes it easier for the audience to listen and for you to achieve your goals.

Logically sequence your argument so that people can follow it from one point to the next.

Let's return to the example discussed earlier: If you're proposing a new system, first briefly explain why the old one has to go and how the new one solves those problems. Then spell out how the new system works and how the audience can start reaping its benefits.

In most cases, a presentation should have four parts: an opening, a description of the need or problem you're addressing, your proposed solution, and a call to action.

The opening

Use a hook—a comment, relevant story, statement, or example—to get your audience's attention. Look for ways to engage attendees right away: For instance, you might ask for a show of hands in response to a provocative question that sets up your topic.

In addition to establishing a rapport, a strong opening also:

- Defines the purpose of your presentation.
- Highlights what's in it for the audience.
- Confirms your credibility.
- Previews the main points very briefly.

The need or problem

Keep this part of your presentation tight and focused so you'll have plenty of time to propose your solution.

An effective statement of the need or problem:

- Spells out the main challenge you want to address with the audience's help.
- Shows how that issue directly affects the audience.
- Has a sense of urgency.

- Reflects thoughtful input from others—through employee surveys, for example.
- Incorporates relevant arguments, examples, and supporting material that sustain interest without distracting from the point.

The solution

Now it's time to say how you think the problem should be solved or the need satisfied. You'll want to:

- Help audience members visualize the benefits of your solution.
- Phrase your solution in terms of their needs.
- Use a story, when possible, to illustrate the solution.
- Involve the audience in developing a path forward.
- Make sure the strength of your solution matches the challenge.

ASKING THE AUDIENCE FOR INPUT

Figure out in advance when you'll ask people for input during your presentation. You may simply want to ensure they're with you as you lay out your argument, but you also may wish to draw on their knowledge to support your message.

Empty questions aimed at the whole sweep of the room—"Is everybody following?"—generally don't work. Most polite people will simply nod. Instead, directly address individuals: "Does that seem like the biggest problem with customer satisfaction, Maria, given your front-line perspective?"

Asking audience members what they think is a great way to heed the pleasure principle. When people feel their voices and ideas are being heard, they're happy and more likely to open their minds to what they're hearing from you.

Call to action

A good wrap-up has a strong call to action. These are the key ingredients:

- Reiterate the challenge and your solution.
- Recommend specific action.
- Obtain commitment or buy-in.
- Agree on assignments if appropriate.
- Explain what you'll be doing to follow up after the presentation.

Identify Your Resources

Identify Your Resources

Know exactly what resources you'll have at your disposal the day you present so you can plan to make the most of them. These include the physical space you'll be in, the amount of time you'll get, and the equipment you'll have in the room.

What's your venue like?

If possible, visit the venue and scope out any limitations. Note where you'll be standing and how far away the most remote audience member will be. Decide

whether you'll need a microphone to be heard. Also assess the seating: People who have to stand through a presentation are more likely to leave early than those who have a chair.

How much time will you have?

Pace yourself so you can make your argument comfortably within the window you have. Factor in audience feedback and participation when you budget your time. Also think about the time available to you after the presentation is over—for informal chats, feedback surveys, collection of deliverables, return visits, and so on.

Often you must fit your presentation into a timetable that someone else develops. For example, you may have 30 minutes to deliver a sales presentation to a buyer. In other instances, you control the timing. The following guidelines are helpful in both situations:

- Speak just long enough to convey your key message clearly and completely.
- It's better to make fewer points and make them well.
- If you don't have time to make a point clear or acceptable to your audience, omit it or save it for another presentation.
- Ending early is better than not completing the talk or rushing at the end.
- Plan what to skip if your time is cut short.

What equipment will you use?

If a particular tool enhances your content, make sure you can use it competently. Delays that occur because you can't work the equipment will annoy the audience and may throw you off your game.

The next chapter of this book is about planning your visual aids. But before you turn to that, you'll need to know what tools you'll have handy: paper, whiteboards, projectors, a laser pointer, video conferencing, or other possibilities. Catalog what's available, and secure anything extra that you need.

Also check that any network passwords you'll need to access files, an internet connection, or other software and devices are up-to-date. Test them out before the presentation to make sure log-ins will be seamless.

Plan the Visuals

Plan the Visuals

The visuals are often what stick with people well after a presentation ends. Consider these research findings:

- People learn 75% of what they know visually, 13% through hearing, and 12% through smell.
- A picture is three times as effective in conveying information as words alone.
- Words and pictures together are six times as effective as words alone.

So use visual aids to help your audience stay engaged, remember facts, and understand ideas, relationships, or physical layouts. You can also use them as cues that

you're moving to a new topic. Remember, however, that when people are looking at a visual, they're not looking at you. That's why it's important to create visuals that they can process quickly.

Choosing the appropriate media

You have many choices for your visuals, including PowerPoint, video, and paper handouts. When selecting your media, consider flexibility, cost, appropriateness for your presentation, and your comfort level with the format or technology. If you use handouts, avoid distributing them during the presentation. It detracts from what you're saying.

Creating effective visuals

Not all visuals enhance a presentation. Put together a thick deck of boring slides, for example, and you'll in-

flict "death by PowerPoint"—something you've probably experienced as an audience member.

Steer clear of the following traps, which will frustrate your audience or even put people to sleep:

- Having too many slides.
- Using complex, confusing visuals, such as flow charts with lots of boxes, arrows, feedback loops, and text.
- Packing your visuals border-to-border with dense text or too many images.
- Simply reading the text in your visuals aloud.

To make your visuals more compelling, keep them simple. Use:

- Graphics, icons, and symbols to reinforce concepts.
- Key words, not full sentences.
- Only one concept and no more than six lines of text per slide or page.

- Only three to six ideas on each flip chart or whiteboard display.
- Color where possible, but not excessively.
- Pictures where feasible.
- Bullets, not numbers, for nonsequential items.
- All-uppercase letters only for titles or acronyms.

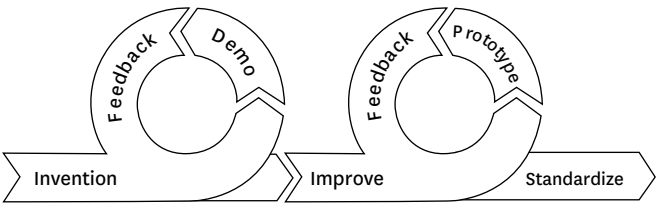
See what a difference it makes when you clear away the visual clutter:

Before

We follow the same basic process every time

- We start with the invention. We take early stage ideas and turn them into demos—not technical demos but conceptual ones, like the rough version of Flare you saw.
- Then our team takes this seed of an idea to customers, in conferences and forums, to get feedback that helps us shape it into something even more useful.
- We improve it and build a prototype that we give to a set of early adopters, who use it and give us more feedback.
- Eventually, after a few quick cycles of this process, we standardize the product features.
- Only then is it ready to go out to our larger group of customers, like the finished version of Flare you saw.

After



Source: Nancy Duarte, *HBR Guide to Persuasive Presentations* (Boston: Harvard Business Review Press, 2012).

Now that you've planned your presentation, it's time to practice it.

Practice Your Delivery

Practice Your Delivery

It feels great when you've finished creating a presentation. Indeed, many presenters feel so satisfied that they do nothing else until it's time to speak. But to prepare thoroughly, you must also rehearse what you're going to say and get yourself ready mentally so you're both polished and relaxed.

Rehearsing your content

It's tough to identify all the holes, dull spots, and excessive details in your presentation just by reviewing your notes and slides. You need to assess how your presentation will look and sound to other people.

The best way to do that is to practice before a test audience. If you can, rehearse in front of a group of colleagues or friends. Try to include people who are similar to your real audience in terms of their roles, assumptions, perspectives, and expertise (see "Know Your Audience" earlier in this book). Interact with the test audience as you would with your actual audience.

Of course, time and other constraints may not permit you to rehearse with a live group. In that case, play back an audio or video recording of yourself: You'll find flaws you wouldn't have discovered otherwise. Even practicing aloud in front of a mirror gives you the chance to hear your own voice and see how you're coming across—though it's hard to deliver your talk and assess yourself at the same time, so it's no substitute for live feedback or a recording.

Other tips to remember as you rehearse:

- Practice with the equipment you're planning to use.

- Use visual aids to reinforce your message, not to speak for you.
- Know your content well so you won't have your nose in your notes, but don't script yourself word for word—it'll sound memorized.
- Rehearse the entire presentation to see how it all hangs together.
- Use an expressive, conversational voice.
- Avoid jargon and other terms your audience may not know.
- Articulate responses to questions that people are likely to ask you. Focus on your tone.
- Ask yourself, "What's the worst that can happen during the presentation?" Prepare for that possibility by mapping out how you'll move past it.

- Practice in the same room where you'll present, if that venue is available.

Preparing yourself mentally

Rehearsing your talk is one thing; putting yourself in the right state of mind before the curtain opens is another—and just as important. To win the mental game, try these techniques right before the presentation:

- Visualize yourself giving a successful presentation.
- Repeat positive statements to yourself, such as "I am relaxed and ready."
- Use deep-breathing and tension-relieving exercises to reduce stress.
- Wear clothing that makes you feel comfortable, confident, and professional.

- Accept nervousness as natural. Don't try to counteract it with food, caffeine, drugs, or alcohol.
- Interact with audience members as they come into the room.

Deliver Your Presentation

Deliver Your Presentation

Once you're in the room with your audience, focus on engaging people and projecting confidence. Here are some suggestions that will help:

- Retain the expressive, conversational tone you practiced in your rehearsal.
- Speak at a moderate pace. You'll sound nervous if you go too fast; you'll bore people if you go too slowly.
- Make sure everyone can hear you. If you have a microphone and sound system, test its effectiveness before you begin.

- Avoid watering down what you say with "kind of" and "sort of."
- Make eye contact with audience members.
- Watch the audience for nonverbal cues, and use your facial expressions to convey interest in people's reactions.
- Take a breath now and then. It helps you relax and reduces filler language such as "um" and "er."

Keeping your audience engaged

You'll probably confront one or more difficult audience members: the tuned out, the overloaded, or the just plain grumpy. Inattentive people often cross their legs, fidget in their seats, or look around the room more than usual. Here are some proven techniques for grabbing their attention:

- Change what you're doing—pause, for example, or alter your tone of voice.
- Survey the audience: "Just out of curiosity, how many of you believe that our customers are satisfied with our current returns policy? Let's see a show of hands."
- Add humor if appropriate. Audience members welcome a little comic relief.
- Provide analogies and vivid examples.
- Introduce personal stories.
- Keep returning to how your message affects the audience: "Here's what that last point means for you and your team."

Being flexible

Even the most well-planned, meticulously rehearsed presentation is a dynamic event. Rarely does every-

thing go by the book. Technical difficulties may arise, circumstances affecting your content may change right before you speak, and audience reactions may take an unexpected turn. You can anticipate some wrinkles, as discussed in "Know Your Audience" earlier in this book. But you must be willing to embrace unforeseen developments and to remain flexible in the face of them.

A presenter who refuses to deviate from his or her plan risks being perceived as having a tin ear, a thick skull, or, worst of all, a flawed message. Treat unexpected developments as opportunities, not threats. Don't allow them to derail you from your core message, but don't just barrel ahead without addressing them, either.

This is especially important when an audience member throws you a curveball question or comment (see the next chapter, "Manage the Response"). If someone asks for more evidence on a peripheral point, for instance, view that as a chance to make

an even stronger case. If you have more data in your pocket, share what you've got or offer to do extra research after the presentation.

When technical or logistical problems arise, brush them off with good humor. A joke in the face of a glitch is a testament to your confidence and level of preparation, and it shows that your message is more important than the medium.

Manage the Response

Manage the Response

Some people feel that a presentation that generates no questions is a success. But if your listeners are engaged, they are very likely to have questions. Embracing those inquiries can allow you to offer greater detail in areas that matter to your audience.

Timing the Q&A

Many speakers take questions after they present. This allows them to complete the talk within a specified time and to ensure the audience has the whole picture. If you choose that approach:

- Make your transition to the Q&A session clear.
- Tell the audience how much time is left for Q&A.
- Maintain control of the Q&A session by repeating each question and giving the answer to the whole group, not only to the questioner.

You may decide to take questions throughout the presentation or ask for reactions and ideas along the way to keep people engaged. In your notes, identify places where you'd like audience feedback so you won't forget to ask for it. Tell people explicitly why you're pausing. That will help them focus their questions and comments. Keep your own questions and responses brief so that the presentation stays on track.

Preparing for tough questions

Suppose you're presenting your unit's new strategic plan to a group of anxious managers and employees.

Or the CEO has asked you to go to each regional office to explain upcoming layoffs.

What do these situations have in common? The great potential for resistance. Here's how to handle it:

1. *Anticipate tough questions.* Before you present, write down whatever objections you think may come up and brainstorm how you'll respond. Run your responses by a trusted colleague to make sure you'll give those objections a fair hearing.

2. *Be gracious, not defensive.* Show curiosity and enthusiasm in both the tone and content of your responses. Replies such as "That's a great question, and here's why . . ." make it clear that you have already thought about things from the audience's perspective. Be open to exploring options you hadn't considered, and the people raising them will be more likely to hear you out, too.

3. *Don't try to be all things to everyone.* If people raise questions that go beyond the scope of your presentation, don't hesitate to say so. They'll understand that you had to draw a line somewhere.

4. *Answer questions honestly.* When you know the answer, articulate it clearly and briefly. When you don't know it, admit that. Either direct the questioner to another source or offer to do some digging yourself. Write down questions you can't address on the spot to demonstrate your commitment to answering them.

Outlining next steps

Even if the questions you get aren't especially tough, show that your message has a life beyond the presentation. For instance:

- Specify how—and to whom—audience members should give their feedback about the presentation.
- Explain how deliverables, if any, should be transmitted to you or others (see "Define Your Goal" earlier in this book).
- Offer whatever support you can to help people put your ideas into action.
- If a follow-up presentation or other event is planned, provide whatever relevant details you have.
- Emphasize your genuine interest in continuing the conversation if there's more to discuss.
- When you're sharing your contact information, be sure of your ability to respond and promise to do just that.
- If feasible, talk to attendees as they leave the room. Don't allow one or two people to

monopolize your time so that others feel snubbed.

Now that the presentation itself is finished, it's time to debrief what happened and to measure your success.

Debrief Your Presentation

Debrief Your Presentation

You wrapped up your presentation by outlining next steps for the audience. Of course, you'll follow through on your end of those commitments (see the next chapter, "Follow Up with the Audience"). But you also have an obligation to honestly assess the talk you just gave and to sharpen your skills before your next one.

Critiquing your content

No matter how well you've planned your presentation, the act of delivering it will often expose flaws,

gaps, or other shortcomings, even if you're a polished presenter.

You may discover small glitches, such as a slide that could not be read from the back of the room, or bigger ones, like a missing step in a process you outlined. Make a list of those flaws as soon as possible—no more than an hour or two after your presentation ends, if that's feasible. Incorporate the changes into your slides and other master files within a few days. Trying to reconstruct and correct the problems weeks or months later almost always yields worse results, if you remember to fix the mistakes at all.

Analyzing your performance

Problems with delivery run the gamut. You can easily identify minor ones, such as weak opening remarks and awkward attempts at humor, the moment they happen. Just look at the audience's reaction: Are people nodding? Or is everyone sitting dead still? Watch-

ing a video recording of the event will also help you see trouble spots. Think of specific fixes for next time, and write them down.

If you ran into technical problems, they may have thrown your whole talk off track, but those, too, are relatively simple to fix. Perhaps you really didn't know how to use the projector, and that slowed you down or made you fumble. Learn how to use it for next time. Enlist an assistant if appropriate.

Chronic issues, such as your general comfort level and skill in delivery, require more work. If you felt very nervous the entire time (not just during the first few minutes) or if you found yourself clinging to notes or stammering despite having rehearsed thoroughly, you may need some coaching.

Asking colleagues for feedback

If trusted coworkers were in the audience, tap them for advice on how to improve your presentation and on

how to become a better presenter. Set up one-on-one meetings to receive that feedback. A quick "How did I do?" in the corridor is likely to generate a polite, perhaps less than honest, response, particularly if other people are within earshot. Your meetings with your colleagues should be brief and informal, but don't be afraid to ask for people's frank reactions to both the content and the delivery of your presentation.

It takes a long time to master presentation skills. But if you continuously work to improve, your presentations will become more and more effective, and your standing with your audiences will rise.

Follow Up with the Audience

Follow Up with the Audience

Your presentation is finished, and you've evaluated how it went. You can relax now, but not for too long. Even the most well-articulated ideas can evaporate into thin air if you don't take concrete steps to make sure they're implemented.

Of course, you should keep the promises you made during the presentation ("I'll send those tables to you, Beth") and correct any errors that came to light. You will certainly want to follow up on explicit directives you've given, such as asking the audience to report back to you about a key item within a specified time frame. But those are just the essentials. Other gestures can also make a big difference. These include:

- Sending thank-you notes to key attendees.
- E-mailing the entire audience to briefly reinforce your takeaway message and to get your address in their in-boxes.
- Making yourself available for questions that occur to people after the presentation.
- Booking "next steps" meetings to ensure that your implementation plan proceeds efficiently.
- Giving the same or a similar presentation to another group that needs to hear your message.

Whatever follow-up techniques you choose, remember that a presentation is not an isolated event. It fits into a larger context that you share with your audience. If you want to persuade people for the long term, not just for the brief period when you stand in front of them, let them know that you see and understand the big picture. They'll be more likely to take action if you do.

Learn More

Books

Duarte, Nancy. *HBR Guide to Persuasive Presentations*. Boston: Harvard Business Review Press, 2012.

Terrified of speaking in front of a group? Or simply looking to polish your skills? No matter where you are on the spectrum, this guide will take the pain out of presentations by giving you the confidence and tools you need to get results. Written by presentation expert Nancy Duarte, the *HBR Guide to Persuasive Presentations* will help you:

- Win over tough crowds.
- Organize a coherent narrative.
- Create powerful messages and visuals.
- Connect with and engage your audience.
- Show people why your ideas matter to them.
- Strike the right tone, in any situation.

Harvard Business School Publishing. *Harvard Business Essentials*: *Business Communication*. Boston: Harvard Business School Press, 2003.

With advice and tools for improving a wide array of communication skills—from delivering an effective presentation to drafting proposals to the effective use of e-mail—*Business Communication* helps managers deliver information effectively.

Harvard Business School Publishing. *HBR's 10 Must Reads on Communication*. Boston: Harvard Business Review Press, 2013.

The best leaders know how to communicate clearly and persuasively. How do you stack up? If you read nothing else on communicating effectively, read these 10 articles. We've combed through hundreds of articles in the *Harvard Business Review* archive and selected the most important ones to help you express your ideas with clarity and impact, no matter what the situation. Leading experts such as Deborah Tannen, Jay Conger, and Nick Morgan provide the insights and advice you need to:

- Pitch your brilliant idea—successfully.
- Connect with your audience.
- Establish credibility.
- Inspire others to carry out your vision.
- Adapt to stakeholders' decision-making styles.

- Frame goals around common interests.
- Build consensus and win support.

Morgan, Nick. *Give Your Speech, Change the World: How to Move Your Audience to Action*. Boston: Harvard Business Review Press, 2005.

Do you remember the topic of the last speech you heard? If not, you're not alone. Studies show that audiences remember only 10% to 30% of speech or presentation content.

Given those bleak statistics, why do we give speeches at all? We give them, says communications expert Nick Morgan, because they remain the most powerful way of connecting with audiences since ancient Greek times. But as we've evolved to a more conversational mode of public speaking, thanks to television, we have forgotten much of what the Greeks taught us about the nonverbal aspects of speech giving: the physical connection with audiences that can create an almost palpable emotional bond. Morgan says this "kinesthetic connection" comes from truly listening to your audience, not just with your brain but with your body.

In this book, he draws from more than 20 years as a speech coach and consultant, combining the best of ancient Greek oratory with modern communications research to offer a new, audience-centered approach to public speaking. Through entertaining and insightful examples, Morgan illustrates a three-part process—focusing on content development, rehearsal, and delivery—that will enable readers of all experience levels

to give more effective, passion-filled speeches that move audiences to action.

Articles

Denning, Stephen. "Telling Tales." *Harvard Business Review*. May 2004 (product #R0405H).

A carefully chosen story can help the leader of an organization translate an abstract concept into a meaningful mandate for employees. The key is to know which narrative strategies are right for what circumstances. Knowledge management expert Stephen Denning explains that, for optimal effect, form should follow function. Challenging one professional storyteller's view that more is better, Denning points out that it's not always desirable (or practical) to launch into an epic that's jam-packed with complex characters, cleverly placed plot points, an intricate rising action, and a neatly resolved denouement. If the aim is to motivate people to act when they might not be inclined to do so, it's best to take an approach that's light on detail; particulars can bog down listeners and prevent them from focusing on the message.

Drawing on his experiences at the World Bank and observations made elsewhere, the author provides several dos and don'ts for organizational storytellers, along with examples of narratives that get results. Denning also presents seven distinct types of stories, the situations in which they should be

told, and tips on how to tell them. Leaders with the strength to push past some initial skepticism about the enterprise of storytelling will find that the creative effort pays off.

Elsbach, Kimberly D. "How to Pitch a Brilliant Idea." *Harvard Business Review*. September 2003 (product #R0309J).

Coming up with creative ideas is easy; selling them to strangers is hard. Entrepreneurs, sales executives, and marketing managers often go to great lengths to demonstrate how their new concepts are practical and profitable, only to be rejected by corporate decision makers who don't seem to understand the value of the ideas. Why does this happen?

Having studied Hollywood executives who assess screenplay pitches, the author says the person on the receiving end—the "catcher"—tends to gauge the pitcher's creativity as well as the proposal itself. An impression of the pitcher's ability to come up with workable ideas can quickly and permanently overshadow the catcher's feelings about an idea's worth. To determine whether these observations apply to business settings beyond Hollywood, the author attended product design, marketing, and venture-capital pitch sessions and conducted interviews with executives responsible for judging new ideas. The results in those environments were similar to her observations in Hollywood, she says.

Catchers subconsciously categorize successful pitchers as *showrunners* (smooth and professional), *artists* (quirky and unpolished), or *neophytes* (inexperienced and naive). The research also reveals that catchers tend to respond well when

they believe they are participating in an idea's development. As Oscar-winning writer, director, and producer Oliver Stone puts it, a screenwriter pitching an idea should "pull back and project what he needs onto your idea in order to make the story whole for him."

To become a successful pitcher, portray yourself as one of the three creative types and engage your catchers in the creative process. By finding ways to give your catchers a chance to shine, you sell yourself as a likable collaborator.

Guber, Peter. "Four Truths of the Storyteller." *Harvard Business Review*. December 2007 (product #R0712C).

A well-told story's power to captivate and inspire people has been recognized for thousands of years. Peter Guber is in the business of creating compelling stories: He has headed several entertainment companies—including Sony Pictures, PolyGram, and Columbia Pictures—and produced *Rain Man, Batman*, and *The Color Purple*, among many other movies. In this article, he offers a method for effectively exercising that power.

For a story to enrapture its listeners, says Guber, it must be *true to the teller*, embodying his or her deepest values and conveying them with candor; *true to the audience*, delivering on the promise that it will be worth people's time by acknowledging listeners' needs and involving them in the narrative; *true to the moment*, appropriately matching the context—whether it's an address to two thousand customers or a chat with a colleague over drinks—yet flexible enough to allow for improvi-

sation; and *true to the mission*, conveying the teller's passion for the worthy endeavor that the story illustrates and enlisting support for it.

In this article, Guber's advice—distilled not only from his years in the entertainment industry but also from an intense discussion over dinner one evening with storytelling experts from various walks of life—is illustrated with numerous examples of effective storytelling from business and elsewhere. Perhaps the most startling is a colorful anecdote about how Guber's own impromptu use of storytelling, while standing on the deck of a ship in Havana harbor, won Fidel Castro's grudging support for a film project.

Morgan, Nick. "How to Become an Authentic Speaker." *Harvard Business Review*. November 2008 (product #R0811H).

Like the best-laid schemes of mice and men, the best-rehearsed speeches often go astray. No amount of preparation can counter an audience's perception that the speaker is calculating or insincere. Why do so many managers have trouble communicating authenticity to their listeners?

Morgan, a communications coach for more than two decades, offers advice for overcoming this difficulty. Recent brain research shows that natural, unstudied gestures—what Morgan calls the "second conversation"—express emotions or impulses a split second before our thought processes have turned them into words. So the timing of practiced gestures will always be subtly off, just enough to be picked up by listeners' unconscious ability to read body language.

If you can't practice the unspoken part of your delivery, what can you do? Tap into four basic impulses underlying your speech—to be open to the audience, to connect with it, to be passionate, and to "listen" to how the audience is responding—and then rehearse your presentation with each in mind. You can become more open, for instance, by imagining that you're speaking to your spouse or a close friend. To more readily connect, focus on needing to engage your listeners and then to keep their attention, as if you were speaking to a child who isn't heeding your words. To convey your passion, identify the feelings behind your speech and let them come through. To listen, think about what the audience is probably feeling when you step up to the podium and be alert to the nonverbal messages of its members. Internalizing these four impulses as you practice will help you come across as relaxed and authentic, and your body language will take care of itself.

Morgan, Nick. "The Kinesthetic Speaker: Putting Action into Words." *Harvard Business Review*. April 2001 (product #R0104G).

Speeches and presentations offer an interesting catch-22: Executives don't want to spend long hours creating them, and people don't want to sit for long hours listening to them. Ultimately, though, executives can't live without them. That's because a good speech or presentation has the power to inspire people to act on the speaker's behalf and create change.

Author Nick Morgan, a longtime speechwriter and speaking coach, says what's most often lacking in today's speeches and presentations is what he calls the "kinesthetic connec-

tion." Many good speakers connect aurally with their audiences, telling dramatic stories and effectively pacing their speeches to hold people's attention. Others connect visually, with a vivid film clip or a killer slide. Some people do both, but not many also connect kinesthetically. Morgan says the kinesthetic speaker feeds an audience's primal hunger to experience a presentation on a physical, as well as an intellectual, level. Through awareness of their own physical presence—gestures, posture, movements—and through the effective use of the space in which they present, kinesthetic speakers can create potent nonverbal messages that reinforce their verbal ones.

In this article, Morgan describes techniques for harnessing kinesthetic power and creating a sense of intimacy with an audience—a closeness that is more widely expected from speakers since the advent of television. For instance, kinesthetic speakers should make use of audience proxies—individuals in the crowd who serve as representatives for the others. Ultimately, the author says, a speech or presentation offers something of great value to business executives: It's the best vehicle for winning trust from large groups of people—be they employees, colleagues, or shareholders.

Tannen, Deborah. "The Power of Talk: Who Gets Heard and Why." *Harvard Business Review*. September 1995 (product #R9977).

Most managerial work happens through talk—discussions, meetings, presentations, negotiations. It is through talk that managers evaluate others and are themselves judged.

Using research carried out in a variety of workplace settings, linguist Deborah Tannen demonstrates how conversational style often overrides what we say, affecting who gets heard, who gets credit, and what gets done. Tannen's linguistic perspective provides managers with insight into why there is so much poor communication. Gender plays an important role. Tannen traces the ways in which women's styles can undermine them in the workplace, making them seem less competent, confident, and self-assured than they are. She analyzes the underlying social dynamic created through talk in common workplace interactions. She argues that a better understanding of linguistic style will make managers better listeners and more effective communicators, allowing them to develop more flexible approaches to a full range of managerial activities.

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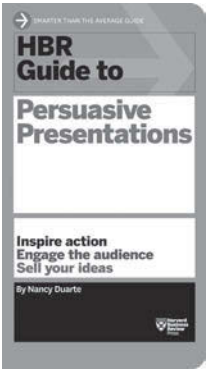

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Preview

Writing a business plan is an important first step in starting any new venture. Your goal is to provide a detailed description of your new product or service and a concrete strategy for making it a success, while also conveying a hearty dose of enthusiasm that inspires investors and other supporters to want to be involved with your project. This book walks you through the basics:

- Articulating your business idea
- Communicating your goals
- Analyzing the industry
- Introducing your management team

- Distinguishing your business from rivals
- Developing a compelling marketing plan
- Describing your business's daily activities
- Providing sound financial projections
- Anticipating potential stumbling blocks

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Creating Business Plans

Why Write a Business Plan?

Why Write a Business Plan?

So you've got a brilliant idea for a new product or service. You feel energized, inspired, and ready to forge ahead. Your first challenge: Write a business plan.

You may be thinking: "Why should I bother taking the time to draft a formal plan? Shouldn't I just get going already?" If you're working at a large company and your boss asks you to put together a plan before you move forward with a new product extension, you may feel equally frustrated. "What's the point of this busywork?," you might think. "Why can't I just take the plunge?"

Don't fall into this trap. Writing a business plan for internal or external ventures is beneficial in a variety

of ways, including gaining buy-in and generating enthusiasm for your idea, improving your odds of successfully creating a new product or service, establishing a company, raising capital, generating sales, and sustaining your business over time.

Whether you're planning to build a new company from scratch, expand an existing firm, spin off from a parent corporation, or even start an initiative within an established organization, writing a business plan gives you an opportunity to thoroughly evaluate your idea. It's also a way for your audience—namely potential investors, managers, and the people who control vital resources you need to start and operate your business—to assess the feasibility of your concept. Your goal is to create a road map for your business that helps you navigate the opportunities and inevitable obstacles you'll face and, perhaps most important, develop strategies to avoid problems before they arise.

This book shows you how to craft a persuasive argument for your idea by walking you through the ele-

ments of writing a business plan and providing a fully developed primary case study of an imaginary and hypothetical venture—TechnoExercise Corporation—which we'll follow throughout the chapters.

Getting started

Most business plans devote too much ink to numbers and too little to the information that matters most to potential investors, according to William Sahlman, a professor at the Harvard Business School and an expert in entrepreneurial ventures. After all, savvy investors understand that financial forecasts for a new company—particularly detailed, month-by-month projections that extend for years and years—are typically nothing more than wildly optimistic fantasies. In light of this, Sahlman recommends organizing your business plan around a framework that assesses four factors that are critical to every new venture:

- *The people.* Those who will be starting and running the business, in addition to any outside parties who will provide important resources.
- *The opportunity.* A profile of the business itself: what it will sell and to whom, whether it can grow and how quickly, what its economics are, and what might stand in the way of success.
- *The context.* The big picture—the regulatory environment, interest rates, demographic trends, inflation, and so on. Essentially, factors that inevitably change but that you cannot control.
- *The risk and reward.* An examination of everything that can go wrong and right, as well as a discussion of how the team can respond.

With Sahlman's four critical factors in mind, you're ready to start thinking about what information you'll gather to create the most compelling business plan

you can. As you begin your research, ask yourself some important questions:

- *What's your purpose?* If your business plan is a proposal within the resource-rich environment of a large corporation, certain parts of it—such as the marketing or operations sections—could be shorter and less developed than other sections. In this case, you ought to focus on the value proposition and competitive analysis. On the other hand, if you're using the plan to raise money from venture capitalists, you ought to focus more on the opportunity itself and the management team.

- *Who's your audience?* Knowing who will be reading your plan and why and having some sense of their goals and needs will help you tailor your message. To learn about your audience's particular requirements and motivations, do some research. Tap your network—ask

colleagues and other industry professionals for their views on the problem you're trying to solve. Also, think about your proposal from the perspective of your audience. A corporate management committee or board of directors, for instance, will consider your idea within the context of the company's other initiatives and may look for potential cost savings or other sales opportunities related to your idea. Investors and lenders, on the other hand, may want to know about the breakeven points and the business's longer-term potential.

- *What do you want?* Think about your ultimate goal. Do you need a corporate stamp of approval or the active support of upper management? Are you just looking for funding, or do you want connections with other investors or business partners? Do you want to repay a loan, or are you willing to share ownership and profits?

What information will you need?

Now that you've organized your thoughts, you need to determine whether you have all the relevant material on hand. Some of this will be financial and legal information. For example, have you confirmed the necessary production costs for your product? Have you considered the most appropriate legal structure and tax status for your business? There are many sources for this kind of information. You should identify trade journals that target business owners in your industry, seek out research by respected analysts, and scour your network for experts who may be able to help you develop a fuller picture of the business environment. Online resources are also available, including your local chamber of commerce's website and the official sites of the Small Business Administration, the Internal Revenue Service, the Census Bureau, and state departments of economic development.

The structure of a business plan

The most common business plan structure opens with short, general summaries (such as the executive summary and the business description) and then proceeds to more in-depth explanations in the body of the plan. That's where you'll provide thoughtful descriptions of your business's fundamental elements and concerns. The attachments at the end include the most detailed information—financial data, management résumés, and so forth.

Writing a business plan is a big undertaking that requires time, dedication, and discipline. Rather than tackling it all at once, go section by section. Dividing the task into manageable chunks will help you better plan your time. Throughout the process, seek input from others. Talk over your idea with mentors, business partners, and colleagues. Ask them to look for gaps in your plan or potential red flags. Then make adjustments as you go.

Most business plans contain the following components, which we'll cover in more detail throughout the book:

- *Cover page:* This ought to include the name of your business or project, as well as your name and contact information.
- *Table of contents:* An at-a-glance view of which topics will be covered. Use straightforward language to allow readers to easily skim or flip through to find what they're looking for.
- *Executive summary:* A brief and formal explanation of what your company is, where you want it to go, and why it will be successful.
- *Business description:* A high-level overview of your proposed venture.
- *Industry background:* Historical data as well as current information about the shape, size, trends, and key features of the industry.

- *Competitive analysis:* A breakdown of current and prospective rivals.
- *Market analysis:* Your assessment of your target customers and their wants, needs, and demographics.
- *Management summary:* An introduction to your team as well as a description of how they will work together to form an effective and successful unit.
- *Operations plan:* The flow of the business's daily activities and the strategies that will support them.
- *Marketing plan:* Your detailed strategy for how you intend to sell your product or service.
- *Financial plan:* A synopsis of the current status and future projections of the company's financial performance.

- *Attachments and milestones:* Additional documents that supply more detailed information about elements of the plan.

Of course, not all business plans follow this model precisely. As you'll see in the next chapter, your plan may combine some of these sections, add new ones, and eliminate others, based on your audience and its needs.

Describing the Opportunity

Describing the Opportunity

You know your idea inside and out, so it can be easy to lose sight of the details that will matter to investors when you draft your business plan. Ensure that your plan explains how your offering will help customers and places that offering within the larger business context, too.

Presenting your idea

Win readers over with a description of your idea that addresses a clear and specific business need and provides details about the larger context within which your offering will thrive.

To add customer focus to your plan, consider these questions as you define your product or service: What customer pain are you easing with your offering? What special technology, new perspective, or unique concept will you offer customers that is better than what's available now? And what will compel them to buy your product rather than your competitors'?

Even if you're not trying to raise a round of venture funding and are instead trying to build a persuasive case for a new product or initiative within your company, you must make sure the business need is clear. If your investors and managers don't agree with your explanation of the problem, they're not going to support your venture. Let's say, for instance, that you're trying to solve the problem of low customer usage of your company's mobile retail shopping app. You have an idea to redesign the app that could increase customer engagement. But what if the technologists at your company don't think there's anything wrong with the app? What if, instead, they believe that low

customer usage is the result of poor marketing? To gain buy-in for your idea, you'd have to build a case for the technology group and other decision makers with evidence that proves that the root cause of low engagement is a design flaw, not a problem of branding or awareness.

Of course, you can't really describe your plan and its customer focus clearly without addressing the "context" in which your business will flourish. We'll explore that part later, in "Analyzing the business environment."

Executive summary

The *executive summary* is a concise description of what your company is, where you want it to go, and why it will be successful. In just one page, it gives readers an understanding of your proposal and captures their interest in your new venture. In some cases, this is the only section your time-pressed audience may read, so the key is to present your concept passionately

SAMPLE COVER PAGE

To give you a better sense of how a business plan might look, this book offers a primary case. Meet TechnoExercise Corporation ("TechEx"), an imaginary, hypothetical online diet and exercise service based in Cambridge, MA. Woven throughout this book, you'll find examples of certain sections of TechEx's business plan that will help you understand how it fits together. This is just one sample—there are many variations, since a good business plan is always tailored to its audience.

Here is the material that goes on the cover page:

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Plan prepared July 2014 by Corporate Officers

and lay out why you believe the business will be a resounding success, even as you acknowledge the risks and costs involved. A well-crafted executive summary will inspire your reviewers to read on.

Sketching out your executive summary can give you a rough idea of what you plan to say, but rewrite and polish it once you've finished drafting your entire business plan, paying attention to those areas that may have changed during the writing process.

An executive summary typically includes the following elements:

- A *mission statement*: one or two sentences that describe what your business is about, its philosophy, and your vision for its future.

- A succinct description of the industry and market environment in which your new venture will develop and flourish.

- An explanation of the unique business opportunity you'll be taking advantage of.

- A brief mention of the competitive advantages that differentiate your product or service from rivals' offerings.
- A rundown of the financial potential of your new venture, as well as the anticipated risks.
- A description of the management team and their respective roles.
- Information about the stage of the business (on the drawing board, in start-up mode, ready to expand), its financial status (whether you've raised any money or have taken out any loans for the business thus far), and its structure (partnership, corporation, affiliate). Online resources such as the website of the Small Business Administration will be very helpful here.
- Details on the capital requested so that readers understand what you hope to gain from them, such as money, contacts in the industry, or other resources.

SAMPLE EXECUTIVE SUMMARY

TechEx's mission: The driving principle of Techno-Exercise Corporation ("TechEx") is to change the way women lose weight and tone their bodies using four key elements: customized data-driven metrics, personal psychology, access to certified health professionals, and emotional support from a community.

How it works: Customers wear a stylish monitor (fitfast) that tracks their eating and exercise patterns online. They also receive one-on-one weekly video chat sessions with a registered dietician, behavior coach, and trainer, all of whom monitor their weight loss and muscle gain via a customer-supplied wireless scale. Through message boards, instant messaging software, and moderated chat rooms, customers also have access to a community of fellow dieters who provide them with emotional support and encouragement.

Structure: TechEx, which was incorporated under the laws of the State of California on August 30, 2013, is headquartered in Cambridge, MA, in the heart of the US entrepreneurial community. The company has filed a petition with the Internal Revenue Service seeking to qualify as an "S Corporation."

Market: The service appeals to busy professional women who don't have time for traditional fitness and weight loss programs. These women may be overweight and in search of diet plans, or they may already be at a healthy weight and looking to mix up their fitness routines. TechEx will promote its service through targeted advertisements in diet and fitness magazines. The company will expand its marketing activities through strategic alliances with employers and insurance plans as well as partnerships with healthcare groups and gyms.

(*continued*)

SAMPLE EXECUTIVE SUMMARY

Management team: The company's founder, Ping Huang, is a former operations manager at an online nutrition start-up. She met her business partners, Anjali Banerjee, who worked at Morgan Goldman investment bank in Dublin, Ireland, and Mercedes Meceda, a former Dain consultant, at MIT's Sloan School of Management. Together, this management team is responsible for TechEx's daily operations and owns 100% of the company.

Competitors: The weight loss industry is crowded and the market environment is highly competitive. TechEx's primary rival is E-Fitfab, a full-service program similar to TechEx. However, E-Fitfab does not have any element of community and social support, which research indicates is very important to female dieters. Other large, well-known weight loss companies, such as Calorie Counters and Jenny Haig, tend to focus more on healthy eating rather than exercise; furthermore,

they are so big that they cannot offer customized services. Other competitors include free apps like MyExerciseBuddy and Lose Weight!, which help users track food and exercise while also networking with friends. These products are aimed at customers who take a DIY approach to diet and exercise, while TechEx is targeted at customers who prefer a tailor-made full-service program. In short, TechEx is the only company that offers customizable and convenient diet and exercise solutions combined with the social support critical to effective weight loss. Nonetheless, one of the biggest risks the company faces comes from potential me-too competitors who might exploit parts of TechEx's business model.

Pricing strategy: TechEx is priced below E-Fitfab, which will put it in square competition with that company, but TechEx's pricing still positions it as a first-class service provider.

(*continued*)

SAMPLE EXECUTIVE SUMMARY

Financial status: TechEx seeks funding of $250,000 that will add to the $84,000 of initial financing that was raised among friends and family. At this point, the biggest challenge that TechEx faces is cash flow. The company requires immediate funding for system development and technology programming as well as advances for contracts with dieticians, behavior coaches, and trainers. These represent TechEx's biggest costs.

What is TechEx's future? The company estimates first-year sales of $11.74 million, gross margins over 60%, and net margins of approximately 42% before taxes. The company expects to be profitable after the first six months of operations. After that, TechEx plans to embark on an international expansion plan in Europe. Ultimately, the management team would like to take the company public.

Business description

The *business description* is another summary, but it differs from the executive summary because it provides a high-level, forward-looking overview of your proposed venture. This is the section of the plan where you go into greater detail about your business. Think of it as an extended elevator pitch that helps readers and potential investors quickly grasp the concept of your business and its value proposition. The business description must also demonstrate how an opportunity can grow—in other words, how the new venture can increase its range of products or services, expand its customer base, or widen its geographic scope.

In some cases, your proposed product or service is so unusual or technical that it deserves its own separate section to explain what it is and how it functions. This will also highlight your venture's special features and points of differentiation from the competition.

SAMPLE BUSINESS DESCRIPTION

TechEx offers a distinctive blend of exercise and diet monitoring that combines cognitive behavioral approaches to weight loss using cutting-edge technologies. It is aimed at time-crunched women who either travel extensively for their jobs or have little time to get to the gym because of other demands in their lives. It provides three important benefits that address the target end user's needs: flexibility, support, and targeted weight loss.

The plan works like this: When a customer establishes an account, she receives a wearable and stylish fitfast monitor that tracks her eating and exercise patterns online. She is also granted access to a range of auxiliary services, including one-on-one weekly video chat sessions with a registered dietician, behavior coach, and trainer, each of whom keep track of her weight and progress via the fitfast monitor. (This

increases the effectiveness of the program: According to a study in the *Archives of Internal Medicine*, patients in weight-loss treatment programs lost more weight when they coupled nutritional coaching and exercise with prompts from mobile apps.) The customer may also tap into a community of fellow dieters that provides her with social and emotional support through message boards, moderated chat rooms, and instant messaging software. The community also shares tips, including products, recipes, and ideas for how to keep fit while traveling.

TechEx's interface is user-friendly, and the service allows the client to configure packages that will meet her unique needs. For instance, customers can easily:

- Register and activate the product using nothing more than a credit card and mobile phone.

(*continued*)

SAMPLE BUSINESS DESCRIPTION

- Specify weight loss and/or fitness goals, and modify those numbers at any time.
- Enjoy one-on-one weekly video chat sessions with a registered dietician and a behavior coach.
- Discover exercise opportunities unique to their specific location, such as running routes in a foreign city or the best yoga class near home.
- Receive low-calorie meal suggestions for restaurants in any major metropolitan area.
- Check community boards for notes on spots that are friendly for a "table for one."
- Participate in weekly virtual personal workout sessions with a certified trainer, using small

weights, bands, and other portable exercise tools.

- Customize exercise plans for targeted work on certain body parts, such as abdominals or arms.
- Review their weekly and monthly progress at any time.
- Engage with other members of the TechEx community as often as they choose.

TechEx also has plans to expand internationally. The first targets include Ireland and the United Kingdom, where obesity rates are on the rise and where a large number of professional women are in the workforce. There is additional long-term growth potential in other countries in Western Europe.

Analyzing the business environment

This section illustrates the potential of your idea within the context of its industry and market. We use the terms *industry* and *market* to describe separate but overlapping parts of the broader business environment. *Industry* refers to the group of companies that produce and sell products or services to the market. The *market* is where your product or service will be sold. The industry defines both your colleagues and your competitors; the market determines your opportunity and your customers. The area of intersection represents your business opportunity—that space in which the customer's need meets the product or service you provide.

To clarify the context for your opportunity, address these two questions: Is the market for your new product or service big, growing fast, or—ideally—both? And: Is the industry now, or can it become, structur-

ally attractive—that is, where sales or demographic trends are favorable? Why does this context matter? As William Sahlman notes, investors seek out large or rapidly growing markets because getting a share of an expanding market is often easier than competing with established players for a share of a mature or declining market. Indeed, savvy investors try to spot markets with high growth potential early in their development because that's ultimately where the big payoffs are.

Start by demonstrating an awareness of your new venture's environment and how it helps or hampers your particular proposal. You should include information on the macroeconomic situation, as well as background on the range of government rules and regulations that will affect your plans. Such information is readily available from official government websites, trade association sites, and published news articles from reputable magazines and newspapers. Next, show that you understand that the venture's context

will undoubtedly change and try to articulate how those changes might influence the business. Finally, describe how management will react if the context changes in an unfavorable way (see sidebar "Sample Industry Background").

A tip: As you research the industry background, competitive analysis, and market analysis sections, document your sources. Support your claims about market growth and competitive strategies with verifiable information and expert sources such as a market research firm, trade association, or credible journalist. Good record keeping will pay off in the short and long term.

Industry background

The first element of the business environment analysis is *industry background*, which provides details about the shape and size, as well as other important features, of the industry. The following questions will help frame your thinking:

- *What is the industry?* What are the products or services currently produced by the industry? How big is it? What is its overall profitability? What characteristics define the industry? What are its special challenges? Is the industry spread out geographically, or is it concentrated?

- *What is the industry's outlook?* What important trends are emerging? What is the industry's predicted growth rate? What factors might contribute to future growth? What new patterns of growth are emerging?

- *Who competes in this industry?* Is the industry fragmented, consisting of many small participants? Or are there a few major competitors controlling it? Which companies have offerings that meet the same needs as your proposed product or service? What resources do they control?

- *What are the industry's barriers to entry?* What is your window of opportunity to enter the market? What are the obstacles that could block you from entering this industry? What resources, knowledge, or skills does it take to enter this industry? Are there restrictive federal or international regulations, large capital requirements, or areas of sophisticated technical knowledge associated with providing the products or services?

SAMPLE INDUSTRY BACKGROUND

The global weight loss and obesity management market—which is estimated to be worth $265 billion—includes a wide variety of products and services in three main categories: over-the-counter consumer goods, such as diet beverages, low-calorie packaged meals, and nutritional supplements; weight loss ser-

vices, such as structured diet plans; and fitness equipment and surgical procedures. Within this industry, TechEx competes as a weight loss service.

Market growth: Obesity rates are rising around the world, but the United States—which has the sixth highest rate of obesity in the world—remains the leading market for diet and exercise companies. The global increase in obesity and associated chronic diseases, namely diabetes and heart disease, are accelerating the growth of the industry. Other key factors driving growth include: rising disposable income, a pronounced stigma against excess weight, policy initiatives to raise awareness about the importance of health and fitness, and technological advancements that enable simple, expedient tracking of diet and exercise. In 2012, the weight loss industry as a whole grew at a steady 3% in the United States.

(*continued*)

SAMPLE INDUSTRY BACKGROUND

Industry landscape: The US diet and exercise industry is highly saturated; it includes several big, well-established players in addition to thousands of small competitors vying for a share. (See competitive analysis.) Most of these companies target female dieters, but thus far none have concentrated on the niche market of highly educated professional women. (See market analysis.)

Emerging trends: In the aftermath of the global financial crisis and the subsequent recession, dieters in the United States have recently gravitated toward free and/or inexpensive do-it-yourself diet plans. These include over-the-counter solutions such as diet pills and books, as well as online eating and exercise platforms and mobile apps. According to Marketdata Enterprises, the internet-based diet plan market is worth at least $1.1 billion and is growing at

8% per year. Customers seek online solutions because they're convenient, easy-to-use, and cost effective, but most online weight loss solutions are one-size-fits-all programs that do not work for all customers.

TechEx's unique selling point: The TechEx platform is highly attractive to professional women who are overweight as well as those who are in shape but looking to mix up their fitness routines. These women require personalized services tailored to their specific diet and exercise needs, and they want these services to be structured in a way that is convenient to their busy lives. This group tends to earn above-average incomes and demonstrate willingness to pay a premium for convenience. Such women are motivated and highly educated, and also predisposed to heed advice from experts. TechEx blends customized expertise with a

(*continued*)

SAMPLE INDUSTRY BACKGROUND

straightforward interface that customers can access at any time they wish.

Barriers to entry: Generally speaking, there are very few natural barriers to entry (such as capital requirements or proprietary technology) that would prevent new market entrants. Consequently, prospective competitors will likely develop and promote competing products once they learn of TechEx's success. Anticipating the threat of new market entrants, TechEx is forming strategic alliances with employer-based health and wellness programs to offer its services to employees who must travel frequently for their jobs. TechEx believes that these exclusive arrangements will effectively preclude potential competitors from reaching the target markets in a cost-competitive fashion. TechEx is seeking to establish a second barrier by creating a brand identity for its stylish fitfast wear-

able monitor so that clients will come to recognize the TechEx brand as a reliable, high-quality service.

Sources: *The US Weight Loss & Diet Control Market* (Tampa, FL: Market-data Enterprises, April 2013); *Weight Loss and Obesity Management Market* (Dublin, Ireland: Research and Markets, May 2013); and CIA World Fact Book.

Competitive analysis

The second part of evaluating the business environment is a *competitive analysis*. In this section, you identify any direct and future competitors of your venture and describe the threats they represent to your success. Whether your target audience is potential investors or a corporate leadership board, your readers require that you thoughtfully appraise your current and potential rivals in order to weigh the viability of your idea.

Here are some questions to consider:

- *Who are your competitors?* Think in terms of which companies solve the same problems for the customer that you intend to. What are their products and services? How much market share does each competitor control? Consider that rival companies could exist in another industry. For instance, a competitor to TechEx might be a shapewear company. Customers may forgo paying for a diet and workout service and instead buy better foundation garments to look good.
- *What are your competitors' strengths and weaknesses?* Do they enjoy strong brand recognition of their products? What are their marketing strategies? What has been key to their profitability?
- *What distinguishes your business from rivals?* How are you responding to a customer need in a new and useful way? What differentiates your product or service from competitors' offerings?

- *What is the competitive outlook for the industry?* How much of a threat are your competitors to your venture? Will they aggressively block the entrance of a new rival? Will they poach your ideas, appropriating them for their own business (killing your unique value proposition)? Who else might be able to observe and exploit the same opportunity?

Market analysis

The final part of assessing the business environment is the *market analysis*. In this section, you focus on your target market—the group of people or companies that will choose to purchase and remain loyal to your product or service because you solve a problem or meet a need for them better than your rivals do. This is where you demonstrate that there is indeed an opportunity within this market and that your new venture can capitalize on it.

SAMPLE COMPETITIVE ANALYSIS

Industry competition for TechEx comes in several forms. But while the companies listed below represent some threat to TechEx, none offers precisely the same cognitive behavioral approach to sensible eating and exercise, while also providing crucial emotional and community support.

1. **E-Fitfab:** TechEx's closest rival is a full-service program in which customers wear a monitor that tracks their eating and exercise patterns. Its advantages are that customers have access to a registered dietician and a behavior coach. However, its biggest drawback is that E-Fitfab lacks any element of community, which research indicates is very important to women dieters. (Studies show that people derive satisfaction from an online weight loss community because it offers recognition for achievement,

accountability, friendly competition, and humor. They also value non-judgmental interactions with others.) TechEx offers a wide range of online social support through its community of fellow dieters via message boards, chat rooms, and video conferencing software.

2. **Calorie Counters:** The 800-pound gorilla in the industry is perhaps the most recognized brand in the commercial weight loss world. The Calorie Counters program is based on accountability and community support, à la Alcoholics Anonymous. Its main strength is that members are weighed weekly and attend meetings where they find encouragement from a community of fellow dieters. The company uses a system that assigns points to every food and members get

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SAMPLE COMPETITIVE ANALYSIS

a daily target number so they easily know how much they should eat in order to lose weight safely. Calorie Counters' biggest problem, however, is that it has been slow to adapt to new technologies. It does not, for instance, offer online meetings and provides limited internet-based support. Its system is very inconvenient for busy customers who are not able to make it to the meetings on a regular basis. Finally, Calorie Counters is so large that it cannot offer custom eating and exercise services, which is what many dieters so desperately need. By contrast, technology lies at the heart of the TechEx business model. TechEx's cutting-edge system enables customers to engage when it's easy and convenient for them.

3. **Jenny Haig:** Another industry powerhouse, Jenny Haig provides a program based on

restricting calories, fat, and portions using prepackaged meals. Members also receive weekly one-on-one counseling sessions with a Jenny Haig consultant. The company's strength lies in the fact that it makes eating well very easy for customers. However, the program is cost-prohibitive for many people, and it does not have enough variety for customers with special food allergies or dietary concerns. It's also too narrowly focused on the food aspect of weight loss. TechEx takes a holistic approach that blends psychology and physiology into a sensible eating and exercise program.

4. **Free apps:** Other competitors include free apps such as MyExerciseBuddy and Lose Weight!, which help users track food and exercise while also networking with friends. These products

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SAMPLE COMPETITIVE ANALYSIS

are free and geared at customers who take a DIY approach to diet and exercise. TechEx, on the other hand, is targeted at customers who prefer a tailor-made full-service program and who wish to receive support from health and fitness experts rather than just advice from friends.

Sources: "Social support in an internet weight loss community," NIH manuscript, January 2010, http://www.ncbi.nlm.nih.gov/pubmed/19945338 and "Dieting in the Digital Age," Knowledge@Wharton, October 2013.

If you're trying to start a new program or initiative at your company, you should begin by talking to colleagues who are directly affected by the problem and will consequently benefit from the solution. Ask them: When did the issue start? How does it manifest itself? Marshal relevant reports, surveys, and other evidence. This will help you develop a full picture of

the issue so you can tweak your idea to better solve the problem.

Here are some other fundamental questions this section must address:

- *Who are your target customers?* How many of them are there? What is the forecasted growth for this group? Consider the target market from different perspectives, such as geographic location or segmentation (national, state, suburban, city, neighborhoods), demographic features (age, gender, race, income level, occupation, education, religion), and behavioral factors (customers' attitudes and responses to types of products).

- *What are your prospective customers' critical needs?* Are those needs being met? How does the customer make decisions about buying certain products or services? Are these purchase patterns affected by economic cycles or other seasonal factors? As Harvard Business School

professor Clayton Christensen asks: What job is the customer hiring the product to do?

- *Why will customers in your target market purchase your product or service?* What are your solutions to customer problems? What customer discomfort will your product or service ease? How will your customers differentiate your product from those of your competitors?

SAMPLE MARKET ANALYSIS

Size of the US market: At any given time, there are approximately 108 million Americans on a diet. Typically, these people make four to five attempts per year to lose weight, spending $40 billion a year on weight-loss programs and products. Within the US weight loss industry—which will reach $66.5 billion in revenue this year—women are a special category, comprising

85% of customers. Women who purchase weight loss programs and products represent a large and growing demographic group with above-average income and a higher than average level of education. The number of women in the labor force is projected to be more than 78 million by 2018. Today, about 73% of those women have white-collar occupations, a percentage that is expected to increase.

Potential international market: As obesity rates climb internationally, diet programs are becoming more popular overseas. This is particularly true in Europe, where TechEx plans to expand. For instance, one recent study shows that some British women spend £25,233 on diets over the course of their lives.

Target customers: While Calorie Counters, which relies on a group meetings model, and Jenny Haig, which relies on meal replacement, have long been

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SAMPLE MARKET ANALYSIS

go-to companies for most women, they are steadily losing their appeal. Increasingly, many women are turning to technology-based diet plans, including diet websites and exercise apps, because they are more convenient for their busy lives.

Against this backdrop, TechEx offers a uniquely effective experience for two target end users:

> **Busy professional women who are overweight:** A general characteristic of this group is that they lack time to make it to regular group meetings, let alone the gym. They are knowledgeable about, and have experimented with, most of the popular diet plans, but find them impractical for the realities of their lives. These women seek a solution that is convenient and has a measurable impact on their weight. As a group, they tend to be highly motivated and tech-savvy; when faced with a decision, they

are moved by hard data and scientific evidence. They trust health professionals and regularly seek expert opinions. (For example, they trust fitness advice from a reputable and well-researched magazine rather than a late-night infomercial.) Because of their hectic work and home lives, they have experienced a sense of isolation because they don't have a community with which to share their struggles. They crave emotional support.

Busy women who are of a healthy weight but want to mix up their routines: These women are looking for ways to maintain their weight, but also improve their bodies and level of nutrition. They are highly motivated to make adjustments to their routines for the benefit of their health. They may work long hours or take time out of the workforce to care for young children or aging

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SAMPLE MARKET ANALYSIS

parents. Either way, they are unable to make it to the gym and instead need a program they can do at home or on the road. They are looking for a program that will tailor a fitness and nutrition regimen to their specific concerns (such as a flabby stomach or un-toned biceps), and one that will produce real results.

TechEx, with its emphasis on customization (based on personal data), expert support (from dieticians, psychologists, and trainers), convenience (all programs are delivered online/mobile), and emotional support (from a sisterhood of women who also struggle to create and maintain healthy lifestyles on the go) is a natural choice for these two groups.

Sources: US Department of Labor; MarketData Enterprises; National Weight Control Registry; *Bloomberg Businessweek*; Center for Disease Control; and Engage Mutual: http://www.engagemutual.com/about-us/media-centre/all-news/2010-press-releases/cost-of-dieting/.

Introducing Your Management Team

Introducing Your Management Team

Ask seasoned investors what they think is the key to converting a solid business plan into a successful venture, and they will tell you: the people running it. Indeed, many investors say that the *management summary* is one of the first sections of a business plan they read. After all, it's the leadership team that makes a business work as a finely formed, dynamic unit. That team includes not only the men and women who start and run the venture, but also the outside parties who provide important services or resources for it, such as lawyers, accountants, and suppliers, in addition to any people who

serve as advisors or directors. If your audience is internal—the upper management of your division, for example—this section is an opportunity to show how your proposed team will work together to take on new responsibilities.

Without the right team, no business idea will move from concept to reality. Your goal in the management summary section, therefore, is to extol the virtues of this team while providing answers to these three questions: What do they know? Whom do they know? And finally: How well are they known?

Highlighting qualifications

Your management team's résumés will be included in the attachments portion of your business plan, so use the biographical section to call out select aspects of their professional paths that are related to your venture:

- *Where have your team members worked?* How much experience do they have? Who are their contacts in your target or related industries? What work have they done that relates directly to this proposed business?

- *What have they accomplished?* Where did they go to school? What are their achievements? Do they have a proven track record? What knowledge, skills, and special abilities do they bring to the business?

- *What is their reputation in the business community?* Are they known for their integrity? Do they have a reputation for being hardworking or especially dedicated to their work?

- *Are they realistic about the business's chances for success?* Are they capable of recognizing risks and responding to problems that arise? Do they have the courage to make the hard

decisions that inevitably have to be made? Who on the team is a visionary? Who will offer words of caution?

- *How committed are they to this venture?* What motivates them? What do they hope to achieve? What benefits do they wish to gain? For ventures within an established organization, indicate whether the members of the team are there by choice or because they've been assigned to the project. If they've been assigned, what tools will the team use to motivate them to see the project through successfully?

Presenting the team as a unit

Use this section to describe how each of the team members will work to form an effective unit, which will in turn result in a successful and profitable busi-

ness. This is your opportunity to demonstrate that your team is the right one to manage risks and capitalize on potential opportunities.

- *Affirm the team's strengths.* Describe how the skills, knowledge, and experience of the individual members balance the team as a whole. Note what each member will bring to the table (legal expertise, great vendor relationships).

- *Acknowledge and address the team's perceived weaknesses.* Investors and other backers want to see a team that has a history of overcoming internal conflicts and external problems to meet a goal. An untested team is generally considered a riskier proposition than a group that has worked together in the past. If management gaps exist, such as technical skills or marketing experience, explain how you'll address those weaknesses. If no team members

have strong financial backgrounds, for example, clarify that you've enlisted the services of an accounting firm.

- *Describe the team's management philosophy.* Develop a set of guidelines to help steer each member's behavior and decision making. A clear statement of management philosophy is an expression of company values and provides an example of the team's cohesiveness. Think about your team's guiding principles and leadership style. Reflect on how you make decisions, set goals and expectations, and measure quality. Consider how you believe customers and employees should be treated.

SAMPLE MANAGEMENT SUMMARY

Partners: The management team comprises Ping Huang, the founder, and two other top leaders: Anjali Banerjee and Mercedes Meceda.

Huang, founder and CEO of TechEx, has relevant personal and professional experience. A Chinese national, she immigrated to the United States when she was 18 to study mathematics at UCLA. In college, she was active and maintained a healthy weight. After graduation, however, she started working in jobs that required significant travel. She couldn't get to the gym and often found herself eating off the room service menu at chain hotels. In one year, she gained 30 pounds. She tried a myriad of diet and exercise plans; nothing worked, mainly because the plans were either inconvenient or not suited to her needs. Finally, she contacted a cognitive behavioral expert and started working remotely

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SAMPLE MANAGEMENT SUMMARY

with a trainer and a dietician. She saw immediate results. She thought: "If only I could find a way to scale these services." She arrived at MIT Sloan determined to make her business a reality because she knows all too well there is no current product that meets this intense need for busy women. At Sloan, she met Anjali Banerjee and Mercedes Meceda, and together they began plotting TechEx.

Huang has spent the bulk of her career in the online start-up world and is considered the consummate ideas person. After UCLA, she worked at an online beauty company, Glamazon.com, which gave users customized product tips based on their skin tone, coloring, and facial dimensions. She then worked as an operations manager at an online nutrition company, Nutello, which she helped sell to Soapytime.com for $10 million. She serves as CEO, overseeing the day-to-day operations at TechEx.

Banerjee is a native Brit. A Harvard graduate, she worked at Morgan Goldman investment bank where she specialized in mezzanine finance. She gained international experience with that firm by working in Dublin for several years as well as from a brief stint in Paris. A pragmatic leader who's driven by numbers, Banerjee is TechEx's CFO. A vegan whose passions include marathon running and mountain biking, she is also actively involved in Women on Wall Street, a group for women in finance, and is on the board of trustees at The Kiddo's Lunch Place, a Boston nonprofit that helps children from low-income homes learn about healthy food choices.

Meceda, who majored in computer science at Stanford, is a former Dain consultant and has worked extensively in the health management field. She has a deep understanding of health problems associated

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SAMPLE MANAGEMENT SUMMARY

with obesity, including hypertension, heart disease, and diabetes, and has devoted her career to helping others adopt healthier lifestyles. A former yoga instructor, she also maintains a popular blog—FrequentFlyerHealth—that's geared toward helping professional women who travel a lot for work stay healthy away from home by compiling lists of healthy restaurants, gyms, and spas by city, and offering short videos of yoga workouts that require minimal equipment and can be done in a hotel room. Her blog has more than 28,000 readers and she maintains a large Twitter following. Meceda—who is known in the industry as the ultimate taskmaster—is also secretary of the California Technology Together Board, a networking group for young people in the technology industry. She serves as CTO of TechEx.

Team experience: In addition to their prior professional work, the team members have had experience

working together on a large project. The women, who met as MBA students at MIT Sloan, comprised the management team of Sloan's Entrepreneurial Ventures Club, the school's biggest student-run organization. During their time at the helm, the group established a For Women Only business plan competition that involved hundreds of female students from more than a dozen top business schools. Huang, Banerjee, and Meceda secured $200,000 in sponsorship funding from several Boston-based companies, including the Loyalty fund management group and the Life Is Sweet retailer. Today their competition is the largest women-only business plan contest in the world.

Other resources: The company works with a dietician, a psychologist who specializes in weight loss issues, and several personal trainers on a freelance basis. On legal issues, the management team works closely

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SAMPLE MANAGEMENT SUMMARY

with Berke & Kondell, P.A., a commercial law firm located in Boston. The organizational structure of the company will be very flat in the beginning, with each of the team members responsible for her own work and management.

Skills concerns: At this point, the biggest gap in management skills is marketing and sales. The team plans to remedy this by contracting with low-cost consultants and experts. Meceda has friends who have recently left Dain to launch their own firm focused on start-ups and who have expressed interest in working with TechEx for a significantly reduced fee as they start their own business. In addition, Jim Jacobs, a UCLA professor who served on the board of directors of Calorie Counters, is a family friend of Huang. He has offered to help the management team develop its marketing strategy at no cost. As the company grows, the team expects to take on an additional partner who specializes in marketing and sales.

Bringing Your Product to Market

Bringing Your Product to Market

Providing detailed marketing and operations plans shows your readers that you've considered the large and small elements of your business's future daily life. These plans provide you with the opportunity to think through possible roadblocks and solutions and to demonstrate your understanding of the factors that both help make the business function and create value for stakeholders.

Operations plan: Articulating day-to-day business

The operations section of your business plan provides a general idea of the flow of everyday activities at your venture and the strategies that support them. This part should provide enough information to show that you understand and have planned for the daily execution of the business, but it should not be too technical or so comprehensive that the reader is either unable or unwilling to plow through it. A librarian can help you find the detailed information you need in reference books and trade journals. Trade associations are another good source for advice; they offer an array of resources to their members through newsletters and other publications as well as services such as conferences and seminars.

As you begin to develop your *operations plan*, remember that visual aids such as charts, graphs, and

tables can help you present complicated information clearly. Here are some key considerations:

- *What is your breakeven point?* The point at which unit sales equal operating costs—the breakeven point—is perhaps the most important operational factor for a new venture or spinoff because it identifies the moment at which the business begins to make money. While financial projections of a prospective business are often just educated guesses, your audience will be looking for some indication of when they can expect a return on investment.
- *How will you source supplies?* What are the raw materials necessary to create your finished item? How much do they cost, who are your suppliers, where are they located, and why did you choose them?
- *What is your manufacturing or distribution process?* How will you transfer information

and data? How can your business benefit from technological improvements in manufacturing? Are you able to organize your distribution systems in a low-cost way?

- *Where is your business based?* Have you chosen a favorable geographic location? Does your location offer proximity to customers or suppliers? Do the businesses located near you complement your offering or compete with it? Also, what is your office like? You might include a physical description of the site with pictures, layouts, or drawings of the location in the supporting document section of your business plan.
- *Who will work for you?* Do you have access to skilled employees? For instance, can you offer internships to recent college graduates who would provide the company with inexpensive labor in the present and experienced candidates

to draw from for future positions? Is your labor pool stable? For example, are workers attached to the region and have they tended to remain there even during economic downturns? Are your prospective workers well equipped and do they have the educational backgrounds that your company needs? Or can you provide in-house training to ensure you have the expertise you need?

Marketing plan: Promoting your value proposition

Your *marketing plan* details how you intend to sell your product or service—that is, how you'll motivate customers to buy from you. Developing a coherent, comprehensive marketing strategy within your business plan helps you and your team pre-test ideas, explore options, and determine effective strategies

for your venture's success. It also provides another opportunity to demonstrate how the mission and philosophy of your venture feeds your plan to drive sales and sustain customer loyalty. Readers—investors and corporate leaders alike—will want to see that you've thought carefully about how your specific marketing objectives will help you achieve your sales goals. Here are some key factors to consider as you create your marketing plan:

- *Concentrate on the opportunity.* What is the specific customer problem that your product or service solves? For example, you may be fixing a weakness in the competitors' services by offering product guarantees that aren't available elsewhere. Or perhaps you have a way to make diet soft drinks taste like their high-sugar counterparts. As you develop particular marketing strategies, consider the opportunity from the perspective of the customer: Does the

product or service you're proposing make their lives better?

- *Focus on customers' buying behavior.* When, where, why, and how do consumers buy your product or service? What needs does it fulfill for them? What are your customers' priorities? What factors are important to them in choosing this type of product or service? Is it price? Quality? Value? Other benefits? For example, for time-pressed customers, service and convenience may trump price.

- *Determine each customer's value to your business.* Weighing the cost to acquire a customer against the long-term value of that customer helps you decide which marketing strategies are most appropriate. Do customers often buy your product as a consumable, such as lipstick or a notebook? Are you building an annuity business, such as a movie streaming

subscription service that continues for years? Or are you selling a durable product that is purchased only occasionally during a lifetime, such as a washing machine or a car? Do you need to build brand loyalty, or is your product/service the only one that will fill customers' needs? Is the process of buying the product/service relationship oriented (like a loyalty program where you learn customer preferences and make suggestions about other items of interest)? Or is it transaction oriented (where you have limited communication with your customer and focus instead on efficiency or speed, such as a self-service kiosk at an airport terminal)?

- *Review your own objectives.* At what level of sales will you reach the breakeven point, and when do you anticipate achieving that level? After that, how long will it take to reach the next sales milestone? For example, you might

intend to reach the breakeven six months after your initial sales, then increase sales by 10% per year, and then capture 10% of the target market in five years. What strategies can you design to fulfill these objectives?

Defining your marketing mix

Your marketing mix describes how you will achieve your marketing objectives. Your choices will determine: how you will make the target market aware of your product; how you will persuade customers within that target market to purchase it; how you will build customer loyalty; and whether you will achieve the projected return on sales. Your strategies here also determine how you will position your product in the market relative to your competitors' products. The most effective mixes reflect the classic "four Ps" of marketing: product, price, place (distribution), and promotion. Here is a breakdown:

- *Product and/or service:* Describe your product or service's form, functionality, special features, and architecture. How does it uniquely meet your target market's needs? What is your intellectual property, and how are you protecting it? What is your product development plan?

- *Price:* At what price point will you offer your product or service? Will there be an established price, or will it be tiered or variable depending on consumer demand? It's extremely difficult to guess how much people will pay for something, but a business plan must demonstrate that you have carefully considered your new venture's pricing scheme. Your pricing decisions depend on two factors: first, the price sensitivity of your market and the market's perceived value of your product; and second, your total costs and required profit

margin. Bear in mind that you may be able to adjust pricing to the needs of individual market segments or match high prices with unique service features.

- *Place (distribution):* How will your product be transported to the end user? What distribution channels will you use? How will you merchandise your product—in what kind of retail stores or locations? These decisions depend on the type of product, the costs of distribution, and customers' needs or demands.

- *Promotion:* How will you communicate with consumers and make them aware of your product? Depending on your available resources and your target audience, you'll need to select the right mix of approaches. Will you use word of mouth? (Satisfied customers singing your praises are a cheap, effective promotion, but unpredictable and difficult to control—

especially if the message turns negative.) Will you opt for sales promotions? (These might include relatively low-cost ways to reach a large number of customers via coupons, samples, and demonstrations.) Do direct sales make the most sense? (These pricier tactics range from individual sales calls to mass telemarketing and broadcast e-mailing.) Or is traditional advertising a better bet? (Paid persuasive messages, such as television commercials and print ads, tend to be expensive, but the payoff is a strong brand image and brand loyalty.)

SAMPLE MARKETING PLAN

TechEx's marketing plan is based on the recognition that the company has two distinct types of customers: end users who enroll in the weight loss program, and employers who offer TechEx services within their health and wellness programs. The latter market provides TechEx with a less expensive and more efficient way to reach the end user, as well as a lock on the primary distribution channels that will help erect barriers to entry from competitors.

Positioning

To end users, TechEx positions its service as a high-quality, personalized weight loss and fitness program for time-crunched professional women. The service facilitates targeted weight loss by synthesizing data on an individual's eating habits and physical activity and

(*continued*)

SAMPLE MARKETING PLAN

providing customized diet and exercise plans. Customers may also engage with a supportive community of fellow dieters online and at their own convenience, a service unlike those offered by most mainstream weight loss plans.

To companies, TechEx positions itself as an efficient and low-cost means to improve employee wellness. TechEx services may also be provided as a "perk" to employees who travel a lot for their jobs.

Pricing

TechEx's services are priced below the services of the company's closest rival, E-Fitfab. E-Fitfab offers a basic plan at $148 a month and an advanced plan at $298. TechEx's basic plan costs $125 per month; its most expensive plan costs $250 per month. The management team believes that pursuing a value pricing

strategy is the best way to create a community of long-term users who will incorporate the service into their daily lives instead of viewing and using it as a luxury.

Fees are set on a sliding scale and reflect the level of service a customer desires. Upon joining, for instance, a customer might want to take advantage of all TechEx's services: weekly video sessions with dieticians, trainers, and behavior coaches. As the customer progresses through the program (and begins to lose weight), she may wish to scale back or ramp up those services. She may, for instance, wish to engage with her dietician only monthly, but increase the frequency of virtual sessions with her trainer. The basic program still provides the user with all her personal dietary and fitness data so she is able to create a self-directed

(*continued*)

SAMPLE MARKETING PLAN

weight loss plan. She has full access to community support at all levels of the program.

Customer value proposition and priorities

TechEx offers customers a superior benefit at a lower cost than rival programs. Customers are able to lose weight and get more fit in a way that's convenient to their lives. They lose weight safely under the watchful eyes of trained experts. They also receive social and emotional support from fellow dieters who understand the pressures that high-achieving women face in their personal and professional lives.

For corporate customers, TechEx is a cost-saver. It saves companies money through improved employee health (lower healthcare costs) and better retention (happier, less stressed employees). Employers and insurance companies are increasingly interested in the potential benefits of companies like TechEx. For example,

several companies have made bulk purchases of pedometers to distribute to employees as part of their corporate health and wellness programs. Additionally, because prospective employees will recognize value in the service, offering TechEx to potential hires will become a means of differentiation and recruitment.

Distribution

Since the service is aimed at online users, the primary means of distribution will be the TechEx website. Customers will be able to join the service by paying with a credit card on TechEx's secure website. They will create an account with a username and password, allowing them to view their personal data anytime and anywhere. They will also be able to change their package preferences on a monthly basis.

(*continued*)

SAMPLE MARKETING PLAN

Advertising and promotion

Advertising and promotion will be a three-phase process that involves public relations (PR), web and print advertising, partner acquisition, and brand imaging. The management team plans to use outside advertising and PR agencies to ensure the creation and presentation of an overall coherent and professional message.

- *Phase I* is expected to last ten to twelve weeks and involves acquiring customers through print and web advertising. Web banner ads will be placed on sites that offer health and diet information, with a click-through link to the TechEx website. The TechEx home page will present information about service features, usage, and benefits, as well as an online registration form. Ads and site copy will educate prospective customers on the ease and

convenience of TechEx's program in addition to offering testimonials from real women who have achieved significant weight loss based on a pilot program that will run prior to launch.

Phase I will also emphasize PR, paying special attention to supplying internet publications and the mainstream press with information about TechEx's unique service. Press kits with promotional material and free trials of fitfast will be sent to select reviewers and writers.

- *Phase II* will begin concurrently with Phase I, but it is expected to last up to six months. This phase will involve acquiring strategic partners. Primary targets are those companies that require long hours and heavy travel from their employees, including consulting firms and law firms.

(*continued*)

SAMPLE MARKETING PLAN

In addition, the management team will target companies that employ large numbers of women in high-level positions, such as accounting firms.

- *Phase III* begins immediately after the implementation of Phases I and II and will emphasize the branding of the service in diet and fitness magazines. It will also focus on generating additional media coverage through opinion pieces and blogs, written by TechEx's own Mercedes Meceda, that are geared at professional women who travel for their jobs. This type of promotion will be ongoing, and its primary purpose will be to strengthen the brand.

Projecting Financial Risk and Reward

Projecting Financial Risk and Reward

Your financial plan shows your readers the current status and future forecasts of the company's financial performance. As noted in previous chapters, financial projections need not be exhaustive, but they must be addressed. The financial picture you paint here represents your best estimate of the risks involved and the return on investment, usually over a period of three to five years. Even if you have expert advice, crunching the numbers yourself is a worthwhile exercise. The gritty work of building an income statement and balance sheet will help you determine whether you will achieve your financial objectives.

Preparing your financial plan

Below are some key components of the *financial plan*:

- *Capital requirements:* How much money do you need to raise? How much do you expect from investors? And how do you intend to use the money? Whether your project is a business expansion or a new venture, be transparent.

- *Assumptions:* What are your expectations about growth rates in the industry and market? What are your assumptions about the internal components of the business, such as variable and fixed costs, growth rate of sales, cost of capital, and seasonal cash flow fluctuations? Your assumptions are the underpinnings of your financial plan, so they should be backed up with strong evidence and expert opinions.

Include a more detailed set of assumptions as an attachment.

- *Income statement:* Also known as your pro forma profit and loss statement, this document details your forecasts for your business for the coming three to five years. Here use numbers from your sales forecast, expense projections, and cash flow statement. Revenue, minus cost of goods sold, is your gross margin. TechEx's gross margin, for instance, is the money the company earns from subscriptions, less the cost of the fitfast monitors and the underlying technology. Revenue, less expenses, interest, and taxes, is net profit (also known as the "bottom line"). In TechEx's case, net profit is the money it earns minus the cost of the fitfast monitors and other technology, the salaries it pays to the management team, nutritionists, trainers, and others, taxes it owes, and the cost of the print and web ad campaigns.

- *Balance sheet:* This is an expression of the business's assets, equities, and liabilities at a specific point in time, and is generally prepared by your accountants.

- *Cash flow statement:* This shows the times of peak need and peak availability of money and indicates whether your company is successfully turning its profits into cash. If your new business is a start-up venture, pay close attention to cash flow in your financial plan. Although most people think of profits first, cash flow can be more important for a start-up. The cash flow statement shows in broad categories how a company acquired and spent its cash during a given period of time. Expenditures appear on the statement as negative figures, and sources of income appear as positive figures. The bottom line in each category is simply the net total of incoming and outgoing cash flow, and it can be either positive or negative. The broad categories are,

generally, operating activities (cash generated by or used for ordinary business operations), investing activities (outgoing cash spent on capital equipment and other investments and incoming cash from the sale of such investments), and financing activities (outgoing cash used to reduce debt, buy back stock, or pay dividends and incoming cash from loans or from stock sales). The cash flow statement shows the relationship between net profit (from the income statement) and the actual change in cash that appears in the company's bank accounts. Many business planning software programs contain these formulas to help you make your projections.

Anticipating readers' concerns

Your financial plan provides a more complete picture of your proposal's future. As you craft this part of the business plan, consider your readers' perspectives.

The investment committee member, for instance, will want to know whether your venture can achieve the company's hurdle rate (the minimum rate of return expected of all projects). On the other hand, the venture capitalist (or even a smart family member) considering buying into your venture will want to know what kind of return on investment she will achieve. The bank or lender will want to know about the company's borrowing capacity and its ability to repay its debt when deciding whether to approve a loan.

Let's look at some of the other sections that typically comprise the financial plan.

Breakeven analysis

As noted earlier, the breakeven point is the pivotal moment when the business begins to be profitable. At what point do you expect the business to make money? Will it take six months or two years? The breakeven point for sales is calculated as follows:

$$\text{Breakeven} = \frac{\text{Fixed Costs}}{(\text{Sales} - \text{Variable Costs})/\text{Sales}}$$

Fixed costs are those expenditures that don't change as sales go up or down (for example, rent), and variable costs change in proportion to sales (for example, raw materials such as plastic or chemicals). Often, this calculation is included in the attachments to your business plan.

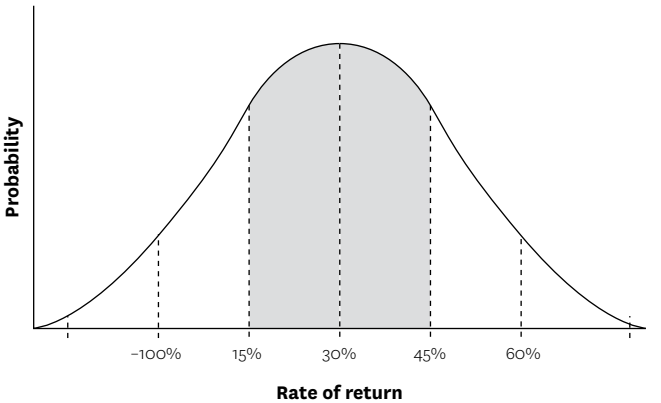
Assessing risk and reward

A risk/return graph can quickly show your readers the likelihood of failure, of achieving the predicted levels of return, and of phenomenal success (see figure 1). After all, measuring hypothetical investment returns without also measuring the amount of risk required to produce those returns is pointless.

The most likely outcome is indicated by the area under the bell curve, ranging from an acceptable

FIGURE 1

Risk/return graph



Source: Harvard ManageMentor® on Business Plan Development, adapted with permission.

(perhaps) return of 15% to the most likely return of 30% and a possible 45% rate of return. Depending on the fundamental riskiness of the venture, the investor will require different rates of return to balance the possibility of loss.

Anticipating financial returns

Investors also want to know the expected financial returns—typically either the return on investment (ROI) or the internal rate of return (IRR). For an internal project, the financial return should exceed the company's hurdle rate. For a risky start-up business, investors generally require a higher return to compensate for the higher level of risk of loss. To calculate the ROI, divide net operating income by total investments.

Net operating income/total investments = ROI

For example:

$45,000/$300,000 = 0.15 or 15% ROI

The higher the ROI, the more efficient the company is in using its capital to produce a profit.

Perhaps the simplest way to calculate IRR is to build a spreadsheet. That way, you can enter your own values

and make adjustments as you go. For instance, to calculate an IRR of 50%—the return an investor might expect for a risky investment—use the following formula:

$$FV = \text{investment} \times (1 + 0.5)^n$$

(where *FV* is future value, *investment* is the dollar amount of the investment, and *n* is the number of years to receive the return).

Exit strategy

Your business plan should offer a candid proposal for the end of the process, according to William Sahlman. How will the investor ultimately get money out of the business, assuming that it is successful, even if only marginally so? Investors typically like to see companies that work hard to maintain and even increase a broad variety of exit options along the way. Your exit plan, for instance, may include taking your company public, merging your business with another one, or putting your company up for sale.

SAMPLE EXCERPT OF A FINANCIAL PLAN

Capital requirements

TechEx seeks to raise $250,000. According to current projections, the company believes this sum, together with $84,000 the company raised in its initial friends and family round of financing, will be sufficient to achieve its business plan. If the company is indeed able to raise this amount of money, the company will be able to fund all operations, marketing, and product development costs internally after the first six months of operation.

The company intends to use the $334,000 during the first six months of operation, as shown below:

- $100,000 for marketing
- $100,000 for system development and technology programming
- $60,000 for advances for contracts with dieticians, behavior coaches, and trainers

(*continued*)

SAMPLE EXCERPT OF A FINANCIAL PLAN

- $45,000 for working capital to fund future product development and promotion
- $29,000 for product design and creation (for the fitfast wearable monitor)

Summary financial projections

The financial plan portrays a projection of first-year sales of $11.74 million, gross margins in excess of 60%, and net margins of approximately 42% before tax. The company expects to be profitable after the first six months of operation and remain profitable thereafter. Other expenses are budgeted as a percentage of revenues according to similar industry ratios. Given these projected numbers, TechEx anticipates being profitable and cash flow positive within six months of launch. The results of the financial forecast are summarized:

	2015	2016	2017	2018	2019
Revenue ($)	11,750,000	33,754,258	39,642,675	43,606,943	47,967,636
Operating Profit ($)	4,926,073	14,518,828	16,971,337	18,731,825	20,669,785
Operating Margin	42%	43%	43%	43%	43%
Net Income ($)	4,926,073	14,518,828	16,971,337	18,731,825	20,669,785
Net Margin	42%	43%	43%	43%	43%

Assumptions

The financial projections are based on current industry estimates of diet and weight loss customers, primary and secondary market research data, and estimates of the TechEx's market penetration and sales growth. More detailed information on the assumptions can be found in the statements prepared for years 2015 through 2019, which incorporate projected income statements, balance sheets, and cash flows. Revenues include those resulting from registration of new

(*continued*)

SAMPLE EXCERPT OF A FINANCIAL PLAN

accounts and sales of additional services. Marketing and sales expenses include costs associated with advertising, PR, and promotions. The company will not carry any inventory and will operate with minimal overhead. No salary will be drawn by the management team in the first year.

Attachments and Milestones

Attachments and Milestones

Supplemental information

Attachments come at the end of the business plan and provide additional information for the reader without weighing down the body of the plan. This is often where you append things such as: a complete set of financial statements (including assumptions, income statements, cash flow statements, and balance sheets); the technological specifications of the production plan; and the formal résumés for each member of the management team.

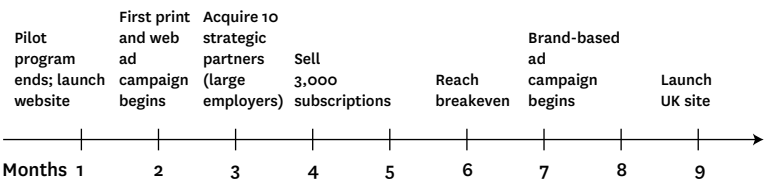
Milestones

A milestone plan gives your readers a timeline for your creation of a successful business. Develop an ambitious schedule that you can meet, while still giving yourself room to handle unexpected problems that may slow you down (such as raw materials that don't arrive on time or zoning snafus that tie up the permit for your new retail space). An aggressive yet realistic plan will impress your investors.

Include only major events (not each individual step) and choose milestones that can be clearly

FIGURE 2

Milestone timeline



defined and easily measured—for example, "prototype development," "installation of computer system," "market testing completed," or "first customer sale." Use generic dates, such as "month six" or "year one," rather than actual dates (see figure 2).

Conclusion

Conclusion

Writing a business plan is part of the process of preparing your business for success. But the document you create is not meant to be static. Once you've left the planning stages, regularly updating your business plan enables you to track your progress. Referring back to your business plan later in the process also helps you determine whether your original assumptions about the keys to your success are becoming realities. This provides valuable information—you'll be able to anticipate and respond to challenges before it's too late; you'll be able to update investors on progress; and, by verifying your original assumptions, you can continue to build your business.

Test Yourself

Test Yourself

Below you'll find 10 multiple-choice questions to help you assess your knowledge of creating business plans. Answers appear after the test.

1. **A mission statement, which describes what your business is about and its philosophy and vision for the future, is best placed in the:**

   a. Executive summary
   b. Marketing plan
   c. Operations plan

2. **To impress potential investors, include detailed, month-by-month financial projections and forecasts for at least 10 years. True or false?**

    a. True
    b. False

3. **The balance sheet is:**

    a. Also known as a pro forma profit and loss statement.
    b. An expression of the business's assets and liabilities.
    c. A statement that shows the times of peak need and peak availability of cash flow.

4. **Weighing the cost to acquire a customer against the long-term value of that customer helps you:**

    a. Decide which marketing strategies are most appropriate.

b. Better understand your competitors' sales strategies.
c. Develop a realistic operations plan.

5. **The _____ is the minimum rate of return that is expected of all projects in a company.**

   a. Hurdle rate
   b. Gross margin
   c. Return on investment

6. **The management summary is best executed as an attachment that includes the résumés of your management team. True or false?**

   a. True
   b. False

7. **A financial tool that shows the point at which your business or venture is expected to neither be losing money nor making money is a:**

    a. Risk/Return graph.
    b. Cash flow analysis.
    c. Breakeven analysis.

8. **When researching the competitive outlook for your industry, it's wise to consider:**

    a. How much of a threat your competitors pose to your venture.
    b. Whether your competitors will aggressively block your entrance into the market.
    c. Who else might be able to observe and exploit the same opportunity that your new venture will capitalize on.
    d. All of the above.

9. **The executive summary portion of your business plan is best written after you draft the rest of the plan. True or false?**

    a. True
    b. False

10. **When you're developing the milestones for your business plan, it's generally advisable to do all of the following *except*:**

    a. Include only major events, not every individual step.
    b. Use actual dates.
    c. Leave time in the schedule for the unexpected.
    d. Develop an ambitious schedule you can meet.

Answers to test questions

1: **a.** An executive summary is a concise description of what your company is, where you want it to go, and why it will be successful. It gives readers an understanding of your proposal, and—importantly—captures their interest in your new venture, which is why it's the best place for a mission statement.

2: **b.** Be careful not to devote too much space to numbers and too little to the information that matters most to potential investors. Most reviewers are well aware that financial projections for a new company, especially comprehensive, month-by-month forecasts that extend for years and years, are little more than optimistic fantasies.

3: **b.** The balance sheet is an expression of a business's assets and liabilities. Assets include items like ready cash, accounts receivable (money owed to you), inventory, and real estate. Liabilities include things like debts from outstanding loans.

4: **a.** Weighing the cost to acquire a customer against the long-term value of that customer helps you decide which marketing strategies are most appropriate.

5: **a.** The company's hurdle rate is the minimum rate of return expected for all projects. If a project or venture doesn't pass the company's hurdle rate, it may not get approved or funded.

6: **b.** Many investors say that the management summary is one of the first sections of a business plan they read, so take special care to craft one that demonstrates how leaders will make the business work as a finely formed, dynamic unit.

7: **c.** The breakeven point is the pivotal moment when a business can begin to earn a profit. Readers want to know when and at what level of sales that will occur, and this form of analysis enables you to provide that information.

8: **d.** All of the above. Also consider whether rivals will recognize the attributes that set you apart and appropriate them for their own products or services.

9: **a.** The executive summary should be a concise presentation of the major points in your business plan, so it is best written last. If you were to write it at the beginning, you'd probably end up making significant revisions later.

10: **b.** It's generally not advisable to use hard dates in the milestone portion of your business plan because specific dates aren't always needed, and they leave you less wiggle room. Instead, use generic dates, such as six months or one year.

Learn More

Articles

Elsbach, Kimberly D. "How to Pitch a Brilliant Idea." *Harvard Business Review* (September 2003; product #R0309J).

Coming up with creative ideas is easy; selling them to strangers is hard. Entrepreneurs, sales executives, and marketing managers often go to great lengths to demonstrate that their new concepts are practical and profitable—only to be rejected by corporate decision makers who don't seem to understand the value of the ideas. Why does this happen? Having studied Hollywood executives who assess screenplay pitches, the author says the person on the receiving end—the "catcher"—tends to gauge the pitcher's creativity as well as the proposal itself. An impression of the pitcher's ability to come up with workable ideas can quickly and permanently overshadow the catcher's feelings about an idea's worth. To determine whether these observations apply to business settings beyond Hollywood, the author attended product design, marketing, and venture-capital pitch sessions and conducted interviews with executives responsible for judging new ideas. The

results in those environments were similar to her observations in Hollywood, she says. Catchers subconsciously categorize successful pitchers as showrunners (smooth and professional), artists (quirky and unpolished), or neophytes (inexperienced and naïve). The research also reveals that catchers tend to respond well when they believe they are participating in an idea's development.

Magretta, Joan. "Why Business Models Matter." *Harvard Business Review* (May 2002; product #R0205F).

"Business model" was one of the great buzzwords of the internet boom. A company didn't need a strategy, a special competence, or even any customers—all it needed was a web-based business model that promised wild profits in some distant, ill-defined future. Many people—investors, entrepreneurs, and executives alike—fell for the fantasy and got burned. And as the inevitable counterreaction played out, the concept of the business model fell out of fashion nearly as quickly as the .com appendage itself. That's a shame, says Joan Magretta. As she explains, a good business model remains essential to every successful organization, from new ventures to established players. To help managers apply the concept successfully, she defines what a business model is and how it complements a smart competitive strategy. Business models are, at heart, stories that explain how enterprises work. Like a good story, a robust business model contains precisely delineated characters, plausible motivations, and a plot that turns on an insight about value.

It answers certain questions: Who is the customer? How do we make money? What underlying economic logic explains how we can deliver value to customers at an appropriate cost? Every viable organization is built on a sound business model, but a business model isn't a strategy, even though many people use the terms interchangeably. Business models describe how the pieces of a business fit together as a system. But they don't factor in one critical dimension of performance: competition. That's strategy's job. Illustrated with examples from companies like American Express, EuroDisney, Wal-Mart, and Dell Computer, this article clarifies the concepts of business models and strategy, which are fundamental to every company's performance.

Rich, Stanley R. and David E. Gumpert. "How to Write a Winning Business Plan." *Harvard Business Review* (January 2001; product #584X).

A well-conceived business plan is essential to the success of an enterprise. Whether you are starting up a venture, seeking additional capital for an existing product line, or proposing a new activity for a corporate division, you will have to write a plan detailing your project's resource requirements, marketing decisions, financial projections, production demands, and personnel needs. Too many business plans focus excessively on the producer, yet as this article shows, the plan must reflect the viewpoint of three constituencies: the customer, the investor, and the producer.

Sahlman, William A. "How to Write a Great Business Plan." *Harvard Business Review* (July–August 1997; product #97409).

Most business plans devote far too much ink to the numbers—and far too little to the information that *really* matters: the people, the opportunity, the context, and the possibilities for both risk and reward. This article builds on Sahlman's "Some Thoughts on Business Plans" and shows managers how to pose—and answer—the right questions as they prepare their business plans.

Books

Covello, Joseph and Brian Hazelgren. *Your First Business Plan: A Simple Question and Answer Format Designed to Help You Write Your Own Plan*. 5th ed. Naperville, IL: Sourcebooks, 2005.

This guide to writing a business plan includes a step-by-step process that focuses on the USA (Unique Selling Advantage). It includes a model of a complete business plan and a glossary of terms.

Harvard Business School Publishing. *Entrepreneur's Toolkit: Tools and Techniques to Launch and Grow Your New Business*. Boston: Harvard Business Review Press, 2004.

Starting an independent business is rife with both opportunity and peril. From the basics of writing a business plan to the challenges of financing a new venture, *Entrepreneur's Toolkit*

is the essential resource for success. Topics include: navigating the world of venture capital funding, turning innovations into successful marketplace realities, establishing priorities and effective time management, and developing the sales and marketing programs needed for your venture.

Pinson, Linda. *Anatomy of a Business Plan: The Step-by-Step Guide to Building a Business and Securing Your Company's Future*. 8th ed. Tustin, CA: Out of Your Mind and Into the Marketplace, 2014.

The new edition has been revised to reflect the latest online and printed financial and marketing resources and current business plan practices. This business plan book is loaded with ready-to-use-forms and worksheets and five complete real-world business plans.

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Harvard Business School Publishing. *Pocket Mentor: Creating a Business Plan*. Boston: Harvard Business School Press, 2007.

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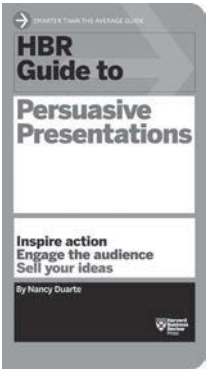

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Preview

You've been putting off a difficult conversation. Maybe you feel wronged by someone or misunderstood. You may be caught in a clash of personalities or have competing goals with a colleague. Perhaps you have to deliver bad news, and you dread the person's reaction. Whatever your situation, you need to address an issue to keep moving forward. This book will help you develop the skills you need to turn a difficult conversation into a productive dialogue, including:

- Understanding what makes some conversations difficult
- Discovering what's at the heart of the challenge you're facing

- Identifying and managing the emotions involved
- Seeing the bigger picture to expand possible solutions
- Framing the issue in a way your counterpart can relate to
- Listening actively and responding with empathy
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Difficult Conversations

What Makes a Conversation Difficult?

What Makes a Conversation Difficult?

You know the feeling: that knot in the pit of your stomach; the fog that descends on your mind. You're avoiding a difficult conversation. Maybe you fear the public confrontation if you ask a colleague to stop interrupting you in meetings. Perhaps you don't know how to tell a fellow team member that she's not pulling her weight. Or you want to ask your boss for a promotion, but you don't know how to begin the discussion. Maybe you tried to bring up what you thought was a straightforward matter, but it fell flat. When you have a problem, people tell you to "talk about it," but no one tells you

how. This book will help you move from paralysis to productive action and find the right words and the right methods to express yourself.

At work we tend to focus on work: knocking off tasks, meeting our performance goals, getting a raise. But our inner lives—our personal goals, needs, aspirations, and fears—inform and influence everything we do. Both our functional agendas ("I need that production schedule by tomorrow!") and our emotional agendas ("The production manager's stonewalling made me look weak in the status meeting!") will sometimes collide with those of our coworkers. Misunderstandings, even conflicts, arise. Whether those disagreements throw us off balance and disrupt our work or lead to conversations that yield valuable insights and creative solutions is up to us.

A difficult conversation is one in which the other person has a viewpoint that differs from yours, one or both of you feel insecure in some way, and the stakes seem high. Whether you have tough feedback to de-

liver to an employee or colleague or whether you feel wronged, thwarted, or misunderstood by the other person, these situations can be unsettling, even if you're a pretty good communicator.

Understanding what's at the heart of your situation helps you conduct a more productive discussion. Let's look at some of the reasons why conversations are difficult.

Conflicting interests

Your role in the organization influences what you want to achieve in a situation. If, for example, you're a marketing manager on a major product update, your priority is probably hitting every rollout deadline. Your colleague in production, however, is focused on meeting design requirements. Of course, successfully delivering an important product requires meeting both quality and schedule specifications. But those

differing interests will naturally cause conflict at times. You may find it tough to talk about them because each person quickly gets entrenched in their position ("We've got to improve call quality" versus "We have to cut costs by 5%"). Sometimes interests also become misaligned when outside-the-office needs, such as family commitments or health issues, conflict with those at work. Developing an awareness of the factors that affect each person's approach to the project in question allows us to find ways to accommodate them.

Different personal styles

You think of yourself as a doer—a no-nonsense person who just gets the job done. No intrigue, no drama. Your teammate is a talker. He asks lots of questions, thinks things through aloud, considers the unintended consequences. Usually your different styles are able to coexist—but there's a deadline looming,

and the project feels bogged down. How do you get him to move from exploring possibilities to picking an approach and closing the deal?

Working closely with someone whose communication or work style, personality, values, or life experiences differ greatly from yours has the potential to spark creativity and innovation, but it can also lead to misunderstanding and tension. What seems like a self-evident conclusion to one person may not have even occurred to another.

The more you understand about your own personal style, the more you will become aware of how your counterpart's habits differ. Table 1, "Example of different work styles," shows how understanding your own and your colleague's traits helps you work together effectively despite your differences.

Later we'll look at how to use your understanding about personal style to decide whether to initiate a conversation and, if you do, to prepare and successfully conduct one. We're not suggesting that you'll be able to change your natural preferences or those of

TABLE 1

Example of different work styles

Trait	You	Your colleague
Personality type	You're an introvert. You keep to yourself and prefer to work independently.	He's an extrovert. He likes working in teams and discussing things in detail.
Communication style	You're uncomfortable expressing your feelings. You prefer e-mail to face-to-face communication.	He shares a lot and asks a lot of questions. He prefers informal meetings.
Work style	You're methodical. Details count.	He tends to think "big picture" and move quickly.
Life experience	You have years of experience—and battle scars.	He hasn't been on the job long, so he's trying to make a mark.
Core values	You care most about quality and integrity.	He cares most about innovation and action.

your counterpart. But if, say, you recognize that your extroverted colleague loves lively group discussions while you prefer to work independently, suggest that you take notes at a brainstorming session or send him a preliminary list of ideas to seed the conversation as a way for both of you to participate productively.

Lack of trust

Addressing a sensitive issue or working with someone on a contentious project is difficult, and it's likely to be even harder if you don't have a trusting relationship.

People's work styles often have an effect on their ability to build trust. If one person wants to carefully map out a detailed plan and the other wants to just get going on the project, it may be hard for them to connect. But small gestures of respect and concern for the other person's approach go a long way toward bridging differences.

There's more to trust than compatible personalities or work styles, though. We typically feel more trusting toward people with whom we share common interests and experiences. Positive past interactions, such as being on a team that delivered a successful project, can build trust. But if past interactions have been tough, or if your counterpart is in a position of relative power, you're more likely to be guarded. In addition,

the specifics of your circumstance often dictate how trusting you feel (a board room presentation creates more formality and distance than a team lunch at a local café). And sometimes a situation just makes you feel vulnerable and thereby less likely to proactively address it.

Different views of the facts

Each of us has our own understanding of the facts. Our view is based on what we've experienced and observed from our unique, and limited, perspective.

If your job requires meeting weekly with a customer, your view of the essential facts of a project relate to deadlines made or missed. If your teammate is developing the product, her view of the essential facts relate to satisfying specifications or resolving bugs. You may well be unaware of what your counterpart's view of the "facts" consists of. Without shared infor-

mation, you may both draw conclusions about the other's actions. Taking the time to think through your counterpart's perspectives will help prepare you for a difficult conversation.

Strong emotions

Your emotions are never far beneath the surface. Fear, anger, anxiety, and shame often underlie difficult conversations in the workplace. If you feel attacked, or if you feel that someone is trying to take advantage of you or sully your reputation, your natural response may be to fight back or to hide. Likewise, if you have to deliver bad news, such as a poor performance review or a missed deadline, you may warily anticipate the other person's strong reaction. This fight or flight response prevents you from stepping back and responding to the perceived threat in a calm way. But when we become aware of what we're feeling, we can

start to manage those emotions. Likewise, when we think about how the other person's feelings affect how she responds, we're better equipped to take her feelings into account when proposing a productive way forward.

. . .

We've seen how varying interests, work styles, and views of the facts, as well as a lack of underlying trust, make it hard to communicate effectively. But the good news is that whether you're a new manager, a member of a mission-critical team, or an independent consultant, it's possible to make even a fraught relationship better through skillful communication. You'll alleviate the likelihood for duplicated efforts or working at cross-purposes. You'll be on the same page with your team and in front of your customers. You'll boost your self-confidence.

This book will be your guide. It will give you the tools to peel back and understand the complicated layers of difficult discussions and develop and practice the

skills you need to manage them. In the next chapter, we'll look at when to have a tough conversation and how to discover opportunities amidst the challenges. In the middle of the book, we'll walk through the steps of shaping an effective conversation: thoroughly preparing for it, mindfully and adaptively conducting it—and, post-conversation, following through on next steps. Finally, we'll look at how to develop proactive communication skills to forge transparent, productive relationships going forward. Along the way we'll look at fictional examples of challenging interactions, assess what's actually going on, and explore how to shift the dynamic—and the outcome—by successfully navigating a difficult conversation.

Think It Through

Think It Through

Regardless of the factors that conspire to make an interaction difficult, it is possible to develop strategies and skills that will help. You may think that the problem originates with the other person, but successfully resolving it starts with you. You need to think about your situation differently.

In this chapter we'll focus on the introspective work you should do before involving the other person. This means honestly assessing whether the situation will benefit from a conversation and, if you determine it will, planning what steps you'll take to make the discussion productive.

Should you act?

Most of us would rather ignore a problem than confront it. Why risk a blowup or damage to the relationship—or to your reputation? Of course, if the problem you're facing isn't central to your success on the job, then it may make sense to leave it be. But if you're brooding about a dismissive remark a rival made or replaying how your teammate hogged the spotlight in a status meeting, it's probably affecting your work. If you're too distracted in a meeting to absorb key information or contribute to the discussion, your preoccupation with your colleague's behavior is diverting energy from your job.

How to decide

How can you be sure a difficult conversation is worth the risk? The problems we face at work come with a

lot of gray area. You start with a point of contention and add to it layers of context and complexity such as hierarchy, roles, goals, frequency of interaction, and so on. Should you shirk sharing constructive feedback with a direct report even if they're moving on to a new role (and a new boss)? Probably not. Then, of course, there are those times when your counterpart takes the lead and launches a discussion. But for the occasions where you have the luxury of contemplating a difficult situation and weighing whether or not to address it, ask yourself:

- Does my short- or long-term success rely on addressing this problem?
- Does the situation I'm facing concern a direct report or my boss?
- Is the relationship with this person short term (is it a one-time interaction or discrete project) or ongoing (for example, am I working with

my boss's boss or a coworker I rely on to get my job done)?

- How important is it, to me and to the organization, to improve the relationship or the situation?
- Is the issue affecting my ability to concentrate or how I feel about going to work every day?
- Does the situation I'm grappling with involve other colleagues or customers?

Even if the answers to these questions reveal that the problem is a one-time occurrence or you don't interact frequently enough with the person in question to raise the issue now, things can change. Perhaps deciding not to address the issue will work, or it may only be effective for a short period of time, and then you'll find that you need to reassess the situation.

Don't put off a conversation just because it's hard

Sometimes your introspective review will yield conflicting results: Your brain is ready to address the issue, but your gut hesitates. It's natural to want to avoid difficult conversations even when we know we need to have them.

Say your project is coming in over budget. You may be inclined to delay telling your boss the bad news. You assume she'll be furious, and she'll find out soon enough anyway. But when you reflect on the fact that this is your boss and that you want her to trust you to handle crises well, you'll realize that even though it won't be easy to break the bad news, it's much better to let her know what's happening. After she blows off steam, you'll be able to talk about solutions and work together to limit the damage. (See table 2, "Bad reasons for avoiding a hard conversation—and some solutions.)"

TABLE 2

Bad reasons for avoiding a hard conversation—and some solutions

Reason	Action
You fear conflict.	Acknowledge that even though conflict can be uncomfortable, it's inevitable and a normal part of work life. Looking at what's going on beneath the surface can help you focus on the root cause and reduce your discomfort.
You deny there's a problem.	Think about your workplace relationships. Notice which ones seem tense, frustrating, or unproductive. Consider how those negative factors are holding you back from doing your best work and collaborating effectively.
You're sure the other person won't change.	Your goal isn't to change anyone or to assign blame. You want to improve your interactions. You can do that by adjusting your mind-set and modifying your behavior.
You think you can work around it.	Assess whether the benefits of an improved situation outweigh the risks of addressing the problem. If they do, prepare for a conversation. If they don't, keep tabs on how the relationship evolves; you may need to revisit your approach.
You think the problem will solve itself.	Most problems don't just go away. If ignored, they can get worse. Engaging in a skillful conversation can move you closer to a positive solution.

When you decide to have a difficult conversation

If, after honest reflection, you decide it's in your best interest to initiate a discussion, it's time to proactively work on building a productive mind-set by examining your emotions.

Name what you feel

In his groundbreaking research, psychologist Daniel Goleman identifies "emotional intelligence" as the key driver of success at work. Emotional intelligence is the ability to sense and respond to the interpersonal dimension of a relationship or situation. Developing an understanding of your inner landscape (and that of your colleagues) will help you build more positive professional interactions in general—and that includes being able to navigate difficult conversations.

According to Goleman, the first quality of emotional intelligence is self-awareness. How do you start to change the way you interact with a colleague in a difficult situation if you don't understand your own feelings and what's key to your self-image? Your self-image is a set of core traits that you believe characterize who you are. If you've never thought about those traits, you won't be prepared to respond if they're threatened. For example, if you believe that striving for excellence is core to your identity, you're probably sensitive when someone points out an error or oversight on your watch. "My boss returned the report I drafted all marked up! She thinks I'm incompetent!" You react strongly because fundamental emotional needs, such as being valued and respected, underlie your self-image.

Perhaps you and your teammate, Andrea, have been knocking heads about how and when to deliver project updates to a client. Is it possible that on top of the process disagreement, you feel threatened by

Andrea because she has an MBA and you don't? By naming what you feel, the emotion loosens its grip on you: "I feel jealous of Andrea because she has an MBA and often uses big words to argue for her point of view. I can't cite case studies or research, but I know that the deep understanding of customers I've gained from the hours I've spent answering the help desk phones is valuable. Still, I feel too insecure, and even ashamed, to assert my view."

Naming your feelings might not come naturally to you. Thinking back to what we discussed in the first chapter about different personal styles, it's clear that some people are more comfortable talking about their emotions than others. If you don't think or talk about your emotions much, stop and reflect on whether they're keeping you from addressing an issue in a productive way. Sometimes it helps to write them down or keep a journal, especially if you're anticipating a difficult conversation. You may think you're annoyed about your colleague's bombastic behavior, but

on reflection, are you feeling something else, such as embarrassed or betrayed? Often an easily labeled emotion—angry, sad, disappointed—masks other, more complex ones. You thought you were mad that you weren't tapped to attend the trade fair, but are you really feeling inadequate?

By identifying the subtle feelings (or layers of feelings) that color all of your interactions, you'll be more aware of them when they arise and gain a little emotional distance from them. If you were recently promoted to team leader, for example, you probably feel pleased and proud. But you may also feel a bit uncomfortable around your former teammates, because your promotion changes the reporting relationships. Maybe you start avoiding them on breaks; you sense that they're dodging you, too. The promotion might have triggered insecurity. Are you really up to the new job? Do your former teammates see you as a fraud? Looking for patterns in your reactions to people and situations raises your awareness of your own particular vulnerabilities. Certain colleagues and scenarios

may trigger tough emotions for you; they threaten your self-image. As you begin to understand your reactions and acknowledge that they stem from human needs, you'll start to develop skills and strategies to keep your emotions in balance when facing these triggering people or situations—making challenging conversations less difficult and more productive.

Once you've named what you're feeling in the situation at hand and explored the complicated emotions underlying your reaction, you'll be able to see whether—and how—your own feelings may have clouded your judgment about the issue. Resist judging yourself, and accept that you, like everyone, have blind spots. This will help you move beyond your knee-jerk reactions—I'm right, she's wrong—and be open to considering other factors.

Take the initiative

It takes two people to have a conversation, so it's counterintuitive to think that one person alone will

change the outcome. But in fact that's absolutely true. No matter how toxic a relationship seems, through awareness and discipline, each person has the ability to change his or her own behavior. By changing your own mind-set, you greatly increase the odds of having a constructive conversation, even when you have to deliver bad news. Once you begin to examine your assumptions, emotions, and habitual thoughts, you'll quickly notice how your original view of the problem is transformed. You'll become an agent of change instead of a victim of circumstance.

So far all of your work has been introspective: understanding the root cause of the problem and the layers of emotion you're feeling. In the next chapter we'll look at how to widen your focus to include what's going on for your counterpart. You'll learn to plan a conversation that meets not only your needs but also those of the other person—and of the larger organization.

Prepare for the Difficult Conversation

Prepare for the Difficult Conversation

Now that you've decided to initiate a difficult conversation and considered the emotional factors at play, what additional steps can you take to ensure a successful outcome? Of course you can't know what your counterpart will say. But taking some time on your own to think things through may mean the difference between losing your cool and maintaining your focus to reach a positive resolution. Whether a difficult conversation will be successful depends on how well you prepare before you walk into the room—specifically, your understanding of your own state of mind and your

ability to think through how you'll frame the conversation. We'll follow the story of Liam and Shireen, account reps on the same regional team, to see what this looks like in practice.

Liam has been on the team for a few years; Shireen was recently hired. In her first team meeting, Shireen managed to turn a simple request to "tell us a bit about yourself" into a lengthy exposition of her professional accomplishments. Then a colleague overheard her taking personal credit for work the whole team had done. After a few months of working with Shireen, Liam's nerves are on edge. Even though the new hire isn't targeting Liam personally, he feels he needs to defend his own work and the team's by sending update e-mails to senior management documenting how everyone is contributing to the project's success. Liam knows he will have to continue to work with Shireen: Not only are they on the same team, they sit in an open workspace, and their market segments overlap. He suspects she's checking out his

client list. He feels he needs to say something to her, but how should he do it? What should he say?

Assess the facts—and your assumptions

Before we engage in a two-way conversation, we only have access to our own thoughts and observations to interpret events. The first step in conducting a difficult conversation productively is to review all the pertinent information. What seems like a problem to you may be business as usual to your counterpart.

Ask yourself:

- Are there relevant factors you don't know about?
- Are past experiences coloring your interpretation of events?
- Are you making unwarranted negative assumptions about the other person's motives?

Shireen is driving Liam crazy, but why? Liam can use these reflective questions to help him take a closer look at his view of the situation. Is it that he's simply bothered by her grandstanding? Is it that she's exceeding her sales goals and making the rest of the team look bad? Or is there a real risk that Shireen will poach Liam's accounts? As he's doing this reality check to prepare for the discussion, Liam should share his views with a neutral party. It may be that Liam's impressions are distorted or that he's overreacting, and a neutral opinion makes that evident.

Liam should also consider what else is affecting Shireen's behavior. Did their manager set aggressive goals for her first three months? What first impressions did she have of the department? Perhaps she noticed how tight-knit the team was and figured she had to make a big impression. And what assumptions is she making about Liam? Did she identify him as the unspoken leader of the team, aloof and unapproachable? As Liam plays out possible scenarios in his mind, his view of the problem expands.

Once Liam has reviewed the possible facts and checked his assumptions, he should think about what he wants to achieve from the conversation. Changing Shireen's nature, which Liam perceives as flamboyant, isn't a realistic goal. But finding a way to ease the tension, get to know each other better, and collaborate more effectively is within reach.

Again, each of us only experiences a situation from our unique perspective. But when we acknowledge that for each person the view and the facts look different, a difficult conversation becomes an opportunity to express and reconcile both individuals' perceptions and forge a mutually acceptable way forward.

Address the emotions

To begin to manage the strong emotions you're likely to experience in a challenging interpersonal situation, start by acknowledging that the situation is charged, not only for you, but probably for your counterpart, too.

In Liam's case his preoccupation with Shireen's behavior is affecting his performance. He has fallen behind on client calls. He needs to get a handle on how his emotions are exacerbating the situation. Here are some things to consider.

Is my self-image threatened?

Earlier in the book we talked about understanding what's core to our sense of who we are. As you prepare a difficult conversation, one of the first things to look for is whether it feels like your self-image is under attack.

For Liam, it's possible that Shireen's behavior is simply an irritant, like a fly buzzing around, just out of reach. But maybe there's something deeper going on. On reflection, Liam sees that after having met his goals for months, Shireen was hired and within days began commanding the spotlight. That felt unfair! Liam knows that a key component of his self-image

is competence. He wants to be valued for his reliable, consistent performance. When he hears Shireen touting her successes and soliciting praise for them, he feels inadequate and underappreciated.

What about my counterpart's emotions?

As hard as it may seem, when you're preparing for a difficult conversation it's essential to think about how the other person might be feeling. Could Shireen's bravado be a cover-up for some insecurity on her part? Is she feeling isolated, given that she's joining a well-established team and others aren't sharing critical client information? Now it occurs to Liam that she's been overtalking and looks uncomfortable after team meetings. Maybe she's not so sure of herself after all. Trying to view the situation from your counterpart's perspective will help you develop the empathy needed to have a successful conversation.

What feelings could the conversation trigger?

When emotions run high, we tend to think of any interaction as a battlefield where one side wins and the other side loses. Whatever the other person says feels like a personal attack. Not to respond in kind seems like surrendering.

This zero-sum thinking boxes us in and never leads to more than short-term gains. What if Shireen bursts out, "At my first team meeting I felt like I was walking the plank. No one smiled and you in particular glared at me the whole time." If Liam fires back, "That's bull! You're the one who swept in like it was a coronation! You alienated everybody in the first five minutes," the conversation has already gone off the rails. When preparing for the discussion, Liam would do better to dispel the notion that any valid point Shireen makes is a loss for him. If he is able to avoid taking the bait if she says something inflammatory and defuse his own

feelings of insecurity, he will create space for a more productive way forward.

Acknowledge that you're part of the problem

When you look honestly at how your thoughts and emotions are contributing to a potentially volatile situation, you will enter into a related discussion with greater calm and moderation. Liam should think about how and why he didn't share key company information with Shireen during her first days on the job. At what point did he decide she was an adversary? When had he begun avoiding her and cutting her off when she tried to speak in status meetings? Maybe Shireen's self-confidence and enthusiasm are a tough fit with Liam's own low-key, slightly sardonic style. Liam might have quickly but unconsciously decided to teach Shireen a lesson in humility

by avoiding and interrupting her. Becoming aware of the way his own behavior has contributed to the current situation may change the picture for Liam and help him see Shireen as a person with legitimate needs, feelings, and insecurities rather than as the enemy.

As you prepare for your conversation, it's helpful to make a simple diagram of the basic issues and emotions as you identify them and as you imagine your counterpart sees them. An example of Liam's diagram is shown in table 3, "Perceived issues and emotions."

TABLE 3

Perceived issues and emotions

	Liam's view	Liam's perception of Shireen's view
The problem	Shireen isn't a team player. She's making me look bad.	I need to make a strong impression to establish myself.
The feelings	Underneath my anger I feel jealous of her success and threatened by it.	I feel isolated and insecure because my coworkers are unwelcoming.

Identify a range of positive outcomes

By examining your perspective and that of your counterpart, you're already looking at a richer context—one that allows for a wider range of contributing factors and possible results. Now ask yourself what you hope to achieve by initiating the conversation. Be specific. You may want to improve the relationship in a long-range sense, but be clear about the objectives of this particular conversation. The more focused your goals, the more likely you are to achieve them. Identify your preferred outcome, but consider other results that would work for you as well.

Do a reality check of your goals against the other person's perspective. In Liam's case he wants Shireen to agree to share the spotlight and the credit. But when Liam considers Shireen's needs and perspective, he's able to move beyond what he wants personally and generate possibilities that might be acceptable to both of them.

Charting potential positive outcomes of a conversation, as shown in table 4, "Two views, multiple outcomes," will help you articulate your perspective and envision your counterpart's point of view.

TABLE 4

Two views, multiple outcomes

	Liam's view	Liam's perception of Shireen's view
Best outcome	Shireen acknowledges that she isn't sharing the spotlight. She agrees to work to share more credit with me and the team.	Liam acknowledges that my work is valuable and that I have a contribution to make. He agrees to support my success.
Possible alternate outcome	Shireen is willing to share account information with me before the next department meeting.	I'll set up informal one-on-one meetings with team members to improve my relationships with them.
Possible alternate outcome	Shireen agrees that we got off to a rocky start. We schedule a follow-up conversation.	Liam shared some legitimate concerns. I'd like to talk with him again soon to make sure he knows where I'm coming from.

Develop a strategy, not a script

Once you uncover the basic issues and emotions involved for both parties and consider what you want to achieve, you're ready to envision how the conversation might unfold. Plan for different scenarios based on several ways your counterpart could respond. If you're nervous, do a dry run in front of a mirror, practicing neutral facial expressions and open body language. Try a mock conversation with a family member or other unbiased party in which you imagine and verbalize both sides of a hypothetical discussion. This will help you as you gather and focus your thoughts before you sit down. (See the sidebar "Questions to help you prepare for the conversation.")

While it's critical to prepare, it's not in your best interest to develop a script. As soon as your counterpart says something "off script," you might lose your balance. Instead, envision the conversation as a meeting

QUESTIONS TO HELP YOU PREPARE FOR THE CONVERSATION

- What is the issue I'm trying to resolve?
- What is my counterpart's view of the issue?
- What assumptions are we making about the situation and each other?
- What underlying interests are at stake for me? For my counterpart?
- What feelings does the situation trigger for me? For my counterpart?
- What do I want to achieve from the conversation?
- How can we break the impasse?

place where both people have the freedom to express their positions and their needs, listen to each other, and feel respected.

The goal is not to "win a round" but to move the conversation and the relationship forward. Liam should consider how best to frame the issue and how to respond to Shireen's possible responses. He can decide what points he wants to make and what questions to ask and come up with some mutually beneficial solutions to propose. He'll be approaching the issue with a new mind-set and allowing for a range of positive next steps.

To start the conversation, it's probably not a good idea for Liam to blurt out, "Hey, new girl, didn't you ever learn the rules of schoolyard etiquette?" Instead, he'll lead with something neutral, such as, "Shireen, I think you and I may have gotten off on the wrong foot. I'd like to talk about how we can work together better and make the team more successful." In that case she's more likely to respond along the lines of, "Liam, I'm

glad you brought it up. I've been feeling some tension, too. Let's talk about it."

Consider the timing of the conversation. If your emotions are running high for any reason, it's best to wait. Acknowledging that your feelings play a key role isn't the same as letting them rule. Likewise, select a neutral setting for the conversation where neither person will feel exposed or have an unfair advantage.

Following these steps sets the stage for a discussion in which both people feel respected and genuinely heard and that a better way forward is possible. Now that you've carefully prepared the conversation you want to have, it's time to put your new skills and understanding into practice. In the following chapter, we'll see how.

Conduct the Conversation

Conduct the Conversation

You've planned a conversation where both you and the other person are able to express yourselves and contribute to a solution. Now, how do you start the conversation, and how do you keep it on track?

Here's where the external work begins—the part where you leave the relative comfort of your own thoughts and actually invite the other person to join the conversation. But the thorough internal work you've done will help you keep your focus on the positive outcomes you now know are possible.

A difficult conversation might unfold like this. You and Kate are part of a cross-functional team. You're

responsible for the design of a new software product. Kate is managing the publicity rollout. For the past month, Kate has pressed you at weekly status meetings to agree to hard-and-fast milestones for the social media campaign. "The client needs interim dates to nail down his ad buys. We can't keep putting him off!" You've already explained that every step is predicated on successfully testing the previous stage. "I'll commit to holding the release date," you say, "but until then we have to be able to respond to surprises." The tension between you and Kate has been building. At last week's meeting she burst out, "You're sabotaging the marketing launch! Commit to some dates already!"

You've decided to address the problem in a one-on-one conversation with Kate. You've carefully thought through the issues, Kate's possible perspectives and interests, and what you hope to gain from the conversation. You've invited her to meet at a quiet coffee station in another part of the building. How do you begin the conversation?

Acknowledge the other person

No matter how prepared you are, it's hard to find the words to start the conversation with the right tone. You're prepared to talk about the issue, but you can't be sure that your counterpart is.

It's never wrong to start with a simple thank you. Thanking the other person for agreeing to speak with you will signal that you respect her time and her agreement to engage. It's helpful to make eye contact and start with a smile—even though that won't come naturally in every situation. A smile signals your willingness to be open.

Start by acknowledging your counterpart and letting her know that you see her as a person with legitimate needs and motivations. If you don't signal your respect and instead dive right into the substance of your issue, the conversation might quickly go in an unintended direction.

You: I've been meaning to talk with you for weeks. Your insistence on interim dates is frankly unacceptable. You must realize how impossible that is for design.

Kate: My demands are unacceptable? Whose head will roll when the marketing launch tanks? You're not giving me anything to work with!

Oops—that approach really bombed. Kate felt attacked and immediately went on the offensive. Your opening words set up a classic I'm-right-you're-wrong conversation in which both sides will dig in their heels and wage a war of attrition.

Now consider an alternate scenario:

You: Kate, I want to thank you for agreeing to talk with me today. I realize it's an especially busy time, and you probably have plenty of things on your plate.

Kate: It's true that I'm counting down to this huge launch—my inbox is overflowing. But it seems like you have something important on your mind.

This time the conversation is off to a better start. Your simple acknowledgment of Kate's time and effort set the stage for a respectful exchange.

Frame the problem

You've acknowledged that your counterpart's time is valuable. Now reinforce your respectful approach by quickly describing the issue from your perspective. Observe her body language as you speak. If she looks surprised or put off by something you say, pause to explicitly check your assumptions. Ask if you missed or misinterpreted something. Keep your tone neutral and your body language open: Your aim is to foster a constructive dialogue, not score points. Here are a few guidelines for describing your version of the problem.

Use "I"

It's good practice to explicitly describe your views using "I" statements. This shows that you're not

assuming your perspective is the truth of the situation. It also demonstrates that you're acknowledging your role in the problem and not assigning blame.

Here's a way to use "I" statements to frame the problem for Kate:

> *You:* I'd like to to talk with you about something that's been weighing on me. It's about the tension that's been building between the design team's needs for flexibility and the marketing team's requests for interim dates.
>
> *Kate:* You're right that there's tension there. I'm feeling it, too.

Express your feelings

Describing how you view the problem naturally allows you to articulate what you're feeling. It reminds your counterpart that you're experiencing strong emotions, too. It also gives you an opening to

acknowledge that your emotional reactions are part of the problem. You've examined your emotions to prepare for this conversation. Now the key is to talk about your feelings without being overwhelmed by them.

You: I'm worried about this situation. I see that the tension between our departments is affecting my morale and the team's. I want to be a team player, and I'm committed to delivering a great product. I know I've been hesitant to agree in the status meetings to interim dates. But if I make promises I can't keep, I'll be letting everyone down, and it will reflect badly on Design and on the project. I feel my credibility is on the line.

Kate: I hadn't thought of that. I've been so anxious about the marketing launch and all the client and partner demands that I've had a bit of a one-track mind. My reputation is on the line, too.

Focus on issues, not personalities

The fastest way to trigger a defensive response from the other person is to cast her as the source of the problem. To stay balanced and avoid flared tempers, talk about the issues without attributing them to your counterpart's behavior or her personality. In the conversation with Kate, you've successfully avoided calling out what you view as her blunt style and overbearing attitude. Instead, you've focused on the competing priorities between Marketing and Design rather than the tension between the two of you.

Ask questions and listen

You've set a positive tone for the conversation, framed your view of the issues, and described your feelings. Now you need to invite the other person to do the same. By explicitly asking for her version of the situa-

tion, you reinforce the message that the conversation is an opportunity to jointly problem solve, not just a chance to vent.

Let's turn to another hypothetical example to illustrate the critical role of asking questions and listening carefully in a difficult conversation.

Vivek is an HR recruiter for a large health insurance provider. He's trying to fill a support position for Nina, a demanding new-accounts manager. The market for recent graduates is tight, and this job description is pretty generic. Nina has already rejected a dozen résumés that Vivek prescreened. This morning he found a curt message in his inbox: "New clients are waiting for their policies to take effect while you fill my inbox with subpar candidates. When are you planning to step up your game?"

Vivek takes a breath. He's been the target of Nina's sarcasm in the past, and he's always succeeded in ignoring it. But this is beyond the pale. How can he continue to work with a person who is so blatantly

contemptuous? Vivek doesn't report to Nina, but Nina is a rising star in her division, and he fills positions for her regularly. Vivek resolves to talk with her.

Nina, for her part, keeps coworkers at arm's length, and is quite happy when they return the favor. She has no use for small talk, especially with someone like Vivek, whom she thinks of as a timid drone. When Vivek asks her for a brief meeting, Nina balks at what she views as more wasted time. She accepts the invitation begrudgingly.

When they sit down to talk, it's clear that Vivek is well prepared. He starts by thanking Nina for her time, and she's impressed by his confident manner. Even so, Nina bristles as Vivek starts to describe his perspective: "I want to talk about the problems I'm having filling your open position," he explains, "and the tension I feel building up around it." *What business does this underling have complaining when I'm the one with a whole department to worry about?* thinks Nina. But when Vivek says he's currently work-

ing on nine open positions, he's got her attention. She's never considered that Vivek has competing priorities, too. Then, as he shows her statistics indicating that the job market for entry-level positions is the tightest it's been in five years, she begins to soften.

Now Vivek says, "Nina, I've told you what's going on for me and why I felt upset and resentful when I read your e-mail. Can you help me better understand how you view the situation?"

By the time Nina hears this question, she's already seeing a bigger picture and for the first time thinking of Vivek as a competent professional with competing priorities of his own. Now she's relieved to have a chance to share how much pressure she's under. Nina explains, "Well, I've been feeling overwhelmed by the workload and there's no one to delegate to. My boss doesn't cut me any slack. I need to get this position filled so that our department keeps functioning." Nina feels validated as she sees Vivek listening and nodding.

So far, Vivek has done a good job of setting up a positive conversation. He was well prepared and presented the issue calmly, sticking to the issues and scrupulously avoiding any assignment of blame. By asking Nina to share her version of events, Vivek invites her to be a partner in the conversation, not an adversary. Once Nina gives her side of the story, Vivek can restate his understanding of the situation and ask questions to fill in any blanks. He'll be able to express empathy by letting Nina know he understands how much pressure she's under. By mirroring back his understanding of Nina's version of the story, Vivek lends it legitimacy. Nina starts to feel like she, too, has something to gain from the conversation.

Listening carefully and showing your counterpart that you're genuinely trying to understand her position will give you information you were missing before. And it may well defuse her emotions enough to let her consider a new way forward. When that happens, you're ready to start exploring solutions together.

Look for common ground

We know that the source of a problem is often competing interests or different views of the relevant facts. If you point out where you and your counterpart's interests align, you'll open a fruitful avenue for discussion.

Vivek and Nina have at least one common interest: They both want to get Nina's position filled quickly. To acknowledge that, Vivek says, without sarcasm, "Believe me, the faster I fill your position the happier I'll be. Then I'll only need to worry about the other eight!" This lightens the moment and starts building small bridges between the two positions.

Vivek points out other common interests, too, such as meeting quarterly goals: "My target is to have a number of positions filled, while yours is to have a number of new accounts set up. Filling this position advances both of our objectives." Vivek then invites Nina to share her ideas about the best way to collaborate to fill the position. Nina provides a more detailed

candidate profile and emphasizes stretch goals in the job description. She explores the possibility of expanding the salary range and including an explicit professional development component. Vivek will be more likely to attract ambitious and well-qualified candidates by pointing out these opportunities.

Adapt and rebalance

Despite your best intentions and careful preparation, real-life conversations rarely go according to plan. At any point along the way you may be surprised by something your counterpart says or how he says it. You may also find that your own emotions flare up, causing confusion or a strong internal reaction of anger or embarrassment that pushes you to want to lash out or stomp off. But you can regain your composure and get back on track by anticipating some possible reactions. Here are tips for managing common scenarios that could throw you off:

- *You get angry.* No matter how diplomatic you try to be, your counterpart may respond harshly to something you say. If the other person says, "I didn't expect much better from you," you'll probably feel your anger flare. At moments like this, don't take the bait, take a breath. If you still want to fight back, take another breath. You may feel the anger subside. Chances are you'll remember your intentions and return to managing the conversation in a positive way. If you need more time to balance your emotions, ask to reschedule: "Wow! I'm feeling very reactive right now, and I think whatever I say or do won't move the conversation forward. How about getting together tomorrow morning at the same time?"

- *She gets angry.* You can't control the other person's reactions, but you can control yours. Stay calm, and maintain a neutral tone. "It seems like this is bringing up some strong feelings

for you. Can you help me understand why?" If your counterpart can begin to explain, she'll probably cool down in the process. If not, ask whether she wants to table the conversation for now and meet at another time. Let her be the one to decide.

- *You feel misunderstood.* Something the person said shows that he's not hearing you. He seems stuck on one passing remark you made, and he's not addressing what you see as the root issue. He may feel threatened by you, and his emotions are preventing him from really listening. Maybe he doesn't trust that you're being sincere or telling the whole story. Or perhaps he hasn't let go of his preconceived ideas about you or the problem. Acknowledge that you're concerned that you haven't been clear. Ask what else he wants to know. The more input you elicit, and the more you show you're really trying to understand, the more likely it is that

he'll get beyond his preconceptions and really listen to you. "I sense that I'm not making myself clear enough. How can I give you the information you need?"

- *You don't know where she stands.* Despite your careful planning and the good work you've done framing the issue, let's say you find yourself baffled by your counterpart's response. Maybe she's very quiet, and you can't pick up any cues. Or she's very conciliatory, but you sense it's not authentic. Ask more questions, and check your understanding. "I'm trying to understand your perspective on this, but I'm not quite there yet. Did you say you felt I was stalling when I asked for more details about the job description? Can you say why?" Keeping the dialog open is the only way to reach a breakthrough.

- *He digs in his heels.* If you're trying to generate solutions but you sense that your counterpart

still feels his way is the only way, acknowledge that his position and concerns are legitimate. Ask how he thinks things could be better. Then return the discussion to common interests. Even focusing on one common goal gives the other person an opening to acknowledge that creative solutions are possible. Perhaps you're conducting market research on a new product and the product manager is insisting that focus groups are a waste of time and money: "You mentioned earlier that the last two focus groups didn't give us useful data. Could we provide more context by adding a control group?" You could also try to break the impasse by offering something. "You said the schedule is under pressure because we need a third round of testing. We could save a couple of weeks by running the last two focus groups concurrently."

Unexpected things can and will happen during a conversation. But when they do, don't panic. Every

difficult moment is a chance to practice your skills. Use the presence of mind and flexibility you've learned to stay neutral and pivot to higher ground.

Establish commitments

As the conversation continues, you will have already begun to touch on possible ways forward. Now it's time to see which ones to flesh out and agree on. Solutions will vary widely according to the specifics of your situation. Some issues are so complicated or so entrenched that the most you should hope to achieve in the first conversation is a commitment to talk again. "I feel good about our conversation. I'd like to mull over what I've learned and talk again in a few days. Would you be open to that?"

Sometimes you can do more: "We agreed to share biweekly updates to ensure we're showing the client a unified front." If you can end the conversation

with at least one shared commitment and agreed-upon next step and state them clearly to ensure your counterpart signs on, you'll have made real progress. You managed the conversation successfully. Now you need to secure that progress by following through on what you've agreed.

Follow Through

Follow Through

You made it through the conversation—congratulations! The time and effort you invested in thinking through and preparing for the interaction paid off. You avoided land mines, maintained a constructive tone, and agreed on at least one next step. Hopefully your counterpart shares your positive assessment. But there's still work to do. It's very possible that the conversation ended before you could flesh out the details of an action plan. Or maybe you came away thinking that there were important points you didn't bring up or you wish you had been able to respond to the other person more effectively. Now comes the essential

work of solidifying and building on the gains you made in the conversation to ensure a more productive working relationship going forward.

How did you do?

When you debrief after the conversation, ask yourself tough questions about how well you met the goals you initially set. How do you feel? Are you relieved? Are you optimistic about the prospect of future collaboration with this person? Do you think he feels the same way? Or do you feel bruised and disappointed? In either case, it's critical to explore why you feel the way you do. Otherwise you've missed an opportunity to gather important information for the next difficult conversation. Here are some useful questions to ask as you assess the effectiveness of the discussion:

- Do I feel proud of how I managed the conversation? Do I feel strong? Or do I feel let

down, embattled, embarrassed—or just happy it's over?

- Did I meet the objectives and cover the topics I outlined for myself?
- Did I present my perspective in ways that are consistent with my intentions?
- Did I show respect?
- Do I feel differently now about the person or the problem?
- Did I learn anything that changes my view of the problem?

Let's say you asked your boss for a raise. Despite your thorough preparation, the conversation was tough, you never got your groove, and it didn't end with a clear answer. If, even with an inconclusive result, you came away from the conversation feeling pretty good about the way you handled it, you have

a solid base to build on whatever comes next. If you don't feel so good about it, you have plenty of grist for learning. Identify the source of your disappointment. Then go back and think through what you'll do differently the next time.

Jot down your impressions

As quickly as possible, carve out time to make detailed but informal notes about the conversation. It's important to do this soon after the conversation, before your memory fades and interpretations set in. Try to remember as many specifics as you can. Write down your impressions, starting with what gestures or exchanges you remember most vividly. For example, you could write:

> *My hands were sweating, and I felt my forehead burning. At first I talked too fast, and she avoided eye contact. Then she made a joke and that broke*

the ice. I remembered the arguments I'd planned to use to support my request for a raise and started to feel more confident. But she didn't smile much, and I felt unsure of myself right to the end.

Another, more thorough method is to group your notes by category. (See table 5, "Notes about the conversation," for a sample grid of how to document the conversation with your boss about a raise.)

Pushing yourself to write down as much detail as possible about your side of the conversation—and what you perceived from the other person—will help you remember and then take into account information that you might not otherwise have captured. Doing so will keep you moving toward solutions to the issue you're facing and avoid going over the same ground during future encounters. Writing down your impressions will also help you meet your long-term goal to become a better communicator so that difficult conversations become less frequent and easier to manage. We'll focus more on that in the next chapter.

TABLE 5

Notes about the conversation

	Mine	Hers
Body language	Felt hot, sat stiffly. Used my hands a lot. Slowly became calmer. Tried to smile, but it wasn't spontaneous.	Closed at first, then more relaxed and open. Occasional smile.
Tone of voice	High and rushed at first. Gradually took on a more normal tone but still talked too fast.	Cool, didn't vary much.
Emotions	Nervous, self-conscious, embarrassed. Had trouble reading her reaction, which made me feel insecure.	Seemed calm, objective, a little impatient toward the end.
Description of problem	Probably didn't have enough specific arguments. Focused too much on tenure, not enough on merit?	Talked about changes in the department and new company goals. Didn't respond directly to my points.
Objectives stated	Led with the request for a raise. Tried to keep the focus on that, but maybe lost the thread?	Didn't respond with a yes or no answer, but said she was looking at the overall department.
Questions asked or missed	Didn't ask about what department changes she's considering and why.	Asked why I thought I should get a raise, but didn't ask follow-up questions.

Listening	So nervous and flustered that I had a hard time focusing on what she said.	Kept eye contact and seemed to listen.
Common ground	Had a one-track mind. Hard to concentrate on other issues she brought up.	Said a decision about my raise would be in the context of overall changes in the department.
Solutions proposed	Requested that we meet again when she has more information.	Said she'd have more information in the next few weeks.

Follow up in writing

You've debriefed and documented the conversation for yourself. Now reach out to your counterpart in writing. Start by thanking her for the time and effort it took to meet. Then reiterate at least one point she made to demonstrate that you heard her, and succinctly summarize the next steps as you understand them.

This last part is crucial. It's possible that even though you thought you'd agreed on an action plan,

her view differs. In the case of the inconclusive conversation with your boss about a raise, you left with the impression that she was considering your request. But she may assume that you understood that the answer was no, or at least not now. By writing a follow-up e-mail and explicitly stating your takeaway, you increase the likelihood that she'll either confirm your assumption or elaborate further.

Draft a brief e-mail, summarizing your assessment of the agreement. Ask for a date or a timeline within which she'll give you an answer. For example: "Janice, thanks for taking the time to meet with me yesterday to discuss my request for a raise. I understand that you're looking at roles and responsibilities in light of company goals for the coming fiscal year. You said you'd know more in the coming weeks. Could you get back to me by the first of next month?" Or ask for a follow-up conversation to establish what you'll need to do to be considered for the raise or a promotion.

If in reviewing the conversation you felt that you neglected to mention key points or somehow got off track, now is your opportunity to keep the discussion going. In this case write a quick note or e-mail to invite your counterpart to meet again. For instance: "Janice, thanks for meeting with me yesterday to discuss my request for a raise. In reviewing my notes I realized there were a few items I neglected to address that I'd like you to consider. Can we have a quick follow-up meeting at your convenience?" Don't be afraid to admit that you forgot a few points you wanted to make or that you were flustered. The key is to show that you're motivated to share all the relevant information and maintain a positive dialog.

Keep your commitments

In the best case, you've ended the conversation with one or more clear action steps. Just as you expect your

counterpart to make good on her promises, you need to thoroughly fulfill and even exceed yours. If your boss agrees to meet in a month and asks you to produce a memo summarizing your accomplishments and making your case for the raise, have it on her desk on Monday morning. Document your stretch goals. Brainstorm a list of ways to increase your responsibilities and be more valuable to the department and to your boss. Your actions communicate even more than your words. This is your opportunity to demonstrate your merit, bolster your request, and pave the way for the next conversation.

Likewise, if you conducted a tough performance review with a direct report, it's incumbent on you to be explicit about how he needs to improve and when and how you'll assess his progress. You may feel relieved that the conversation went reasonably well and that he took the feedback constructively. But how you follow up is as important as the conversation itself. If the employee asked for a weekly one-on-one meeting

to assess his progress leading up to the next formal review, carve out the time for those meetings and commit to making them productive. Be specific: "Alex, I'm looking forward to our check-ins. How about a brief meeting in my office every Monday at eleven?" If you asked him to provide regular status reports, read them and provide timely feedback: "Thanks for letting me know about the spreadsheet you created to track new leads. I'm looking forward to reviewing with you whether it generates new clients." Set a date for the next formal performance review so he knows what timeframe he's working with. Agree on how you'll measure success, and communicate about expectations.

Whatever the specific content of your conversation, following up on the commitments you made and being explicit in your expectations for next steps completes your work on the original conversation and sets the stage for productive future interactions.

Become a Better Communicator

Become a Better Communicator

You've accomplished a lot. You took the initiative to have a difficult conversation, did the work to make it as successful as possible, and followed up in ways that advance the issue and strengthen the relationship. You can do more. Continue to develop your new skills and prepare for your next challenging interaction. Communicating successfully means consistently deploying the self-knowledge and interpersonal skills we've been discussing throughout this book. Here are a few key habits to develop.

Reflect before you speak

Earlier in the book we discussed how changing a difficult dynamic requires emotional intelligence. At the core of that intelligence is self-awareness. Make a habit of asking yourself what kind of person you want to be and how you want others to perceive you. Then identify any gaps between how you want others to perceive you and what you actually say and do.

Of course, you're a complex person whose motivations, perceptions, and behaviors vary over time and according to the situation. People rarely perceive you as you see yourself, despite your best intentions. You have your internal filters and roadblocks, and your coworkers have theirs. To cut through the layers of interpretation, communicate as authentically as possible—and back up your words with actions that reinforce them. To develop this consistency, regularly ask yourself these simple questions:

- Who do I want to be?
- How do I want to behave in this situation?
- What do I want others to take away about me?

By habitually pausing to reflect on how you want to behave in tough situations, you'll learn what your core values are, and your actions will more likely reflect them. Keep a daily or weekly journal of the interactions you find challenging. Before long you'll see patterns in your behavior and things you want to work on. Say you notice from reviewing your journal that you often feel impatient and respond irritably to your teammates during the 4 p.m. status meeting. Try taking a quick walk or eating a piece of fruit before the meeting and see if your mood and responses improve. As you pay attention to how you engage with others and how they respond, you'll begin to express yourself with a fundamental consistency that others will notice and respect. It's not about being smooth

or talking a good game—it's about making it a priority to be your best self even in the most challenging situations.

Connect with others

Your professional success depends on your ability to collaborate with others: your boss and your immediate teammates, of course, but also the person in HR who fills your open positions, the account manager who provides your weekly numbers, the technician who supports your videoconferences, and the administrative assistant who schedules team meetings. Make it a priority to connect with your colleagues on a personal level. If you don't show interest in a person until you need his help or buy-in, he'll interpret your overture as self-interested. Take the time to get to know people before you need them, find opportunities to regularly express appreciation

for others' work, and look for areas of common interest: maybe you're both into gardening, running, or soccer or both have toddlers. You'll demonstrate your respect for others and build a reservoir of goodwill to tap into when problems or situations of competing interests arise.

An important part of building trust is being consistent. Everyone has bad days or moments when we're singularly focused and come across as dismissive or rude. We all deal with occasional extenuating circumstances at home that affect our ability to be our best selves at work. But nothing damages trust like repeated passive-aggressive behavior or volatile moods. Own your occasional outbursts or snarky comments, and talk and joke about them. Then those behaviors won't define you in your coworkers' minds. When you make a habit of talking about what went wrong—"I lost it and yelled at you for double-booking that interview! Sorry!"—and your peers see that you recognize your own weaknesses and aren't afraid to be

self-critical, they'll trust you to be fair and open when their interests conflict with yours.

Before you talk, listen

You'll learn more and gain insight more quickly by keeping quiet. Don't focus obsessively on what you want to say, as most of us usually do. Instead, develop a habit of slowing down, listening carefully to what's being said, and observing people's body language as they speak. You'll be better able to make essential connections and move to a place of deeper understanding.

As your coworkers begin to notice that you listen thoroughly before jumping into a conversation, they'll come to respect your assessment more and listen more closely to what you say. In this way, listening is more persuasive than speaking. Maybe that's not so surprising when we consider how important it is

for each of us to feel validated. When your coworker observes you actively listening and genuinely trying to understand his words and his intentions, he'll be more likely to give you the benefit of the doubt in moments when things heat up.

Make your words count

It's easy to assume that others understand why you're saying or doing something, but we all know that no one's a mind reader. Maybe you realize on Sunday night that the yearly board meeting is on Friday, and the annual report must be on every board member's desk at least one day before that to give everyone time to review it. So you show up on a Monday morning and announce to your team, "I need to pull everyone off what they're doing to get the annual report to the printer." It's obvious to you that no other task is more of a priority than this one. But to your team members

your announcement comes out of nowhere. They're busy working on their own projects and priorities, and they've planned out their week. Others are counting on them, too. Even though it will take time and may feel like an extra step, you owe it to your team to clearly state your goals and intentions. Making a habit of communicating openly will gain you the buy-in of your coworkers and help avoid misunderstandings.

A little humility helps, too. For example: "Good morning, everyone. I know I lose points for waiting until Monday morning to drop this bombshell, but we all need to clear the decks to get this annual report to the printer by Wednesday." Ask your team members what's on their desks, and brainstorm possible ways to satisfy all of the priorities without compromising the annual report. Think about enlisting some contract help for a few days or negotiate an extension on another project. Get support for your objectives by first acknowledging it's a big ask, and then jump in to help the team meet the new requirement.

It's also important to be succinct. Research shows that after listening to you for forty seconds, people tune out. This is where preparation makes the difference. You may think you do fine when you shoot from the hip, but in fact you're more likely to ramble or be thrown off by others' negative body language and nervously talk more to compensate. When you have an important point to communicate, whatever the venue, plan what you want to say, and keep it brief.

Establish a feedback loop

You move fast. You form impressions quickly and take mental shortcuts to keep from getting stuck in the weeds. Sometimes you communicate in shorthand or change course and forget to send an e-mail. You make a key decision with one or two colleagues on the way to a meeting, leaving others in the dark. If this way of working sounds familiar, it's time to take a closer look

at how your behavior affects others. Is your "efficient" style leading to communication breakdowns?

If you want to make sure that you're coming across to others as you intend to and picking up cues from the people around you, make a habit of asking others for feedback. Identify a few individuals—your boss, a close colleague, someone from HR—to regularly reach out to after presentations or meetings. "What was your take on the body language during our status meeting this morning? Does Design have a problem with the new specifications?" If you're working on a specific project, it's good to ask a few key coworkers for one-time feedback. "We covered a lot of ground in a half hour. Did I communicate everything you needed from me during that videoconference?"

Habitually asking for feedback makes it known that doing so is acceptable and ensures that you learn about missteps or communication gaps while there's time to rectify them. Use frequent, informal quick feedback points after a conversation, meeting, or pre-

sentation, such as "What did I do well? What could I do better next time?" By asking these simple questions and accepting responses with interest and equanimity, you signal to others that you welcome feedback, both positive and negative, and that you genuinely want to communicate as thoroughly and effectively as you can.

Address problems head-on

Differences are more than okay; they are often catalysts for creativity and even breakthroughs. As you develop the habits we've discussed in this chapter—of checking your responses, making connections, listening respectfully, communicating concisely, and asking for feedback—you'll reduce the likelihood of difficult interactions arising. But when problems do come up, resist the temptation to avoid them or temporarily smooth things over. Instead, use the skills you've

learned in this book to thoughtfully address the problem head-on.

By separating issues from personalities, managing complicated emotions, and framing problems as surmountable obstacles to the team's—or the organization's—success, you'll defuse tense situations and progressively become more comfortable with difficult interactions in general. As you begin to hear others' grievances or demands without taking them personally, you'll approach each challenging interaction as an opportunity for learning. And each time you successfully navigate a difficult conversation with respect and empathy, you'll feel—and *be*—more capable of competently taking on even the thorniest interactions when they arise.

Learn More

Quick hits

David, Susan. "Manage a Difficult Conversation with Emotional Intelligence." HBR.org, June 19, 2014.

Conflict can't be resolved with logic alone: You need to tend to the swirl of strong emotions, too. This practical article by coaching expert David shows you how to approach a conflict with greater emotional intelligence. You'll learn to recognize the emotions at play in your situation, understand why those emotions exist, assess the impact of those emotions, and develop strategies to manage them.

Goulston, Mark. "How Well Do You Communicate During Conflict?" HBR.org Assessment

This brief questionnaire by business psychiatrist Goulston will help you assess your communication skills during a conflict. Tailored results offer advice and additional resources for improvement. You'll get tips on being direct, sensitive, patient, open-minded, and sincere—all critical qualities for resolving misunderstandings and repairing relationships.

Hedges, Kristi. "Five Essential Communication Skills to Catapult Your Career." HBR.org Webinar, September 5, 2014.

Develop your ability to express yourself in a variety of scenarios with this webinar video and slideshow by communications expert Hedges. Learn five essential communication skills: creating an intentional presence, getting buy-in, presenting ideas confidently and succinctly to a senior audience, developing a virtual leadership style to connect over technology, and giving and receiving direct feedback. Complete with questions to ask yourself, real-life stories, and actionable advice, you'll learn strategies for making every conversation more productive.

Books

Halvorson, Heidi Grant. *No One Understands You and What to Do about It*. Boston: Harvard Business Review Press, 2015.

Halvorson introduces you to the various lenses that color your everyday interactions and explains how understanding those lenses will help you communicate more clearly. Her work is based on decades of research in psychology and social science. Using the advice Halvorson gives in this book, you'll be able to send the messages you intend to send and improve your personal relationships and authenticity.

Harvard Business Review Press. *HBR's 10 Must Reads on Emotional Intelligence*. Boston: Harvard Business Press, 2015.

Strengthening your emotional intelligence will help you in all areas of your work life, but it's especially useful when you

must conduct a difficult conversation. Take a deep dive into this essential leadership competency with this compilation of HBR's best articles on the topic from experts in the field. It will inspire you to monitor and channel your moods and emotions, make smart, empathetic people decisions, manage conflict, and regulate emotions within your team.

Weeks, Holly. *Failure to Communicate: How Conversations Go Wrong and What You Can Do to Right Them*. Boston: Harvard Business Review Press, 2010.

Looking to overcome the combat mentality, emotional maelstrom, and confusion that can poison difficult conversations? Communications expert Weeks explains why we often rely on ineffective tactics when we're faced with difficult situations. You'll learn strategies for mitigating aggression and defensiveness, tips for avoiding the worst pitfalls, and come away with the skills you need to get through hard conversations with your reputation *and* relationships intact.

Classics

David, Susan and Christina Congleton. "Emotional Agility." *Harvard Business Review*, November 2013 (product #R1311L).

We know that the ability to manage one's thoughts and feelings—emotional agility—is essential to business success, but how do we actually develop it? Executive coaches David and Congleton offer practical methods for mindfully and productively approaching your inner emotions. You'll learn to

recognize your patterns, label your thoughts and emotions, accept those feelings and thoughts, and act on your values. By gaining an understanding of how to anticipate and solve problems, you'll develop the emotional agility you need to successfully take on difficult conversations.

DeSteno, David. "Who Can You Trust?" *Harvard Business Review*, March 2014 (product #R1403K).

It's easier to resolve a problem through a difficult conversation at work if you have a high degree of trust with your counterpart. This article draws on emerging research to show how trustworthiness works and offers four points to keep in mind the next time you're deciding whether or not to trust a new partner: Integrity can vary, power *does* corrupt, confidence often masks incompetence, and it's OK to trust your gut. From the useful sidebar "How to Prompt Trustworthiness in Others," you'll also learn techniques to improve and foster others' trust in you. You'll benefit not only from conversations that are less stressful but also from enriched relationships in all areas of your work life.

Manzoni, Jean-François. "A Better Way to Deliver Bad News." Harvard Business Review, September 2002 (product #R0209J).

Giving difficult feedback is one of the most difficult conversations any manager faces. INSEAD professor Manzoni will help you change your mind-set in how you develop and deliver difficult feedback. You'll learn to recognize biases and reframe criticism in a way that opens up honest dialogue.

Sources

Primary source for this book

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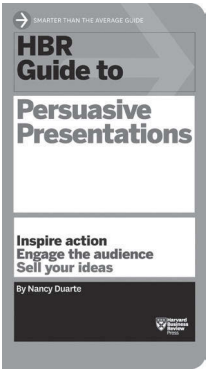

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Preview

As you interact with your colleagues, direct reports, and others within your organization, are you sharing feedback with them? Communicating in the right way with others about their actions can reinforce positive behavior and move them toward more productive courses of action—outcomes that benefit everyone. This book walks you through the basics of giving effective, results-oriented feedback so that it can become an integral part of how you work with others. You'll learn to:

- Recognize opportunities for giving feedback.
- Choose the best time and topics for discussion.

- Establish a rapport with others while giving them feedback.
- Ensure that your comments are valued.
- Prevent and manage volatile feedback situations.
- Create a work climate that encourages performance discussions.

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Giving Effective Feedback

Why Feedback Matters

Why Feedback Matters

You've just received word that one of your direct reports, Judy, an IT help desk provider, was rude to a customer on the phone. You work well with Judy; she is one of your top performers and has never had a complaint filed against her. But the customer was very upset after the call. Is it worth raising the issue with Judy and risking your relationship with her?

Yes. Giving constructive feedback when it's needed is essential to creating a productive work environment—and it doesn't have to threaten your relationships. But you must give that feedback in the right way, so that the person receiving it can use what he

hears from you to improve his own performance and that of his team and the organization.

Although the prospect of giving feedback often seems intimidating, it helps to remember that doing so is essential and, ultimately, beneficial. A feedback discussion is an opportunity for you to share your observations with others about their job performance to elicit productive change. In the example earlier, you want to explore with Judy what happened and make sure that her behavior isn't repeated—for the sake of her own development and for that of the organization.

Feedback is often corrective, which means it's intended to help the recipient change course or adjust practices when the current ones aren't working. It can also be positive, aimed at reinforcing good work and patterns of problem solving. Here's what you can accomplish by giving feedback:

- Show your direct reports and colleagues that you're attentive to them and their performance.

- Signal appreciation for a job well done.
- Redirect undesirable behavior.
- Point out a more productive course of action.
- Contribute to others' learning and development.
- Motivate and inspire individuals to higher levels of performance.
- Strengthen your rapport with coworkers.
- Foster open communication and enhance teamwork.

Delivering feedback should be a regular part of anyone's job, and it shouldn't be reserved for your direct reports. In select situations it can also be helpful to give feedback to a colleague or even a boss.

Consider the following example, in which constructive feedback is successfully communicated at an organization shortly after the testing of a new production process:

You've noticed that a bottleneck is occurring during a production phase overseen by your direct report Bill, who normally prides himself on his efficiency. After gathering the facts, you approach him to acknowledge the quality of his prior work and ask what he thinks is happening now. In discussing the situation, you discover that Bill has a misconception—namely, that the new production process requires more recordkeeping than the old one did. You clarify that the level of recordkeeping should remain the same and that it's only the format that has changed. As you and Bill look through his records together, you show him which elements he can omit, allowing him to save time and energy—and to return to his usual level of efficiency.

The feedback you give to Bill leads to a highly valuable change. By intervening early, you get durable results and also enable Bill to feel good about his work again. Feedback that people actually *hear* and *use* has this effect.

What makes feedback effective?

In order for your feedback to be heard and used, you need to deliver it at the right time and in the right way. To do that well, you need to understand what makes feedback most effective:

- It is shared frequently and in context.
- It aims to achieve a specific outcome.
- It is realistic in its expectations.
- It shows respect for the recipient.
- It is a two-way conversation.
- It is expressed as a point of view, rather than an absolute truth.
- It assumes an opportunity for follow-up.

These principles form the foundation of this book, which shows you how to give feedback effectively to

improve the performance of your team and those around you. The first step, however, is overcoming your fear of giving feedback.

Overcome your fear of giving feedback

Even if in the abstract you know that giving feedback is valuable, you might still be hesitant to do it, especially when it comes to imparting corrective feedback. Some reasons for resistance include:

- You worry that giving feedback will make the recipient dislike you, or that it will strain your relationship.
- You assume that the other person cannot handle the feedback.
- You recall or know of previous instances when the recipient resisted feedback or didn't act on it.

- You feel that the person is already too stuck in his ways and that the feedback won't be helpful.
- You fear an awkward or even volatile situation.

In reality, though, fearing the worst will only close you off from productive conversations. Realizing that these hurdles are often self-constructed will help you clear them. So will sharing both positive and corrective feedback on a regular basis, as doing so will help you get used to having these types of conversations. Understanding the most effective way to prepare and handle a feedback discussion will help you overcome some of the issues that are holding you back.

Remember: Not only is giving feedback worth the risk of straining relationships, it is essential to the health of the organization.

Choosing When to Give Feedback

Choosing When to Give Feedback

Providing feedback is not merely a hoop to jump through when the time for performance reviews rolls around. It should be an ongoing process woven into the fabric of everyday work. That's not to say that every behavior warrants input or a response. Feedback is most likely to have a positive, lasting effect when its focus is on behavior that the recipient is able to change and its delivery is well timed.

Identify the right situations

Offering feedback can be most useful in the following instances:

- When good work, successful projects, and resourceful behavior deserve to be recognized
- When the likelihood of improving a person's skills is high, because the opportunity to use those skills again is imminent
- When the person is already expecting feedback, either because a feedback session was scheduled in advance or because she knows that you observed the behavior
- When a problem cannot be ignored, because the person's behavior is negatively affecting a colleague, the team, or the organization

In other cases, feedback can be detrimental to the situation. Avoid giving feedback in these circumstances:

- When you do not have all the information about a given incident
- When the only feedback you can offer concerns factors that the recipient cannot easily change or control
- When the person who needs the feedback appears to be highly emotional or especially vulnerable immediately after a difficult event
- When you do not have the time or the patience to deliver the feedback in a calm and thorough manner
- When the feedback is based on your personal preference, not a need for more effective behavior

- When you have not yet formulated a possible solution to help the feedback recipient move forward

Bear in mind that when you give positive feedback frequently, your negative feedback, when it is warranted, will seem more credible and less threatening. Offering input only when problems arise may cause people to see you as unappreciative or petty.

Perceptions of pettiness are especially likely if the feedback recipient doubts your motives. Before you deliver feedback, be honest with yourself about why you want to give it. Sometimes you may be reacting to your own needs and preferences, not what is best for the team or organization.

For example, Sarah juggles more than one project at a time, works late every night, and often rushes to finish her work right before deadlines. She always gets everything done—and does it well—but that kind of schedule would stress you out. As Sarah's colleague,

you're inclined to reach out to her to give her corrective feedback on her time-management skills. But before you tell her that she's organizing her time poorly, first ask yourself whether her current time-management process actually diminishes the quality of her work. Sarah has always been good at collaborating with others, and her work has always been stellar. Perhaps she waits until the last minute because the added pressure helps her focus her energy toward a desired result. Perhaps she works late not because she doesn't have enough time in the day, but because it gives her the opportunity for quiet reflection after others have left the office.

In this case, your own work style and preferences may be driving you to give Sarah corrective feedback when it really isn't warranted. If Sarah detects that, she may be less likely to listen to necessary feedback that you offer in the future.

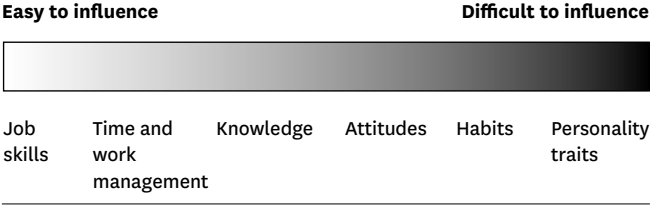
Can the behavior be changed?

Before choosing to give feedback, you need to understand whether the problem your colleague or direct report is facing is one that can be corrected. Figure 1 illustrates which behaviors and attributes tend to be easy to influence and which may be more difficult.

Feedback has the greatest impact on the first three items in the figure. You might focus on helping others with areas such as using a new database (job skills),

FIGURE 1

Influencing behavior: from easy to difficult



prioritizing tasks (time management), or learning a new tax code (knowledge).

Feedback is most likely to affect learning, growth, and change in areas that least threaten the recipient's sense of self-worth. Feedback about attitudes, habits, and personality traits can hit close to home. Does that mean you should not try to influence the behavior of a person who, for instance, wholly dislikes collaboration? Of course not. But it will be more effective to direct your efforts toward, say, getting that person to follow clearly outlined steps in a collaboration protocol rather than making a blanket demand that she "learn to enjoy teamwork." In other words, frame the request as a change in specific tasks or behaviors, rather than a personality makeover. If the person receiving the feedback sees your target as one that is beyond her control, or beyond your purview, she is likely to either dig in her heels and ignore you or direct her frustration inward and lose motivation.

Time the feedback

Once it's clear that feedback is the right route to take, identify the best time to sit down with your direct report or colleague. It's important to give feedback soon after you observe a behavior you want to discuss. It may be tempting to hold off to see if the behavior occurs again—or just because giving feedback can be hard to do—but you and the recipient will communicate most effectively about the situation when it is fresh in your minds. Waiting for a direct report's scheduled performance evaluation is typically too late to discuss the matter, as that could be months away. (See the sidebar "Distinguishing between feedback, coaching, and performance appraisals.")

Think again about Bill's situation with the production bottleneck. If Bill had not received feedback quickly, his struggle to keep up might have led to a missed client deadline, thereby compromising a revenue stream and lowering the entire production

team's morale. His frustration would also have persisted, and, as his manager, you would have missed an opportunity to show him that you know he's capable of better work—something that goes a long way toward building rapport and self-motivation. People tend to have good associations with those who help them nip stress in the bud. If you had waited a long time to empower Bill to fix his problem, however, he might have been less receptive to the feedback when it finally came.

That said, feedback that is given too soon—in an impromptu manner with little or no forethought—can also be counterproductive. There is particular risk in quick assessments if the recipient feels you are overreacting or perceives you as insincere. Snap judgments ("Why on earth did you do that?") are demoralizing, and empty praise (a routine "Looks good") can be disappointing. Always gather the necessary facts and information before offering your perspective.

Now think back to Judy, your direct report who upset the customer during a phone call. You might need

DISTINGUISHING BETWEEN FEEDBACK, COACHING, AND PERFORMANCE APPRAISALS

If you determine that someone simply must change his attitudes or habits in order to perform well, one feedback discussion alone may not be enough. If the person is your direct report, you may need to craft a longer-term solution. One possibility is coaching, in which you'd develop a plan and a regular schedule for discussing feedback and engaging in other learning activities.

The results of both feedback and coaching can also be discussed in the context of a direct report's regular performance evaluation, which is distinct from routine feedback in its formality and its emphasis on past work. Performance evaluations are generally scheduled to occur at specific time intervals mandated by your organization, such as once or twice a year. See table 1 for a comparison of feedback, coaching, and performance appraisals.

(*continued*)

TABLE 1

Comparison of feedback, coaching, and performance appraisals

	Feedback	Coaching	Performance appraisals
Purpose	To reinforce or change behavior	To improve skills	To evaluate past work
Participants	Any two (or more) people	Usually supervisor to direct report, but can be multidirectional	Supervisor to direct report
Place	Private and quiet space	Depends on the skill to be learned	Usually in the supervisor's office
Tone	Typically casual, although can be more formal	Somewhat formal	Very formal
Timing	Frequent and as needed, or during formal sessions	Regular meetings	Prespecified junctures, such as every six months or every year
Follow-up	Continual	Continual	Based on an action plan

to listen to a recording of the call with the customer, review any pertinent records or transactions, and talk with other employees who witnessed the event to get the full story before talking to Judy directly.

If an incident was particularly upsetting, choose a time after both you and the recipient have had the opportunity to calm down and reflect on what happened. With the appropriate information in hand, you'll be able to respond thoughtfully when the time is right.

Finally, choose a time to provide feedback when the recipient can give you his undivided attention. Engaging someone on a Friday afternoon, just before a meeting, or on an especially busy day is likely to be unproductive. When offering feedback, context matters as much as content.

After you've identified the behavior to target and decided when you will approach the recipient of your feedback, it's time to plan and execute on the interaction itself. We'll cover this in the next chapter.

Conducting a Feedback Discussion

Conducting a Feedback Discussion

The goal of a feedback conversation is to reinforce positive behavior or improve performance. When giving corrective feedback in particular, don't just air your grievances or criticize; focus on the future by conveying the specific changes you want the person to make. That starts with careful planning.

Plan the interaction

No matter how quickly you need to give feedback to an employee, it's essential to prepare for the encounter.

Once you've determined that you need to share your perspective and decided when it needs to happen, shift to working on the substance of your feedback. Here's what you should consider:

- Gather all the information available about the behavior in question and its effect on the team or project to obtain an objective view of the issue. As you prepare, ask yourself what you would do if the recipient were to object to what you understand to be the facts, or if she presented other evidence you did not know about.
- Create a discussion plan. Jot down what you want to talk about, and anticipate the recipient's reactions to the feedback session. Craft some follow-up responses.
- Prepare yourself to listen, not just talk. You might, for example, allow for half of the session to involve asking the recipient questions and

half to be spent listening to her answers, rather than making comments yourself. Also anticipate what kinds of questions she might have and expect to answer them.

- Consider what you want to get out of the discussion, both in the short term and the long term. (We'll discuss this in more detail in the upcoming chapter "Developing an Action Plan.")

Organize your thoughts in writing. Table 2, "Planning a feedback session," uses the example of Judy to show you how to identify the kinds of questions you will want to answer before you begin the discussion.

Then consider the logistics of your feedback session:

- Whenever possible, give the recipient advance notice that you want to speak with her regarding some performance feedback. Find

TABLE 2

Planning a feedback session

Points to prepare	Example
One-line overview	Judy was rude when a customer called the IT help desk.
Objective report of the behavior	The customer reported that Judy "spoke in a sharp tone of voice" and said that she had "no earthly idea" how long the server would be down. The customer said that when he asked for a rough estimate, Judy shouted at him.
Objective report of the effect on the team or project	Other help desk providers who overheard Judy's comments were distressed about them. The customer then complained, putting the reputation of the department—and the company—at risk.
Potential objections to the objective report and how you'll address them	Judy may deny that she spoke rudely. If she does, point out that the customer's and other help desk providers' reports corroborate one another. Share with her your understanding of what qualifies as rudeness.
Discussion plan	1. Give Judy the facts and show that you are aware of what has happened. 2. Listen to Judy's version of events. 3. Make clear that rude behavior to customers will not be tolerated. 4. Brainstorm with Judy about ways to avoid frustrating moments in the future.

Possible barriers to the feedback	Judy may be angry and anxious. She may not want to discuss what happened. She might defend herself rather than try to describe events accurately.
Ways to overcome the barriers	Don't be judgmental; hear Judy's side of the story. Give her your undivided attention, and be willing to listen if she has feedback for you.
What questions do you have?	What happened from Judy's point of view? How can she avoid losing control when frustrating moments occur in the future?
What questions might you be asked?	Judy may want to know more about what sort of behavior qualifies as rudeness. She might want to know what she is supposed to do if a customer asks about an IT matter she doesn't know the answer to. She may ask what she is supposed to do to improve her performance in the future.
Desired short-term result(s)	Have Judy commit to showing more respectful behavior toward customers immediately.
Desired long-term result(s)	Find a way to make the conditions of Judy's job less frustrating for her.

a time that she will find convenient, but without undue delay. Arrange to hold the discussion in private, particularly if the feedback is corrective.

- Arrange to have note-taking and scheduling tools at your disposal to record important points during the meeting as they're discussed. Having a pen, paper, and your electronic calendar at the ready shows that you intend to follow up.

A feedback recipient is much more likely to hear what you have to say and learn from the experience if she sees that you're prepared. You'll also be more relaxed as you communicate, and the recipient will feel more confident in accepting your guidance.

Initiate the exchange

The first few moments of any feedback session are crucial. The initial signals a feedback recipient per-

ceives from you are likely to influence her attitude throughout the rest of the conversation.

When you're giving positive feedback, sending good early signals is usually not difficult. The very context—that you want to say something complimentary—is often enough. Identify what you're praising in specific terms. For example, "Maria, you did a great job on the Simmons project this past week. I was particularly impressed with how you handled the client's concerns about deadlines and the action plan you developed in response. I'd like to show what you did to the rest of the team." Don't end there. Ask Maria what allowed her to do such a great job. You may discover gems you didn't anticipate.

Corrective feedback can be more difficult. There is no foolproof formula, as individual circumstances and personalities will determine the best course of action. But these principles can help:

- Sit without physical obstacles, such as tables or desks, between you.

- Avoid interruptions. Silence your phone if you can, and ignore e-mail, texts, and other intrusions during the conversation. Focus completely on the person you're speaking with.
- Adapt your communication style to that of the recipient. For example, if she's a very social person, spend a few minutes talking casually before starting the feedback session in earnest.
- Assume a tone close to that of an experienced teacher: Show confidence in the guidance you provide, but don't be patronizing or judgmental in offering it.
- Consider the recipient's point of view and perspective. Try to understand who she is and how she wants to grow.
- Imagine yourself in the other person's shoes. Consider what you would need to hear in order to walk away from the conversation feeling ready for positive change.

- Be sensitive to ways in which gender, race, age, or other differences might affect the recipient's response to your feedback. Individuals with certain backgrounds, for example, might find direct, to-the-point feedback demotivating. In such cases a gentler discussion may be warranted.

Let's return to the example with Judy. You might be tempted to begin the conversation by summarizing what you've heard and laying down the law: "Judy, I've heard from a customer that you were really rude to him last week, and a number of other team members overheard and agreed. You just can't speak that way to a customer. What do you have to say for yourself?" This sort of approach is likely to make Judy defensive and isn't going to make her any less angry and anxious than she may already be (as you will have identified in your prep work).

Instead, you might start the conversation in the following way to remove some of the barriers you identified: "Judy, you know we're here to discuss what

happened on your customer call earlier this week. I'd first like to share the information I have about the situation, and then I want to hear your point of view. After that, we can discuss what to do next. How does that sound to you?" Because you opened the discussion in this way, Judy can immediately see it as a two-sided conversation and understand that you aim to work with her to find the right solution to the problem. She'll know that she will have a chance to be heard, and that may make her feel less angry and anxious and more respected. You can then describe your understanding of the incident and encourage her to share her point of view.

Engage in dialogue

Whether you are giving positive or corrective feedback, once you have initiated the conversation and have described the issue to the recipient effectively,

encourage her to explain her behavior in her own words. Pay close attention to how she responds. Specifically, you should do the following:

- *Listen actively.* Concentrate on the recipient's message and its implications rather than on your response. In particular, listen to what she is describing and what images and metaphors she uses, and if you don't understand something, ask.
- *Notice nonverbal cues.* Take note of the recipient's body language and tone. Does her tone of voice and facial expression match what she's saying? Does her body language appear tense or uncomfortable? Comment on what you see and ask her to tell you more about it. ("Judy, you seem angry. Did something I said seem unfair to you? Tell me about it.")
- *Monitor your own reactions.* Sitting back and crossing your arms both imply resistance.

Tapping your pencil or eyeing your smartphone suggest you're not interested. If you lean forward, maintain eye contact, and nod your head, you show that you're listening and understanding what the other person is saying. The feedback recipient may also use this opportunity to give *you* feedback—you need to handle that with the same openness you expect of her (see the sidebar "Receive feedback openly.")

- *Paraphrase what the recipient says.* By restating her response in different words, you show the other person that you have understood her point. If anything is unclear, ask more questions until both of you are on the same page.

In cases of corrective feedback, after you share your concerns and listen to the recipient's point of view, you'll want to identify the core issue at play. That's not always as easy as it seems; sometimes surface behavior stems from a deeper problem.

RECEIVE FEEDBACK OPENLY

As you talk about an issue, listen to the recipient, and ask questions, you may discover that he has feedback for *you* about a particular process, how you communicate, or how you've interpreted the issue at hand. You must learn how to receive feedback openly—and to value its rewards.

When others give you honest feedback, you have an opportunity to improve your relationships with them by showing how well you interact with people, your awareness of the impact of your own behavior and actions on others, and your process for getting work done. Here are some tips to remember as you receive feedback:

- Listen carefully to the other person's point of view, and consider the feedback giver's intention. What does he want you to take away from

(*continued*)

RECEIVE FEEDBACK OPENLY

this discussion? Think about the validity of the feedback, and ask questions if you're unclear about anything that's been said.

- Let your defenses down. If you find yourself getting upset, try breathing deeply or taking a short break.
- Resist the urge to justify the behavior or actions that are being criticized. Wait for your chance to respond, and present your perspective clearly and calmly.
- Identify what you can learn from the feedback. Focus on how you can improve in the future and how the person giving the feedback may be able to help with that effort.

- Come up with a plan of action. Work with the person giving the feedback to develop a series of steps you can take, and ask for his support. Write down your plan as you discuss it.
- Finally, recognize when criticism of your behavior, even when valid, has no place in the current conversation. If that is the case, set aside a separate time to discuss that feedback, and continue with the issue at hand.

You always have the right to verify feedback you've received with other sources of information. This can help validate or modify the message you've been given. But always thank the other person for the feedback: It is a gift that can improve your relationship.

If, for example, you have an employee who is regularly late to work, you may both agree that's the problem that needs to be solved. But the underlying causes may not be evident. She may be late to work because she's having difficulties at home, or she may be unhappy about work and resisting coming into the office. She may simply be unconcerned about her precise arrival time, because she consistently gets her work done in a timely manner. Digging down to the root cause will allow you to analyze next steps that can correct the behavior and help the recipient—and the rest of the team—work more productively.

There is no easy script to follow for feedback discussions. Every conversation is different based on the situation and the people involved. But following the steps presented in this chapter will give you the best chance at having a fruitful conversation. In the next chapter, we'll help you turn a feedback discussion into practical steps by developing a plan of action.

Developing an Action Plan

Developing an Action Plan

Sharing feedback—particularly corrective feedback—can be difficult, and many people breathe a sigh of relief when that step is done. But you're not finished yet. For feedback to be truly effective, it has to be heard *and* implemented. The next step of the process is planning how to move forward.

Specify next steps

For positive feedback, consider sharing the person's good work with others as an example or asking her to train or coach her colleagues on an area she's excelled in. It's easy to overlook such valuable opportunities

when you're in the thick of daily work, but sharing the key to one employee's success may increase others' efficiency and motivation.

For corrective feedback, after you and your direct report or colleague have identified the core issue that needs to be addressed, work together to develop an action plan for moving forward that is mindful of the root cause of the behavior. If, for example, you have discovered that your employee is always late to work because she has a long commute, you may be able to offer her the flexibility to work from home a few days each week. You can also emphasize the effect her behavior is having on others as added incentive to help her change her ways: If she discovers that her behavior is lowering the morale of those who are punctual in addition to affecting her individual productivity, she may be more motivated to arrive on time. Here are other options to consider:

- *Offer a carrot.* Find more interesting and satisfying assignments for the employee to work on as an incentive to arrive on time.

- *Use a stick.* Require that she be prompt, and establish explicit consequences for tardiness (for example, documenting the situation in a formal performance review, which could later hamper her chances for promotion).

- *Seek an alternative.* Explore the possibility of formally changing her hours so she can come in an hour later and work an hour later each day, or work from home one or more days per week. You might even institute a flexible schedule for the entire group so that everyone has the option of arriving at work within a range of times.

Whichever approach you take, confirm that you and the recipient are leaving the feedback session with the same understanding of what will come next. Therefore, you should:

- Summarize the plan. If there are multiple components, specify each one.

- Have the recipient show that she knows what the next steps are. She might demonstrate her understanding by restating them or by agreeing to something you have written down.
- Explicitly ask how she feels about the plan. If any points seem unresolved, be open to clarifying them or, if appropriate, revising them.
- Identify when and how follow-up will occur. Be as specific as possible.
- Set a time frame for achieving the primary goal and, if appropriate, smaller goals along the way.

When specifying next steps, make sure that you and the recipient feel that the plan belongs to both of you. A sense of mutual ownership greatly increases the likelihood that the recipient will apply your feedback.

Follow up

For the sake of the employee, your team, and the organization, don't stop the process of change when the feedback session ends. After giving positive feedback, for example, continue to reinforce the good behavior. When others can learn from that behavior, follow up to arrange training or coaching sessions led by the individual you've praised.

In cases of corrective feedback, continue to observe how the employee is doing and whether she is following the agreed-upon action plan. Specifically, you should:

- Check in regularly to ensure that the action plan is on track. Follow the schedule you outlined as closely as possible.
- Ask the employee to describe her progress. Encourage her to be frank about any obstacles

she may be encountering, and do what you can to help remove them.

- Be explicit about any improvements that you're noticing. Offer praise and reinforcement to bolster that progress.
- Be frank if you notice that progress has been too slow or is not happening at all. Discuss specific options for getting the situation on track.

Feedback is not a cure-all for workplace ills. In some cases, you may discover that the feedback recipient just isn't changing his behavior, even after multiple feedback sessions. There are many reasons why this may happen: The employee disagrees with you, doesn't understand the need for change, or just doesn't care. If a problem persists despite vigilant and judicious follow-up, you may have to take additional—and in some cases, more severe—measures.

If things aren't improving, consider whether there's anything you might be doing to add to the problem.

Were you clear enough when you gave your feedback? Did the recipient understand what he should be doing, and are you supporting him? Ask for help and advice from human resources, or, if you're not the person's manager, consider reaching out to his boss for assistance. If the behavior (or lack thereof) continues, set up another feedback session, but include another person in the discussion as a witness, such as an HR representative. Document carefully what the person says and agrees to, as well as how he behaves and misbehaves. If there is no improvement, that person might not be the right fit for your team or organization.

If you have followed these steps and things progress to the point of termination, you'll know that you're doing the best thing for everyone involved. You, your team, and your organization do not need to suffer because of one person's behavior.

For more guidance on how to proceed if the recipient doesn't react well to your feedback, see "Handling Difficult Feedback Situations" later in this book.

Assess yourself

Don't forget your own role in the process. You, too, should be learning from feedback discussions. After a feedback session, use table 3, "Evaluating the feed-

TABLE 3

Evaluating the feedback process

Topic	What worked?	What could be improved?
PROCESS		
Planning the feedback		
Initiating the meeting		
Discussing pertinent points		
Listening to the recipient		
Developing an action plan		
RELATIONSHIP		
Communication style		
Recipient's reaction		
Level of mutual trust and respect		
RESULTS		
Impact of changes		
Timeliness of changes		
Expectations and progress		

back process," to evaluate how the meeting went, and monitor how follow-up is progressing.

Action plans, deliberate follow-up, and self-evaluation all reinforce the ongoing nature of constructive feedback. In short, the learning (for your colleague *and* for you) doesn't end after the door on the feedback session closes. When you act with that principle in mind, your example has an impact on your colleagues and direct reports, and everyone on the team benefits.

Handling Difficult Feedback Situations

Handling Difficult Feedback Situations

In most cases giving feedback proceeds smoothly and ends positively, even if the feedback is corrective. Sometimes, though, the situation may be more complicated. This chapter focuses on common feedback scenarios that present special challenges.

Dealing with noncommunicators

Some people are unresponsive when confronted with feedback, even when it is positive. The reasons for this may vary from a simple fear of not being liked, to preconceived notions about the person delivering

the feedback, to cultural expectations about how to respond to authority. Whatever the reason, you must still handle the present situation directly, even if it makes the person uncomfortable.

When you need to give feedback to a quiet, shy, or otherwise uncommunicative person, patience is key. Don't rush the discussion, and don't try to force him to respond. Take deliberate pauses so the recipient has the chance to gather his thoughts and articulate them. Giving him enough space to think and speak can go a long way.

As you proceed, make an effort to draw out the other person's point of view. Ask open-ended questions, such as "What was your rationale for telling the customer we couldn't help him?" or "How did you prepare for the presentation?" that require more than a yes or no response. These types of questions, which are useful in any feedback situation, show an uncommunicative person that you want to hear and understand his point of view. In effect, you're saying, "My version of the issue is not the only one."

Managing potentially volatile encounters

In contrast with noncommunicators, some corrective feedback recipients may be openly defensive as soon as they're confronted with criticism. That defensiveness may stem from the recipient's desire to convey his understanding of the facts. As part of your process (as described in "Conducting a Feedback Discussion" earlier in this book), you'll encourage him to share his point of view, and you should always be willing to acknowledge when you have the facts wrong.

More often, however, defensiveness surfaces because productive and honest communication is breaking down, leading the recipient to misperceive your motives and intentions.

Think back to the first chapter of this book, and imagine a different version of the scenario involving Bill, the usually efficient worker who is causing a bottleneck in a new production run. This time, when

you outline the problem for Bill, he blows up, saying, "Why did you wait so long to tell me about this? I've got a new system now, and it's too late to change it. Not to mention all those extra nights I've been working!" When you try to explain that you have only just heard about the issue, Bill says it's time for his break and walks out of your office.

Volatile encounters like this one can be hard to defuse once they've begun. If you anticipate that your feedback session could become contentious, plan ahead:

- If the employee is already upset or angry, wait until he calms down before you engage him directly. (Keep in mind, though, that even when surface emotions seem smooth before the feedback session, unsettled feelings can always bubble up, sometimes right before you meet with the person or during the encounter itself.)

- Write down your feedback points in advance so you won't get distracted and forget them during the session.
- Plan and rehearse how you will respond to outbursts before you initiate a conversation with the recipient. (Table 2, "Planning a feedback session," which appears earlier in this book, can be particularly helpful in preparing you for potentially difficult interactions.)
- Plan to keep your feedback simple; limit yourself to one or two primary points. Volatile situations can be made worse when you catalog what the feedback recipient may perceive as a long list of grievances.

Once you are in the session with the recipient:

- Elicit the recipient's point of view and actively listen to his response to avoid confrontations during the discussion.

- Soften his defensive posture with phrases that show him that he's being heard, such as "I hear what you're telling me" or "That's an important perspective." In addition, note points of agreement between you to establish common ground. Comments like "You and I are on the same page about that" help to convey that you want to work with—rather than against—the other person.

- Remain composed. Speak slowly, calmly, and clearly. Avoid phrasing that might be interpreted as judgmental. For example, "Can you help me understand that point a bit better?" is much less confrontational than "I have no idea what you mean."

- Redirect his focus away from the point of dissension. Work on building small agreements about basic details: what happened, when, and so on.

In the case of Bill, you might start the conversation not by outlining the problem with the production run but by asking him to share how he thinks the new run is going. That would give Bill the chance to identify the problem before you do. If Bill does not volunteer the information, make clear that you have only just learned about the matter before describing it in detail: "Bill, I just learned about a blip in our production run, and, given your knack for efficiency, I wanted to get your insights first." That approach will signal to Bill that you trust him and appreciate his work—and assure him that you haven't been sitting on information for a long time before consulting him. And, of course, rehearsing that line before you meet with Bill will help you deliver it in a neutral, nonjudgmental tone.

If Bill still becomes defensive despite these efforts, focus on details or facts about the production run that are objective and that you both agree upon: "Yes, you're correct that the new run lasts three days." You will eventually get to the nub of the problem, but if

you have established common ground first, you will be less likely to face a scenario in which Bill feels the need to storm out of your office.

Giving feedback to high performers

Sometimes the toughest people to influence with feedback are those who do the best work. But giving stars effective feedback is essential to keeping them engaged and motivated—and to helping them reach their potential. Experts make clear that you should not bend the basic principles of giving feedback when dealing with top performers: No matter who is receiving the feedback, the advice in this book applies. But here are a few tips that can extend those basics to the unique needs of top performers:

- *Express gratitude for current performance.* A star may not know how well she is doing. Always start your feedback session with a top per-

former by stating what she has accomplished and thanking her for it.

- *Understand the cost of great results.* It's important to understand *how* top performers have achieved their exemplary outcomes, and at what cost. For example, did she forgo other things, such as caring for her team, building alliances with others, or maintaining a healthy work-life balance in order to accomplish her goals?

- *Don't assume the star is perfect.* Everyone can improve, and you do a top performer a disservice if you fail to help her grow—particularly if you're her manager. Focus on what comes next in her career, and identify which obstacles might be standing in her way and how she can overcome them.

- *Find out how you are doing.* Ask questions such as "How can I continue to support your

high performance?" or "What can we do as an organization to keep getting better and supporting your great work?" By asking these questions, you'll encourage this key player to see you as an ally in her development.

The better the performer, the more often she needs feedback. You and your organization depend on retaining top performers, so it is a wise investment of your time and energy to support and develop them. Giving them regular positive reinforcement and turning their attention to self-improvement allows your stars to celebrate success and work effectively toward what comes next.

Giving corrective feedback to your boss

As we've discussed, providing feedback to a direct report or a colleague can be delicate. Even trickier is

giving corrective feedback to your boss. In these instances, a good rule of thumb is to tread lightly. A few tips can help:

- *Identify the issue.* Start by discussing the problem with your team members. Is this something that others are struggling with as well?
- *Decide whether the matter is worth pursuing.* Consider alternatives. If you and other members of your team can minimize the impact of your manager's behavior on your own, you may not need to approach her at all.
- *Prepare carefully.* If you must give your manager corrective feedback, collect objective data such as e-mails, job descriptions, events, dates, and so on. But present them as aids in finding a solution, not as an arsenal of evidence.
- *Make an appointment.* Don't surprise your manager. Let her know that you want to discuss

an important issue with her privately. Ask for a particular time and place to meet.

- *Describe the behavior and its impact on the team.* Give the feedback directly, accurately, and above all, respectfully. Describe the behavior you're targeting, not a personality trait. Avoid an accusatory tone of voice.

- *Make a suggestion or a request, not a demand.* Eventually, move from a statement of the problem to a possible resolution. You will know whether your manager is ready to meet this challenge. If so, she may join you in considering various options for improving the situation.

- *Check for commitment to change.* Even if the process goes well, make sure you are both clear about the next steps. Ask something like, "So do we agree on how we'll adjust the process for the

team moving forward?" Show your willingness to do your part.

Giving corrective feedback to your boss is a relatively rare event, as are feedback situations that escalate to a crisis level. The best way to prevent the most difficult feedback situations from ever occurring is to create an overall work climate that encourages and welcomes feedback. We'll discuss that next.

Creating a Receptive Climate for Feedback

Creating a Receptive Climate for Feedback

Feedback is most likely to be accepted and lead to positive change when the recipient believes that the person giving it is reliable and has good intentions. As a leader, creating a general climate that encourages feedback is the most effective way to help all those who give feedback in your workplace—yourself included—earn that kind of trust.

Make feedback a priority

Frame feedback—positive or corrective—as an ongoing process, not an occasional and arbitrary comment

or correction. Make sure everyone around you knows that giving and receiving feedback is an ongoing goal with the intention of improving the entire organization. Let the managers you oversee know that if they treat giving feedback as a mere requirement to complete at the time of performance reviews, they will not meet one of *your* basic expectations. A useful mantra is "Every single day, the people you work with and those who work for you should know how they're doing."

To show others that feedback is a large part of your organization's or your team's culture, you need to set an example and give feedback regularly and visibly. Do this not only in your individual feedback discussions but in your day-to-day actions as well. Be as open to receiving feedback from your colleagues, including your direct reports, as you are to sharing your observations of their work. Don't just sit back and wait for feedback to be offered, particularly if you're in a leadership role.

Give positive feedback publicly

Acknowledging positive performance frequently and publicly is a good way to start building a culture of frequent feedback. And don't just do it yourself: State explicitly that you expect everyone else on your team to follow suit.

Embracing positive feedback and acknowledging good work promotes personal development and shows others that feedback doesn't need to cause anxiety. By regularly acknowledging good work, your direct reports and colleagues will trust your message and be more open to your corrective feedback when it's necessary.

When you give positive feedback as part of building this kind of culture, follow these guidelines:

- *Start small.* Don't assume that only big wins merit discussion. When you see *any* behavior

you want to encourage, acknowledge it and express appreciation. Make clear to direct reports and colleagues that it matters even when the little things are done well.

- *Praise effort, not ability.* Take a cue from research by Stanford psychologist Carol Dweck: Her work suggests that praising persistent efforts, even in failed attempts, helps build resilience and determination, whereas praising talent and ability results in risk aversion and heightened sensitivity to setbacks. A work climate that values effort, therefore, can increase ability.

- *Offer some positive feedback—and stop there.* Using positive feedback only to cushion the blow before delivering criticism will degrade the value of your praise and render it hollow. Sometimes reinforcing good work is enough. Set a tone that encourages others to offer positive feedback as an end in itself.

Empower everyone

Everyone—not just leaders and managers—should be part of your culture of feedback. Here's how to make sure all voices are included:

- *Address challenges as a group.* Establish a mutual commitment among individuals and groups to work on areas that need improvement. Teach people not to fear identifying where the group is falling short—don't punish them, chastise them, or ignore their points of view—and encourage them to help one another solve problems. Feedback should be oriented toward finding solutions collectively, not dwelling on what's wrong.
- *Set clear expectations.* Make all work expectations—team and individual goals as well as ongoing assignments—clear and explicit.

Feedback should always be based on these parameters so it doesn't feel arbitrary.

- *Encourage questions.* State openly that employees should never be afraid to ask for clarification if either their work expectations or the feedback they've received are unclear.

- *Make it okay to say no.* One risk in feedback-rich cultures is that people feel obligated to say "Of course," when asked, "Can I give you some feedback?" Timing your feedback is an important part of the process. The freedom to postpone such conversations when people are not ready to have them ensures that when they do take place, all participants are willing parties.

The more you create a general climate of giving useful feedback, the more natural the process will become for everyone. That doesn't mean that you ever reach a point when you no longer have to think about

it: A culture where feedback is valued is, by nature, a vigilant one. But it is the clear-eyed vigilance of a keen and progress-oriented observer, not that of a persnickety hall monitor waiting to pounce on mistakes. Engaging in active and nurturing observation—and letting others know you expect them to do the same—makes giving feedback an art that everyone you work with can appreciate.

Mastering the art of giving effective feedback takes time and careful attention. Like any skill, it is easier for some people to internalize than for others. But whether you're a feedback novice or a skilled practitioner of the craft, the specific tactics outlined throughout this book will serve as reliable touch points that you can visit again and again as you refine your style and grow more comfortable with the process.

Learn More

Quick hits

Berglas, Steven. "Don't Sugarcoat Negative Feedback." HBR .org, September 13, 2013. http://blogs.hbr.org/2013/09/dont-sugarcoat-negative-feedba/.

Managers can't always count on praise. Sometimes, criticism is needed to effect positive change. This piece provides tips on how to share constructive feedback most effectively.

Goleman, Daniel. "When You Criticize Someone, You Make It Harder for That Person to Change." HBR.org, December 19, 2013. http://blogs.hbr.org/2013/12/when-you-criticize-someone-you-make-it-harder-for-them-to-change/.

It's important to focus on what needs to change, but positivity can go a long way. In this piece, Goleman argues that asking a feedback recipient about hopes, dreams, and possibilities can open him up to more effective work.

Pozen, Robert C. "The Delicate Art of Giving Feedback." HBR.org, March 28, 2013. http://blogs.hbr.org/2013/03/the-delicate-art-of-giving-fee/.

People tend to respond most strongly to criticism. Pozen suggests the best approach to share negative feedback—and provides some tips on sharing positive feedback as well.

Books

Green, Marnie E. *Painless Performance Conversations: A Practical Approach to Critical Day-to-Day Workplace Discussions*. Hoboken, NJ: Wiley, 2013.

Most managers avoid tough performance discussions. Green helps readers conquer their fears so they can have effective feedback conversations with their direct reports. Filled with summary tips, reflection questions, conversation checkpoints, and case studies, her book helps managers find their confidence and create a workplace with a culture of accountability.

Grote, Dick. *How to Be Good at Performance Appraisals: Simple, Effective, Done Right*. Boston: Harvard Business Review Press, 2011.

This concise, hands-on guide shows you how to succeed at every task required by your company's performance appraisal and management process. Through step-by-step instructions, examples, sample dialogues, and suggested scripts, performance management expert Grote explains how to handle appraisal activities ranging from setting goals, defining job responsibilities, and coaching to providing recognition,

assessing performance, and creating development plans. He also explains how to tackle other performance-management activities your company requires, such as determining compensation, developing and retaining star performers, and solving people problems.

Harvard Business School Publishing. *HBR Guide to Coaching Your Employees*. Boston: Harvard Business Review Press, 2014.

This guidebook covers the basics for coaching. The *HBR Guide to Coaching Your Employees* explains how to match an individual's skills with an organization's needs; create realistic but inspiring plans for growth; give employees feedback they'll actually apply; and provide support employees need to achieve peak performance. Readers also learn to tap employees' learning styles to make greater progress; give their employees room to grapple with problems and discover solutions; and, ultimately, keep them engaged.

Harvard Business School Publishing. *HBR Guide to Giving Effective Feedback*. Boston: Harvard Business Review Press, 2014.

Filled with actionable advice on everything from delivering on-the-spot feedback to determining if your employee is ready for a promotion, this guide—a more in-depth look at the topic of this 20-Minute Manager—provides the tools readers need to master giving effective feedback. Readers will learn how to incorporate feedback into daily interactions with employees,

highlight the impact of employees' behavior on the team and the larger organization, reinforce organizational values and goals with recognition of individuals' performance, deliver constructive criticism without generating anger or defensiveness, and motivate people even when financial times are tough.

Stone, Douglas, Bruce Patton, and Sheila Heen. *Difficult Conversations: How to Discuss What Matters Most*. Second edition. New York: Penguin Books Group, 2010.

Difficult conversations can cause stress and anxiety, admit the authors of this classic—whether you need to have them with a coworker, a store clerk, or an in-law. And avoiding confrontation is not always the best option. Now in its second edition, *Difficult Conversations* shows readers how to transform tough discussions into effective learning opportunities, both inside and outside the workplace.

Weitzel, Sloan R. *Feedback That Works: How to Build and Deliver Your Message*. Greensboro, NC: Center for Creative Leadership, 2000.

In this book, leadership development expert Weitzel recommends replacing vague statements, snap judgments, and personal attacks with objective commentary that will help improve performance and change ineffective behavior using the Situation-Behavior-Impact (SBI) technique. In addition to helpful how-tos, the book includes a section of "words with impact" to use during any feedback discussion, as well as a list of dos and don'ts for giving effective feedback.

Articles

Higgins, Jamie, and Diana Smith. "The Four Myths of Feedback." *Harvard Management Update*, June 1999 (product #U9906E).

The biggest obstacle to giving constructive feedback is breaking down the myths about feedback itself. Contrary to popular belief, this article notes, defensiveness is okay, and mistakes should not be covered up or punished. Higgins and Smith provide four common misperceptions about feedback and how to overcome them to allow for more effective performance discussions.

Krattenmaker, Tom and Richard Bierck. "Is There Any Good Way to Criticize Your Coworkers?" *Harvard Management Communication Letter*, March 2000 (product #C0003F).

Criticism is a part of our work lives. It is generally viewed as negative, painful, and uncomfortable both to give and to receive. But many experts believe that giving and receiving *positive* criticism leads to continued growth. The authors of this article present tips on when and how to criticize.

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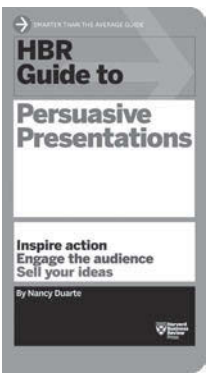

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Preview

Whether you're newly promoted or a veteran leader, you've got a team to direct, goals to meet, ideas to pursue, an abundance of enthusiasm—but not enough time. Overloaded with tasks that "only you" can handle, you never seem to get to the long-term planning, staff coaching, or other higher-level management work that you'd like to do.

You can't add more hours to your day, but improving your delegation skills can help you make the most of the hours you have. Becoming more effective at delegating offers advantages for you, your team, and your organization by improving productivity, reducing stress, enhancing staff skills, and increasing morale and motivation.

This book provides an introduction on how to:

- Create an environment that fosters successful delegation.
- Overcome your concerns about delegating.
- Know what (and what *not*) to delegate.
- Match assignments to skills and interests.
- Provide the appropriate level of support and oversight.
- Transfer your knowledge of successful delegating to others.

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Delegating Work

Why Delegate?

Why Delegate?

Do you find your growing responsibilities and workload outstripping your available time? Are you spending much of your day completing tasks below your level of skill and authority—such as providing project updates or compiling data on new clients—work that could be performed by others on your team? Do you lack the bandwidth for higher-level pursuits, such as analyzing your department's short- and long-term resource requirements, implementing a training program for new hires, or developing process improvements to speed order turnaround time?

Delegating—assigning tasks, projects, or functions to another person—can reduce the demands on your time and allow you to develop your leadership skills while improving organizational productivity and giving your employees opportunities to extend their capabilities. Delegating well is managing well; not relinquishing authority, but *leading*.

As you review the purpose and benefits of delegating, remember that it's not just about the payoff for you—it's about the benefits for your staff and your organization as well.

The purpose of delegating

When you delegate, you transfer the responsibility for performing a task, completing a project, or executing a function to another person. You still retain authority, control, and responsibility with regard to the larger work, but the person to whom you delegate—

a direct report, team member, outside contractor, or maybe even a peer—tends to the details.

For example, you might task a senior project manager with compiling a weekly update of all projects in your unit and confirming that your internal standards, client specifications, and regulatory requirements for each project are being met. This individual obtains project status information, but you still manage the direct relationships with clients and other unit heads who are working with you on the projects.

Delegating can have a profoundly positive effect on employees and the organization as well as on the manager who delegates, yet overworked managers often underutilize this tool.

The benefits of delegating

Delegating work offers an upside for everyone. Let's take a closer look.

Benefits to you

In addition to reducing your workload and stress level, delegating improves your coaching skills and likely boosts your job satisfaction. Cleaving off tasks that others can accomplish, such as running expense reports or drafting the employee newsletter, will give you more time to focus on work that requires your particular skills and authority, such as working with the finance director on your group's revised quarterly forecast, assembling a team to assess the impact of a rival's recent expansion into new markets, or developing a communications plan for your company's reorganization (and the necessary but difficult staff changes that will accompany it).

Benefits to your direct reports

By delegating to people on your team, you increase their motivation and confidence and help them de-

velop new skills. Say you need to cut a few days out of your production schedule. Rather than documenting the current manufacturing process yourself, you ask a member of your staff to take on this task. Your employee gets the opportunity to have a voice in the change process while also learning how to plan work, enlist the cooperation of others, assume responsibility, and gain experience with managerial activities. Some delegated tasks also offer direct reports greater exposure within your organization or industry—such as when you tap a member of your staff to speak at a conference or to organize a panel of experts for a networking event.

Benefits to your organization

Assigning work to the right people at the right level maximizes an organization's resources, improving productivity and saving the company money. Your organization benefits from both the improved skill

levels of your staff members and your ability to get more high-level work done. Effective delegating also develops trust—you rely on your staff person to get the job done, and they look to you for support and guidance as needed—and trust within organizations means more-engaged workers. Finally, delegation strengthens communication, as you and your staff member find new ways to work together and as your staff person learns how to influence others to complete the assignment.

Delegating is also an effective way of assessing staff members' capabilities before offering promotions. Suppose, for example, that you'd like to see if Carlos, a junior member of your engineering team, is ready for a project manager position that is opening up. Assigning him to lead a small project, such as overseeing the redesign and production of a component with a high failure rate, will help you judge his suitability and help him assess his comfort level in that capacity in a fairly low-risk way. If you and Carlos

agree that additional training is advisable before he can be promoted, you can work it into his career development plan.

. . .

To achieve these benefits you must not only delegate but do so *effectively*. This book shows you how.

Building a Foundation for Effective Delegating

Building a Foundation for Effective Delegating

Are you spending more time "doing" and less time managing?

If you always seem to have too much rudimentary work to do, or if you find yourself on the job nights and weekends trying to keep up with endless lower-level administrative tasks, assigning some of your work to staff members could help you free up some time for other higher-level activities, such as prepping for an important board meeting or policy development.

If you *are* delegating but you're regularly interrupted by direct reports who have questions about

their assignments, or if you often need to intervene in delegated tasks or projects because of missed deadlines or budget overruns or overrule staff decisions and personally redo poorly executed assignments, you could benefit from honing your delegation skills. Perhaps you've been directed to offload some of your work to a colleague you now must oversee—a scenario that requires well-tuned delegation skills and finesse. Finally, if your employees complain when you delegate work, if morale in your group seems low, or if turnover is high, it might be time to move from just delegating to delegating *well*.

In this book we'll walk you through the fundamentals of choosing the right work to delegate, preparing to delegate thoughtfully, making the assignment crystal clear, and monitoring progress effectively. But throughout that process you'll also want to address big-picture needs, such as creating an environment that fosters productive delegation, establishing management practices that promote delegation, and banishing your own concerns and fears about delegating.

Establish the right environment

Creating a workplace that encourages and supports delegating can help you gain cooperation from your staff. Here are some tips to help set up the right atmosphere, especially as you make and communicate the assignment.

Making the assignment

When you delegate work, you're more likely to rally enthusiasm and support from your staff if you consider the following as you balance assignments:

- Delegate entire projects or functions when possible—not just portions—to help increase your employees' motivation and commitment.
- Avoid assigning only tedious or difficult jobs. While it's sometimes necessary to share grunt work, like database entry, on larger projects, try

to balance the less desirable jobs with tasks that captivate staff and might gain recognition for your employees, such as representing the team at a trade show.

- Give your direct reports the resources needed to get the job done. And think in broad terms: Resources could be people (additional staff or simply an introduction to someone they'll need to work with), tools (such as software or training), information, or development opportunities—anything that can help employees learn, resolve issues, and handle assignments on their own.

- Delegate to people whose judgment and competence you trust. Your ability to select the right person reflects your decision-making and goal-setting skills.

- Develop trust in less skilled staff members by delegating highly structured assignments to

them (such as compiling production and delivery figures for your quarterly report).

- Provide possible career advancement for staff members by delegating work that involves face time with your manager or with a high-level manager in another division.

Communicating the assignment

Open lines of communication set the foundation for an effective delegation culture. Try to incorporate the following tips into your delegating practice:

- Make certain that your staff knows *what* is expected of them and *why* the task is important to the unit and the organization. People are more motivated when they understand the reasons for doing things a certain way and when they recognize the importance of their work. Linking projects to larger initiatives also helps build a sense of shared responsibility for

the unit's overall goals. For instance, you might explain to your employees that immediately updating the client database with revised order status information (rather than making daily or even weekly updates) helps ensure that all members of the team have access to the latest figures and can respond accurately to client queries—thereby meeting your organization's targets for customer satisfaction ratings.

- Articulate goals, expected outcomes, and measures of success. Also, create clear guidelines for follow-up, monitoring, and feedback. Having detailed conversations about these issues up front minimizes wasted time and resources and ensures that the work will be completed successfully—and allows you to hold your staff accountable.

- Cultivate independent thinking by asking questions rather than dictating orders. Encourage

your people to come to you with problems, but groom them to also bring their own ideas, observations, and possible solutions. Open-ended questions—"What things might we consider if we implement the solution you're proposing?"—help motivate employees to think (and to reveal the degree to which they have thought about problems and assignments on their own). When they raise a problem with you, ask them what they've already tried to do to solve it (or what they've considered doing), along with the pros and cons of their proposed approaches.

- Urge your staff to share their interests as well as their availability for new projects.
- Acknowledge that mistakes can be made, that delegating is a learning experience for you and your staff. Offer instruction or coaching as needed.

Building a workforce open to delegation will also help make you a better delegator. Fostering the right culture for delegation with existing staff is important, but you can also contribute to that culture when hiring additional staff members. Look for applicants who not only are qualified for the specific job but also are willing to grow, take on new tasks, learn from their assignments, strengthen their skills, and make informed decisions. Selecting people who are more than just their job descriptions will allow your unit to make its best contribution to the organization overall. Be creative in your pursuit of ideal candidates. For example, ask vendors and customers who know your staff and your organization to recommend potential new hires.

Giving yourself time and space to think also has an impact on the delegating culture you're creating. Continually answer the question, "What next?" Your unit can't deliver top performance without a clear picture of where it's going, so once you've envi-

sioned your unit's future, share it with your team so everyone is clear on—and energized by—your major goals and how you'll achieve them. Take time to reflect on what's happening in your company and industry, explore new ideas, and get excited about the possibilities of the future. Block off thinking time on your calendar during periods when you're at your best—perhaps first thing in the morning or a specific afternoon each week—and be sure to record, sort, and save your thoughts. Or take advantage of a long commute to write down your ideas (if you're on public transportation) or record them (if you're driving). This reflection time isn't for preparing for meetings, drafting reports, or handling other day-to-day matters. It's open time to *think* and be creative.

Building a workplace culture that embraces delegation is an important step, but you may still have uncertainties about your role. The next section takes a look at some common misgivings about delegation.

Address your concerns

Despite the benefits to all involved, many managers still feel uneasy about delegating. For instance, you might fear that by assigning your work to others you'll abdicate responsibility and lose control because you've relinquished day-to-day oversight. Or, pressed for time, you might elect to do a job yourself rather than teach someone else how to do it. If this is your first leadership role, you may be reluctant to delegate the types of tasks that gave you your star power, such as mentoring junior employees. If you've been a leader for a while, you might shy away from delegating because you've had a bad experience with it, such as a staff member not taking responsibility for assignments or missed deadlines. Gaining proficiency at delegating work can take time and experimentation, but over the long run your fears should dissipate as you hone your skills and your staff gains confidence and expands its capabilities.

The proper mind-set can help you overcome these common concerns:

- *It's just easier to do it yourself.* The thought of organizing, explaining, and monitoring an assignment can feel like it will add hours to the job that you just don't have. But that's a short-sighted view. The comparatively brief amount of time you spend planning to delegate will likely be worth it, since over time your employees will be able to take on more responsibility for structuring and planning their own assignments. Say you groom a couple of junior employees to track regulatory changes that affect your industry. As their sense of ownership grows, your time will be freed up for other initiatives, such as winning (or attracting) new clients.

- *You're having a difficult time transitioning from specialist to generalist.* You loved your functional job. You excelled at it. That's why

you were promoted. So when you think of delegating some of your work, you're reluctant to give up the very tasks for which you've become known—and likely enjoy doing. However, you're not saying goodbye to your knowledge and experience—those will be critical as you guide your staff members through their assignments. Take a new product introduction as an example: You might not be developing and executing the marketing plan, but you'll be leading your team as they brainstorm and start the launch process, guiding them around obstacles, and giving them the benefit of your experience.

- *But everyone knows you're the expert.* If your direct report surpasses your skill set and becomes the go-to person in your specialty area, what will happen to your reputation? Maybe you've taken great pride in developing your expertise in projecting the return on investment

for new client services. Everyone knows you're the first person they should talk to when they have a great idea they're convinced will boost the bottom line. You may hesitate to pass that baton, especially while you're still developing competency in your new role. It's normal to feel competitive or uncertain while you're transitioning long-held and deeply valued knowledge, but developing your people will serve your organization by widening the pool of available experts (in this case, experts on evaluating client service revenues) and help you grow into your role as their leader. Plus, when your direct reports look good, *you* look good.

- *You lack confidence in your staff.* Start by delegating small tasks and projects so you can gradually build their confidence—and your own. For example, you might ask a staff member to make arrangements for a client visit—

reserve and set up the conference room, order lunch, and organize a tour of the facility—and afterward publicly show your appreciation.

- *You can't identify a staff member with the skills needed for a particular assignment.* Train or coach an employee to develop the skills required, "borrow" a staff member from another group, hire a temporary worker, or explore dividing the assignment into tasks (or subtasks) that one or more of your employees could handle. For example, perhaps you need a financial analyst for end-of-the-year reports for your unit, and the finance department has some IT work your staff can perform: Make a trade.

- *You like things done your way.* Focus your energy on communicating your preferences and quality standards rather than on controlling how the tasks will actually be completed. For example, maybe you organize project files

strictly by date, but your employee prefers to arrange them by topic. Your employee's approach may get the job done *and* demonstrate a different way to tackle the work.

- *You believe your staff will resent additional work.* Don't just dump grunt work on your people—manage their expectations with open discussions. Let them know they'll get opportunities to do new and interesting work. Tell them how projects will expand their capabilities and that you'll support them in making their own decisions—and then follow through. When you do have to assign dull administrative work or a beastly project, such as organizing a cluttered image library, be up-front about it: Acknowledge that it's beneath your employee's abilities but that it has to be done. Give the reasons why: Providing the larger context will lessen the sense of drudgery and motivate your employee to complete the work without resentment.

- *You know you could quickly complete a task an employee is struggling with.* When you see someone spinning his wheels trying to extract information from the company knowledge base, it can be hard not to jump in and take over. But trust your staff member's ability to get the job done. Practice keeping silent. Give him a chance to muddle through and figure it out. Be available to provide support, but allow your employee a chance to learn. Interceding could cause frustration for you both—and cost you the time you'd hoped to save.

With your concerns about delegating now in check, you're ready to prepare to delegate a project.

Preparing to Delegate

Preparing to Delegate

You may have a general idea about the project or task you'd like to delegate, but before making an assignment you'll want to do some prep work. You'll need to note your reasons for delegating, determine exactly what work to hand off (and what *not* to), decide how large a slice of the work you'll delegate (just a task or an entire function?), and specify the skills required to successfully complete it. Next you'll identify the best person for the assignment and determine the level of authority to be delegated. Following all these steps may seem like overkill, but doing so will ensure that you make the right assignment to the right person for the right

reasons—and with a high probability of success. Let's walk through each step.

Consider your reasons for delegating

As you're mulling over work you could assign to someone else on your team, take a moment to review *why* you're looking to delegate. What do you hope to achieve? Do you simply want to decrease your workload, or do you need to off-load lower-level administrative jobs so you can concentrate on a specific project, such as assessing the effectiveness of your staff's interactions with clients? Perhaps your objective is to motivate your team members and improve morale by increasing their levels of responsibility or helping them extend their capabilities into new technologies and processes. Maybe you have a combination of reasons.

Carefully thinking through why you're looking to delegate will help you set clear goals when you make

the assignment and more easily assess how well you've achieved your purpose once the assignment is complete. Goals in mind, you're ready to start flagging specific pieces of work you could delegate to others.

Determine what (and what *not*) to delegate

As you assess your workload to see which tasks, projects, or functions you might delegate, consider:

- *Jobs that others could readily do.* Although you probably enjoy some of the tasks that fall into this category, which can make them hard to give up, be open to delegating them. For instance, assigning a small task from an important project to a new employee eager for advancement—such as logging bugs and fixes as a project moves through development—could motivate her while providing you with

insight on how well she follows through on assignments.

- *Jobs that require specific training or experience.* Delegating this type of work can give staff members interesting and challenging opportunities. For example, training a reliable team member to take over your role on an interdepartment task force would increase the employee's collaborative and technical skills, as well as his visibility.

For jobs you deem too important to delegate wholesale, consider ways you might share the responsibility with someone. Could you subdivide a task, project, or function so you handle a discrete part and delegate the rest? The following examples illustrate the importance of flexibility in determining what to delegate:

- Marisol, a department head, decided to share responsibility for a software evaluation project that has companywide impact.

She asked Larry, a member of her team, to request proposals from potential vendors and to track what came from where. Marisol then enlisted Larry's help in reviewing the proposals by asking for his feedback, but she took the ultimate responsibility for evaluating the proposals—and for making the final choice of vendors.

- For a number of years, Yuan designed, administered, and documented an annual employee job satisfaction survey. After his promotion to manager, however, he lacked the bandwidth this sizable project demanded. Siphoning his time and energy from more pressing responsibilities and sacrificing his weekends to work on the project didn't seem like attractive options. Yuan's solution? He formed a task force. Under his leadership and oversight, Emma and Kervin, two direct reports with solid analytical skills, took on the most time-consuming parts of the job, such as survey development and coding. When

the final survey report was circulated within the company, Yuan shared the credit for its successful completion with Emma and Kervin.

For jobs seen as boring or unpleasant—cleaning out files and making cold calls come to mind—promote collaboration and a supportive environment by dividing tasks among your staff members *and* doing a few yourself. Also, use the delegation of less desirable work as a chance to seek input from your staff about the types of assignments they *would* find appealing.

Not all work, however, can or should be delegated. As a manager, you must retain responsibility for activities such as the following:

- Directing and motivating your team
- Aligning your team's strategy with company goals
- Evaluating employee performance
- Helping your direct reports develop their careers

- Hiring and firing staff members
- Handling complex customer negotiations
- Performing tasks that require your specific set of technical skills

Once you've identified the type of work you'd like to delegate, you need to consider how much of it you'll turn over. Will you delegate just a single task (asking someone to pull a list from the customer database for an e-mail campaign)? Or an entire function (conceiving and implementing the marketing plan for your company's new service)? Let's review your options.

Choose how much of the work to delegate

You have a general sense of the kinds of things you want to hand off, but as you narrow your options down, consider how much of the work you'll transfer:

- *Delegating by task.* Assigning specific tasks or subtasks, such as writing a report, conducting research, or planning a meeting, is the most basic approach. You'll probably want to start here.

- *Delegating by project.* Assigning a group of tasks designed to achieve a specific objective is a broader approach than task-level delegation. Delegating by project—for example, developing a new employee handbook, conducting a customer survey, or training employees on a new computer system—increases the scope of the assignment and generally requires a staff member who can handle a wide range of responsibilities.

- *Delegating by function.* Assigning groups of tasks and projects related to one ongoing activity, such as sales, marketing, or training, involves delegating a particular function to one

staff member who will provide you with regular updates within that function. For example, you might assign your resident IT expert oversight of networking systems for all projects.

Now that you have a good idea of your goals and you've identified both the type and extent of work you'll be delegating, you're ready to assess the skills that are needed to ensure the project's success.

Identify the skills required

Before selecting the person for a given assignment, analyze the job and determine the skills it requires. During your analysis, answer these questions:

- What kinds of *thinking skills* are needed for this job? Does the work require problem-solving ability, logical thinking, decision making, planning, or creative design?

- What are the *activities* that must be performed for the assignment, and what *systems* or *equipment* will be needed? Do the activities include creating a new database, for instance, or organizing, training, or developing?

- What *interpersonal skills*—such as negotiating with suppliers, conducting interviews with experts, or handling delivery complaints with customers—are needed to complete the assignment?

To illustrate this kind of analysis, assume your group has been asked to customize the user manual for the company's new intranet so employees in various departments—from R&D to production to sales—will know how to use the features most relevant to their jobs. It's a corporate-level project with company-wide visibility, but the deadline is way too imminent for you to undertake the project alone. Shauna, a bright, energetic new hire with manual-writing ex-

perience, has offered to lead the effort. It seems like a perfect opportunity. But before assigning it to her, you carefully evaluate what's involved and identify exactly what skills the project demands. Through this process, you realize that the project requires deeper skills than Shauna has at this point, although they are skills she has explicitly told you she wants to develop. So instead of delegating the entire project to her, you establish a project team with a more senior lead than Shauna and try to match her skills with specific project tasks that support the larger project. Her work on those tasks will then inform future assignments and help you identify training opportunities for her.

When you have a number of assignments to delegate, it can be helpful to make up a log or spreadsheet on which you can specify your criteria for each proposed item: expected results, deadline, milestones, skills required, and so on. Use this tool to match people to jobs and to uncover where training might be

necessary. This activity will also help you track how often you're using any one person for various types of jobs so you can better balance the dream assignments—and the drudgery.

Select the most suitable person

Once you know what's required for a task, project, or function, review the strengths and weaknesses of your staff. Recognize that not all skills are transferable to all situations (for instance, a great telephone sales representative may freeze in a face-to-face situation).

As you compare the skills required with the characteristics and capabilities of your staff members, keep these factors in mind about each person being considered:

- *Growth and development.* In what ways could the work address the expressed interests and

needs of your staff members to try on new roles or take on stretch assignments?

- *Development of new skills.* Consider how an assignment might challenge a staff member to expand his competencies.

- *Availability.* You may want to avoid choosing an employee whose work on a more critical project would be interrupted.

- *Previous assignments.* Try to delegate tasks even-handedly among your staff members to help improve the skills of each, as well as to avoid the appearance of favoritism.

- *Assistance required.* Determine how much help would be needed from you for successful completion of the assignment and how much time you have available.

- *Time on the job.* Don't give new employees extra assignments until they're fully settled in.

Avoid delegating only to those people you know will accept added work without complaint. Reliable staff members may be flattered by your confidence in them, but without proper compensation or recognition, continually delegating to the same individual—even a willing one—can lead to resentment, absenteeism, and even defection.

As you contemplate your options, don't hesitate to take advantage of the skills of more than one person. When you have a pool of resources to choose from, pairing people with complementary skills can help you achieve the best results:

- Ask a staff member with great people skills to conduct telephone interviews with customers and a staff member with great analytical skills to examine the feedback and compile data.
- Have a person with excellent writing skills draft the text for a new brochure and a person with graphics and production skills complete the layout and manage the final printing.

Routinely keeping track of the special skills of your staff members—and logging their skills into the spreadsheet discussed earlier—will help you match people to assignments. For example, someone who can simplify abstract concepts might be a good person to conduct database implementation training, whereas an employee with good organizational abilities might be a suitable choice for overseeing warehousing operations. Also, to make the best use of staff resources and build your employees' capabilities, delegate to the lowest possible skill level required.

When considering whom to assign work to, don't overlook people beyond your own group—and don't forget your supervisor or your peers in other groups as possible resources. In some instances you may save time and money and gain needed expertise by assigning work to talent *outside* your organization, such as freelancers, consultants, or other temporary workers.

Here's an example of how your selection process could play out: You'd like to ask Anil, an experienced,

logical-thinking member of your staff, to research how customers are using a high-profit-margin electrical component your company manufactures. His objective would be to learn about possible new telecommunications applications. In addition to being familiar with the industry, Anil has mastered the people skills necessary to mine the data and to communicate his findings to engineering and marketing managers. The more you consider Anil, the better you feel about him as a candidate, yet you know there are other variables you should take into account. Anil's availability is one: He's expressed the desire to take on this time-consuming project, but his existing workload is heavy. In addition, you'd need to provide him with extra help from within your team to ensure the project's successful completion. If you believe Anil is interested but too busy, but you still feel he's the right person for the job, you might reassign some of his current project work to another team member, or you could give Anil primary responsibility for the project and suggest that he get help from one or two other

staff members (say, to sort and compile the data he obtains).

Now that you have the right person, you'll need to determine what level of authority to grant him to allow effective execution of the assignment.

Decide on the level of authority to grant

The level of authority you choose to grant should depend on the requirements of the assignment, the employee's capabilities, and your level of confidence in the person you've selected. To determine the kind of authority you'll grant to your employee:

- Assess the employee's past performance in making decisions.
- Consider the consequences of wrong decisions, and decide what degree of risk you're willing to take.

- Determine the minimum amount of authority your employee will need to complete the assignment successfully and efficiently. (You wouldn't want the employee to have to come to you for approvals every step of the way.)

Several options exist along the broad spectrum of authority. You can decide that your employee may:

- Make and implement decisions as needed without prior consultation with you.
- Make decisions as needed, but notify you before implementing them.
- Make recommendations for a final decision, which you must then approve.
- Provide you with several alternatives, from which you'll make a final decision.
- Provide you with relevant information, from which you'll develop alternatives and

then consult with your employee to reach a decision.

What might granting a specific level of authority look like in real life? Say you place Cy in charge of approving purchase orders for your unit. You specify a dollar limit within which he has free rein and a range of expenses that he can approve but must report to you. For all other purchase orders, he must research alternative products or services and review the requests with you.

In addition to granting a specific level of authority, you can eliminate confusion and encourage initiative and problem solving by delegating *responsibility* to one person rather than dividing it among a number of people—even if you are delegating the *work* to a number of people. Make sure every person involved clearly understands who is ultimately responsible for the outcome. For example, you might assign the responsibility for reviewing, approving, and submitting

expense reports to one of your employees, who, in turn, asks a colleague to follow up with finance to ensure that reimbursements are made on time. Regardless of how follow-up is delegated, your direct report remains responsible.

Now that you've determined what to delegate to whom, and at what level of authority, you can proceed to the next step: actually assigning the work.

Making the Assignment

Making the Assignment

For your delegation to be successful, you must thoroughly describe the job and your expectations to the person who will be taking on the work. Take this employee's point of view as you communicate the scope and authority of the assignment to make sure you're transferring all the necessary information. Equally important to the success of your delegated work is how well you communicate the scope and authority of the assignment to the other members of your team.

Discuss the work with your staff member

Spend some time going over the details of the job, ideally in a face-to-face meeting. To gain trust and avoid misunderstandings, discuss all aspects of the assignment. Clarify your specific expectations, and get the employee's commitment to the project.

In this important meeting, you'll:

- *Describe the task, project, or function.* Clearly state the purpose of the work. Explain how it fits into the big picture for your team, your unit, and your organization. This may be obvious to you, from your place in the hierarchy, but it may not be obvious to your employee.
- *Introduce background material.* Review any reading, spreadsheets, data, or other materials or content that the employee will need to complete the work.

- *Identify the resources and support available.* Determine what support the employee will require from you. If special training or coaching is needed, discuss how it will take place. Explore the need for additional materials and/or staff to meet the goals of the assignment.

- *Establish a feasible timeline with agreed-upon deadlines.* Get your employee's buy-in to make sure the timeline is achievable. Consult the schedules and availability of other key players and factor in your employee's existing responsibilities.

- *Explain the level of authority you're granting.* Use examples to establish clear guidelines for when the employee can act independently and when consultation with you is required.

- *Agree upon standards of performance, measures of success, and levels of accountability.* Set firm metrics for quality, time, cost, and other

variables. Underscore the employee's accountability in meeting these standards.

- *Determine a process for follow-up and feedback.* Establish a protocol for regular progress reports, including their frequency (weekly or monthly) and method (e-mail, staff meeting, or one-on-one with you). Set up parameters for your ongoing feedback.

- *Discuss your possible involvement.* Specify how and when you will become involved if the expected goals of the task, project, or function are at risk or if other major problems arise.

Outlining the details of the work to be done and how and when you'll communicate about the assignment will set your delegation up for success. Talking with your staff member ahead of time about how you'll monitor the project and deliver any feedback will make your role seem less intrusive once the work is under way.

Follow up your meeting with a memo outlining the key points of the discussion. Better yet, ask your employee to prepare a summary memo. This will give you an idea of how well your employee understands the assignment.

Communicate with your team

Take the lead in communicating to your team the scope of the delegated assignment, plus any other relevant information. Your clear and transparent message will deflect resentment and competitiveness on the part of other staff members. Your forthright attitude and openness to discussion will help build their trust in you.

Consider this example: To support your projections for long-term office space requirements, you've assigned Michael, a friendly and outgoing junior employee on your team, the task of collecting information

on the work preferences of each person in your group. If you fail to communicate Michael's role in this project *before* Michael begins asking everyone personal questions—such as whether they like to work on-site or off-site, whether they work more productively with scheduled hours or with flextime, and if they feel the need for scheduled staff meetings—you could inadvertently cause unfounded rumors and disruption within your team.

With the assignment made and communicated to the team, it's time to monitor the work. You'll need to give support and feedback without micromanaging—a fine line you'll learn to walk in the next chapter.

Monitoring the Assignment

Monitoring the Assignment

Once you've delegated the work, shift into monitoring mode to ensure that everything goes as planned; don't just assume all is going well until you've heard otherwise. You'll want to check on how the work is progressing, provide support if needed, and anticipate and address any problems without hovering or hounding.

Track the delegated assignment

Regularly check progress to make sure the assignment is on track to be completed correctly and on

time. Confirm that all interim milestones—which you discussed with the employee when you made the assignment—have been met. Saying something like "I'll need to see the proposed design revisions by next Friday" reflects your proper control of the work as manager; adding "Let's meet Wednesday to see how you're progressing and discuss any problems" signals that you're monitoring the work and prepared to offer guidance if necessary.

Depending on the number of tasks and the complexity of the delegated work you're overseeing, consider using one or more of the following tools to facilitate monitoring:

- A file folder for each assignment
- A tracking form or log (what, who, milestone dates, deadline, and so on)
- A large wall calendar or dry-erase board
- Verbal updates in staff meetings

- Written status reports, delivered on a pre-arranged schedule
- Project management and tracking software
- Online collaboration tools and shared calendars

Close monitoring gives you opportunities to provide coaching and feedback. Keep in mind, however, that the ultimate goal is successful and on-time completion—not *how* the work was done. Monitor the assignment without micromanaging, allowing your employee to learn and grow as he or she tackles the work. Above all, support your staff member both when things are going well and when mistakes are made.

Provide support

While monitoring an assignment, continue to provide support, but without being intrusive. These tips

can help you strike the right balance of feedback and follow-up:

- Notify the appropriate individuals of the authority you have granted your staff member in delegating this assignment.
- Review resource needs, and ensure that appropriate supplies are available.
- Continue to provide any information that may have bearing on the assignment, such as reference materials, reports, or changes in plans or procedures.
- Point out any potential difficulties you may see, based on your experience with similar projects.
- Clarify when you want to be involved, such as when it looks as though a commitment won't be met or when major problems—such as a misunderstanding with a peer—arise.

- After the work begins, intercede with advice or directions only if requested.
- Remember to focus on results and not on the methods or approach used to achieve them.

The following example illustrates a productive technique for providing support. Jessica decides to delegate the upcoming launch of a line of business productivity apps for tablets to Jamil after determining that he has the required skills. Jamil knows business productivity software well and has worked on product launches for device apps before (although he hasn't led one). He also likes working independently and is eager to prove himself. As the weeks pass, Jessica sees steady progress and is pleased with Jamil's sensitivity to the strategic timing of the launch. She's pleased, too, that she has more time for her other projects. By chance, however, Jessica discovers that the marketing group, which is integral to the success of the product launch, is overtaxed with other

work. She could mention her concerns directly to the marketing group, but she's worried that doing so might make Jamil feel as though she's taking back responsibility for the launch. How can she best support Jamil while ensuring that the launch is carried out successfully?

Because Jamil doesn't have as much experience as Jessica does in dealing with problems in a product launch and may not know how to handle the competing marketing deadlines, Jessica elects to point out to him the possible difficulties she sees based on her experience with similar projects. In that discussion—taking care not to undermine the authority delegated to him—she supplies him with the information she learned about the marketing group, "because it may have a bearing on the assignment."

The sensitive manner in which Jessica provided support to Jamil helped him address the situation independently without undermining his authority or consuming a lot of Jessica's time.

Anticipate and address problems

Be alert to early signs of trouble. If your employee hits a roadblock (for example, a manager from another department refuses to provide data) or begins to fall behind (maybe a strike slows parts delivery), it may be necessary to intervene. You don't want to solve every problem that employees encounter in their assignments—that would defeat the purpose of delegation—but do use coaching, encouragement, and added resources as you see fit to help them help themselves.

When an assignment falls off track, take the following steps to right it:

- Create a plan of action and a timetable for addressing the problems. Work with your staff member to make sure your solution is realistic, and have the employee agree to the plan once it's final.

- Offer additional resources (such as staff or funding), if available, to provide assistance.

- Complete *selected* parts of the assignment to lighten the load on the employee, set an example, and ensure success.

- Delegate upward (advocate to upper management on behalf of your staff member) when escalation is necessary for a successful outcome. For instance, you might need to ask your boss to deal with the manager mentioned earlier who would not share their data.

While addressing problems, be on the lookout for *reverse delegation*, which can occur when a staff member to whom you've delegated an assignment either wants to return the entire job to you or, more likely, subtly shifts it back onto your plate by expecting you to solve problems and make decisions. Resist the temptation to step in. Instead, continue to help your employee complete the job.

For a deeper understanding of how reverse delegation can hobble you, imagine this scenario: You're racing down the hall, late to a meeting. One of your less experienced project managers, Chrysanthi, stops you and says, "We've got a serious problem on that project you assigned me last week." She quickly outlines the issue. You don't have the information to make an on-the-spot decision, so you quickly reply, "Let me think about it." You've just allowed what *Harvard Business Review* authors William Oncken Jr. and Donald L. Wass famously called a *monkey* to leap from Chrysanthi's back to yours; you're now working for your subordinate. A better response would have been to ask Chrysanthi to draw up possible solutions, make a recommendation, and then brief you. Employees try to hand off monkeys when they lack the desire, ability, or confidence to confront them. Helping employees develop needed problem-solving skills can be more time-consuming than tackling problems yourself, but it saves time in the long run, and it fosters the development of a trusting relationship. When you

encourage employees to handle their own monkeys, they acquire new skills—and you have time to do your own job.

The following strategies can help deflect reverse delegation and keep assignments moving:

- Encourage the employee to come up with her own solutions or options.
- Help the employee assess the situation.
- Confirm your confidence in the employee's ability to make decisions.
- Provide positive reinforcement for the work done so far.
- Provide coaching to help the employee refine new skills.

In some situations, such as a missed deadline, you'll need to reassess your staff member's ability to successfully complete an assignment. Support the

employee, but provide assistance only as necessary. Avoid placing blame for difficulties beyond your employee's control, but make sure she takes responsibility for mistakes that are clearly her own. And remember that mistakes should be viewed as growth opportunities rather than punishable offenses. Only in extreme cases—say, when failure to meet established goals will have a serious negative impact on other projects—should you consider rescinding the delegation.

Each delegation you make can be a learning experience—for you and for others in your organization. Next we'll look at assessing completed assignments and sharing what you learn with others.

Review the Process

Review the Process

Use what you learn from each delegation to increase your effectiveness in assigning work to your staff and others, as well as in teaching delegating skills to your colleagues.

Evaluate completed assignments

As delegated assignments are completed, take the time to reflect on what worked and what didn't. Jot down what you would do differently next time.

Next, schedule a debriefing with the person you delegated to, and review lessons learned from this

assignment. These guidelines will help you use what you discuss to improve future delegation:

- Ask for feedback on how the assignment worked out.
- Recognize achievements and provide positive reinforcement for tasks done well.
- Compare results with the agreed-upon deadlines and expectations.
- Avoid criticism and blame for any problems, but discuss possible improvements for future projects.
- If appropriate, create an action plan to support your direct report's growth through ongoing coaching or supplemental training.

Finally, take steps to ensure that the person you delegated to receives recognition—not only from you, but from others who benefited from the successful

completion of the work, including your peers, your manager, and members of supporting teams.

Teach delegating skills to others

Developing your staff is as essential to your job as achieving your group's financial goals. When you don't take advantage of delegating opportunities, you block the advancement of your staff, which can leave them resentful and disengaged.

Consider how you might share delegating skills you've learned with other team leaders in your unit or division—in particular, newly designated managers. The following suggestions can help you strengthen delegation skills across your organization:

- *Lead by example.* Trust and empower rookie team leaders by delegating to them, which in turn should make it easier for them to delegate assignments to their direct reports.

- *Encourage risk taking.* Show, by example, how taking small risks to play to staff strengths pays off. Early successes build confidence.

- *Identify what to delegate.* Help team leaders divide complex projects into manageable chunks with clear milestones.

Becoming proficient at delegating work can enhance your effectiveness as a manager, open opportunities for your staff members, and benefit your organization. Seek out additional information on delegating, and continue to sharpen your skills.

Learn More

Articles

Birkinshaw, Julian, and Jordan Cohen. "Make Time for the Work That Matters." *Harvard Business Review*. September 2013 (product R1309K).

More hours in the day: It's one thing everyone wants, and yet it's impossible to attain. But what if you could free up significant time—maybe as much as 20% of your workday—to focus on the responsibilities that really matter? The authors have spent the past three years studying the productivity of knowledge workers and discovered that these individuals spend, on average, 41% of their time on activities that offer little personal satisfaction and could be handled competently by others. On the basis of their research, the authors have come up with a process to help knowledge workers make themselves more productive. It involves thinking consciously about how they spend their time, deciding which tasks matter most to them and their organizations, and dropping or creatively outsourcing the rest. The tasks to be dropped are sorted into quick kills (things you can stop doing now, without any negative effects),

off-load opportunities (work that can be delegated with minimal effort), and long-term redesign (work that needs to be reconceived or restructured). Once the tasks are disposed of, the freed-up time is spent focusing on more important work. When 15 executives tried this method, they were able to reduce desk work by an average of six hours per week and meetings by two hours per week. They filled the time with value-added tasks such as coaching and strategizing.

Maruca, Regina Fazio. "Fighting the Urge to Fight Fires: A Conversation with Carl Holmes." *Harvard Business Review*. November–December 1999 (product F99605).

In this concise Forethought piece, Carl Holmes, formerly chief of the Oklahoma City Fire Department, discusses the difficulty in handing off responsibility when you've worked your way through the ranks. It's tempting to perform the very tasks you're supposed to be overseeing, but delegating responsibility is a critical part of being a good leader. Nowhere is that more evident than in firefighting, where efficient leadership can mean the difference between life and death. Holmes describes the radical steps he took to get his battalion chiefs to stop fighting fires and instead start doing their real jobs: managing their people. His insights offer valuable lessons for any new manager seeking to master delegation.

Oncken, William Jr., and Donald L. Wass. "Management Time: Who's Got the Monkey?" *Harvard Business Review*. November 1999 (product 99609).

In this classic article, the authors show what can happen when reverse delegation is allowed to run amok. Managers who can't resist stepping in to solve employees' problems or who take back a delegated task end up having no time to carry out their own responsibilities. Oncken and Wass (as well as Steven Covey, in an afterword to the article) offer numerous suggestions for cultivating a sense of initiative in your employees, so they develop the skills and confidence required to handle their own problems rather than transferring them back to you.

Walker, Carol A. "Saving Your Rookie Managers from Themselves." *Harvard Business Review*. April 2002 (product R0204H).

Most organizations promote employees into managerial positions based on their technical competence. But very often, that kind of competence does not translate into good managerial performance. Many rookie managers fail to grasp how their roles have changed: that their jobs are no longer about personal achievement but about enabling others to achieve; that sometimes driving the bus means taking a backseat; and that building a team is often more important than cutting a deal. Even the best employees have trouble adjusting to these new realities, and that trouble can be exacerbated by the normal insecurities that may make rookie managers hesitant to ask for help. Walker, a coach and management consultant, addresses the five problem areas that rookie managers typically face: delegating, getting support from senior staffers,

projecting confidence, thinking strategically, and giving feedback. You may think these elements sound like Management 101, but these basics are also what trip up most managers in the early stages of their careers (and even, Walker admits, throughout their careers).

Books

Hill, Linda A. *Becoming a Manager: How New Managers Master the Art of Leadership*. Boston: Harvard Business School Press, 2003.

For many novice managers, learning to delegate and develop people, rather than carry out tasks themselves, is difficult. In this book, Hill examines the wide range of challenges people face when they move from an individual–contributor or entrepreneur role to a managerial role for the first time. Hill shares excerpts from interviews she conducted with new managers and provides her own insights, based on years of research. She puts a human face on managers learning to be managers, showing readers that they're not alone and helping them see that delegating can be mastered.

Hill, Linda A., and Kent Lineback. *Being the Boss: The 3 Imperatives for Becoming a Great Leader*. Boston: Harvard Business Review Press, 2011.

You never dreamed that being the boss would be so hard. You're caught in a web of conflicting expectations from sub-

ordinates, your supervisor, peers, and customers. You're constantly fighting fires. You're mired in office politics. You end each day exhausted and discouraged, wondering what, if anything, you've accomplished. You're not alone. As Linda Hill and Kent Lineback reveal in *Being the Boss*, becoming an effective manager is a painful, difficult journey. It involves trial and error, endless effort, and slowly acquired personal insight. Many managers never complete the journey. At best, they just learn to get by. At worst, they become terrible bosses. This book explains how to avoid that fate by mastering three imperatives: (1) Manage yourself: Learn that management isn't about getting things done yourself; it's about accomplishing things through others. (2) Manage a network: Understand how power and influence work in your organization, and build a network of mutually beneficial relationships to navigate your company's complex political environment, and (3) Manage a team: Forge a high-performing "we" out of all the "I's" who report to you. Packed with compelling stories and practical guidance, *Being the Boss* is an indispensable guide, not only for first-time managers but for all managers seeking to master the most daunting challenges of leadership.

Keenan, Kate. *Management Guide to Delegating.* London: Oval Books, 1999.

In this short and informative book, Keenan provides a comprehensive overview of the key elements of delegation. Topics include determining why and what to delegate, deciding who can do it, briefing and monitoring, and understanding

attitudes about delegating. Each chapter concludes with a list of questions, as well as tips for improving delegation skills.

Luecke, Richard A., and Perry McIntosh. *The Busy Manager's Guide to Delegation*. New York: AMACOM, 2009.

Delegation amounts to a lot more than just passing work off to subordinates. When handled correctly, it gives managers a chance to strengthen their departments by developing the skills and organizational competencies of their people. Filled with quick tips, exercises, self-assessments, and practical worksheets, this book presents an easy-to-master five-step process for effective delegation. Readers will learn how to determine which tasks to delegate, identify the right person for the job, assign the tasks, monitor progress and provide feedback, and evaluate performance. The book shows readers how to set the stage for excellent results, what to do if things go wrong, and how to ensure that all their people benefit from the experience. This is a quick, comprehensive course on an essential—and sometimes overlooked—management competency.

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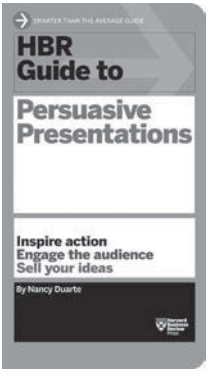

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Preview

No matter where you work in your organization, you'll do your job better if you understand basic financial concepts. You'll be a more effective contributor to your company's efforts to make money and grow.

This short book explains the basics of finance. Though reading it won't make you a finance expert, it will help you:

- Make sense of the three key financial statements.
- Gauge your company's financial health.
- Weigh costs and benefits before committing resources.

- Consider financial risks when making decisions.
- Estimate future performance.
- Track investments against what you've budgeted.

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Finance Basics

Why Understand Finance?

Why Understand Finance?

Finance matters to all companies because they all have to bring in money and spend it in order to do business. On the bringing-in side, smart managers consider questions like these:

- How much of our money comes from the owners? How much from sales? How much from borrowing?
- Which of our product lines and regions earn the highest profits? Which ones fail to perform?
- How long does it take to collect money that customers owe us?

On the spending side:

- Are our costs what they should be? Are we spending the right amount on our people and on our physical assets, such as office space and computer equipment?
- If we can invest in only one of several opportunities for growth, how do we determine which one would generate the most value?
- If we increased our output by 20%, would we make 20% more money?

Your company's finance department (or bookkeeper, if it's a very small company) produces financial statements, budgets, and forecasts. By understanding these documents, you'll gain the information you need to ask essential questions and make smart decisions for your division, department, or team.

By the way, finance uses jargon that may be unfamiliar to you. Sometimes different terms mean exactly

the same thing—*profit* and *earnings*, for example, or *sales* and *revenue*. If you're not certain what a term means, just look it up in the "Key Terms" section at the end of this book.

Navigating the Three Major Financial Statements

Navigating the Three Major Financial Statements

The underlying purpose of every company is to make money. So if you're a manager, part of your job is to help your company earn a profit—ideally, a bigger one each year.

Of course, you may work in the nonprofit or government sector, where making money isn't the most important goal. But you will still have to monitor the money that comes in and goes out.

Wherever you work, you can improve the financial health of your organization by reducing costs, increasing revenue, or both. You can help the organization make good investments and use its resources wisely.

The best managers don't just watch the budget—they look for the right combination of controlling costs, improving sales, and utilizing assets more effectively. They understand where revenue comes from, how the money is spent, and how much profit the company is making. They know how good a job the company is doing at turning *profit* into *cash*. (No, those are not the same thing. We'll discuss the difference later.)

To learn all this, managers rely primarily on three documents: the income statement, the balance sheet, and the cash flow statement. These are called **financial statements**, or just financials. Publicly traded companies—those that sell stock to the public on an exchange—make summary financial statements available to everyone, usually on a quarterly basis. Privately held companies—owned by one person, a family, or a small group of investors—often keep their financial statements private. But nearly every company produces detailed financials for internal use.

Accounting methods

You don't have to be an accountant to understand finance. But you do have to know just a couple of important things about accounting.

First, financial statements follow the same general format from one company to another. Individual line items may vary somewhat, depending on the nature of the business. But the statements are usually similar enough that you can easily compare performance. The reason for the similarity is that accountants all follow the same set of rules. In the United States, those rules are called **generally accepted accounting principles**, or GAAP (pronounced "gap").

Second, GAAP allows two different methods of accounting. **Cash-based accounting** is typically used by very small companies. It's really simple. The company records a sale whenever it receives cash for a product or a service and records an expense whenever it issues a check.

The other method, **accrual accounting**, is a little more complicated and far more common. The company records a sale whenever it delivers a product or a service, not when cash changes hands. (That might be a month or two later, when the customer pays the bill.) It records an expense whenever it *incurs* one, not when it actually writes a check. The key to this method is what accountants call the matching principle: *Match every cost to the revenue that is associated with it.*

Let's look at an example. Amalgamated Hat Rack, an imaginary company that manufactures hat racks from imitation moose antlers, records revenue each time it ships racks to a customer. Because the customer hasn't paid yet, revenue always includes estimates of cash the company will receive in the future.

When Amalgamated orders 2,000 brass hooks from a supplier, it doesn't record the expense of those hooks all at once; rather, it records part of the expense *with every sale.* If each hat rack has five brass hooks,

the accountants record the cost of five brass hooks every time one hat rack is sold.

Why use the accrual method? Because it gives you a more accurate picture of profit. If you work for a hat rack company, you want to know whether each hat rack you sell is profitable. To answer that question, you have to track the costs you incur and the revenue you bring in every time you make one and ship it to a customer.

The income statement

The income statement tells you whether the company is making a profit—that is, whether it has positive net income—according to the rules of accrual accounting. (*Income* is just another word for *profit*, which is why the income statement is also called a profit-and-loss statement, or P&L.) It shows a company's revenue, expenses, and profit or loss for a specific period of time—typically a month, a quarter, or a year.

How does an income statement present this profit picture? It begins with the company's revenue or total net sales (same thing) during the period it covers. It then lists all the various costs, including the cost of making the goods or delivering the services, overhead expenses, taxes, and so on, and subtracts them from revenue. The bottom line—what's left over—is the net income, or profit. (See figure 1, "Amalgamated Hat Rack income statement.")

Let's look more closely at the line items that appear on the income statement. **Cost of goods sold** (usually abbreviated as COGS) is what it cost Amalgamated to manufacture the hat racks. That includes raw materials, labor, and any other costs directly related to production.

Subtract COGS from revenue and you get **gross profit**, which shows how much the company made before paying its overhead, taxes, and so on. You can use this number to calculate **gross margin**, which doesn't appear on the income statement but is still an important number. Just divide gross profit by

FIGURE 1

Amalgamated Hat Rack income statement

	For the period ending December 31, 2013
Retail sales	$ 2,200,000
Corporate sales	1,000,000
Total sales revenue	3,200,000
Less: Cost of goods sold	1,600,000
Gross profit	1,600,000
Less: Operating expenses	800,000
Less: Depreciation expenses	42,500
Earnings before interest and taxes	757,500
Less: Interest expense	110,000
Earnings before income taxes	647,500
Less: Income taxes	300,000
Net income	$ 347,500

revenue. Amalgamated Hat Rack's gross margin is $1.6 million divided by $3.2 million, or 50%.

Operating expenses—also known as sales, general, and administrative expenses (SG&A), or simply overhead—include the salaries of administrative employees, rents, sales and marketing expenses, and any other cost not directly attributed to manufacturing a product or delivering a service. The cost of the company's phone system, for example, would be included on this line.

Depreciation is a way of estimating the cost of assets that last a relatively long time. A computer system, for example, might have a useful life of three years. So it doesn't make sense to record its entire cost in the first year. Rather, the company spreads the expense over the system's useful life. If the accountants employ a simple straight-line method of depreciation, they would record one-third of the total cost on the company's income statement each year.

Subtract operating expenses and depreciation from gross profit and you get **operating income**, often

called **earnings before interest and taxes**, or **EBIT**. Subtract interest costs and taxes from EBIT and you get **net income**, or profit—the famous bottom line.

The balance sheet

A balance sheet is a snapshot: It summarizes a company's financial position at a given point in time, usually the last day of a year or a quarter. It shows what the company *owns* (its **assets**), what it *owes* (its **liabilities**), and the difference between them, called **owners' equity** or **shareholders' equity**.

A balance sheet is called that because it always balances. That is, all the assets must equal all the liabilities plus owners' equity. This is sometimes known as the fundamental accounting equation, and it looks like this:

$$\text{Assets} = \text{liabilities} + \text{owners' equity}$$

Here's why the equation holds true.

Assets are everything a company owns. The category includes cash, land, buildings, vehicles, machinery, computers, and even intangible assets such as patents. (It doesn't include people, because the company doesn't own its employees.)

Of course, a company has to acquire these assets. It can use its own money, which is the money its owners have invested in it plus the money the company itself has earned over time. Or it can use borrowed money. In balance sheet terminology, its own money is owners' equity, and borrowed funds are liabilities.

And because you can't get something for nothing, the assets need to equal liabilities plus owners' equity. If a company has $3 million in assets and $2 million in liabilities, it must have owners' equity of $1 million.

Balance sheet data are most helpful when compared with information from a previous year. In figure 2, "Amalgamated Hat Rack balance sheet as of December 31, 2013 and 2012," a comparison of the figures for 2013 against those for 2012 shows that

FIGURE 2

Amalgamated Hat Rack balance sheet as of December 31, 2013 and 2012

	2013	2012	Increase (Decrease)
Assets			
Cash and marketable securities	$ 652,500	486,500	166,000
Accounts receivable	555,000	512,000	43,000
Inventory	835,000	755,000	80,000
Prepaid expenses	123,000	98,000	25,000
Total current assets	2,165,500	1,851,500	314,000
Gross property, plant, and equipment	2,100,000	1,900,000	200,000
Less: accumulated depreciation	333,000	290,500	(42,500)
Net property, plant, and equipment	1,767,000	1,609,500	157,500
Total assets	$ 3,932,500	3,461,000	471,500
Liabilities and owners' equity			
Accounts payable	$ 450,000	430,000	20,000
Accrued expenses	98,000	77,000	21,000
Income tax payable	17,000	9,000	8,000
Short-term debt	435,000	500,000	(65,000)
Total current liabilities	1,000,000	1,016,000	(16,000)
Long-term debt	750,000	660,000	90,000
Total liabilities	1,750,000	1,676,000	74,000
Contributed capital	900,000	850,000	50,000
Retained earnings	1,282,500	935,000	347,500
Total owners' equity	2,182,500	1,785,000	397,500
Total liabilities and owners' equity	$ 3,932,500	$ 3,461,000	$ 471,500

Amalgamated has increased its total liabilities by $74,000 and its total assets by $471,500, resulting in an increase in owners' equity.

Again, let's look more closely at the terms. The balance sheet begins by listing the most liquid assets: *cash and marketable securities,* **accounts receivable** (what customers owe as of the balance sheet's date), and *inventory*, along with any costs that have been paid in advance (**prepaid expenses**). These are called **current assets**. Next it tallies assets that are less liquid—for example, buildings and machinery, known as **property, plant, and equipment** (**PPE**). These are called **fixed assets** or **long-term assets**.

Companies value their fixed assets according to what the assets originally cost. But because all fixed assets (other than land) depreciate over time, the accountants must also include any depreciation on those assets that they have recorded so far on income statements. Gross property, plant, and equipment minus accumulated depreciation equals **net property,**

TIP: SHORT-TERM DEBT

The balance sheet distinguishes between short- and long-term debt. Short-term debt must be paid in a year or less. It includes accounts payable, short-term notes, salaries, and income taxes.

plant, and equipment—in other words, the current **book value** of the company's fixed assets.

The line items under liabilities and owners' equity are pretty easy to understand. **Accounts payable** is what the company owes its suppliers; **income tax payable** is what it owes the government. **Accrued expenses** are funds owed for salaries or other costs not included under accounts payable. **Short-term debt** is debt that must be paid in less than a year.

These are the company's **current liabilities**. Subtracting current liabilities from current assets gives you what's known as **working capital**, which indicates

how much money the company has tied up in operating activities. So for 2013, Amalgamated had $2,165,500 minus $1,000,000, or $1,165,500, in working capital.

Most long-term liabilities are loans of one sort or another, so the balance sheet shows long-term debt and then **total liabilities**, which is just the sum of current and long-term liabilities. **Owners' equity**, as we have seen, is the total of what shareholders have invested in the company over time (**contributed capital**) and what it has earned and retained in past years (**retained earnings**).

The cash flow statement

A cash flow statement gives you a peek into a company's checking account. Like a bank statement, it tells how much cash was on hand at the beginning of a period and how much at the end. It also shows where the cash came from and how the company spent it.

If you work for a large corporation, changes in the company's cash flow probably don't affect your daily work. Still, it's a good idea to stay up-to-date with the cash flow statement and projections, because they may come into play when you prepare your budget for the coming year. If cash is tight, you will probably be asked to spend conservatively. If it's plentiful, you may have opportunities to make new investments. The same goes for small companies, of course, where cash is often very tight. Even if the company is profitable, owners may sometimes wonder whether they can make payroll.

The cash flow statement shows how well your company is turning profits into cash, and that ability is ultimately what keeps a business solvent. We see in figure 3, "Amalgamated Hat Rack cash flow statement for the year ending December 31, 2013," that the company generated a net increase in cash of $166,000 in 2013. Note that this is *not* the same as net profit, which is shown on the income statement as $347,500. The

FIGURE 3

Amalgamated Hat Rack cash flow statement for the year ending December 31, 2013

Net income	$ 347,500
Operating activities	
Accounts receivable	(43,000)
Inventory	(80,000)
Prepaid expenses	(25,000)
Accounts payable	20,000
Accrued expenses	21,000
Income tax payable	8,000
Depreciation expenses	42,500
Total changes in operating assets and liabilities	(56,500)
Cash flow from operations	291,000
Investing activities	
Sale of property, plant, and equipment	267,000*
Capital expenditures	(467,000)
Cash flow from investing activities	(200,000)
Financing activities	
Short-term debt decrease	(65,000)
Long-term borrowing	90,000
Capital stock	50,000
Cash dividends to stockholders	—
Cash flow from financing activities	75,000
Increase in cash during year	$ 166,000

* Assumes sale price was at book value; the company had yet to start depreciating this asset.

income statement includes depreciation and other items that do not involve any cash. It records revenue and expenses as they are incurred rather than when cash changes hands. The cash flow statement shows investments in capital assets such as machinery that show up on the income statement only as those assets are depreciated.

Notice, however, that the cash flow statement starts with net income and, through a series of adjustments, translates that into net cash. For instance, it adds depreciation back in, because depreciation is an expense that involves no cash. (You don't need to worry about the technicalities, but if you're interested, there are many books that explain the process. See "Learn More" at the end of this book.)

Again, let's look at some key terms. The first big category is **cash flow from operations**. That just means all the cash the company took in or spent on ongoing operations—cash from customers, cash spent on wages and materials, and so on. A company's

operating cash flow is a very good indicator of its financial health. If it's negative, the company may be in serious trouble. (A negative number on a cash flow statement is indicated by parentheses.)

The second big category is **cash flow from investing activities**. "Investing" in this context means money spent on assets such as machinery or vehicles and money realized from the sale of such equipment. For most companies, cash from investing activities should be a negative number. That means the company is investing some of its cash in assets that will generate future growth.

The third big category is **cash flow from financing activities**. This includes any cash received from a company's owners (shareholders) or paid to its owners in the form of dividends. It also includes cash received from loans and cash paid to lenders.

Add up all three major categories and you get the **increase in cash during the year**. Of course, for some companies, it might be a decrease, particularly

if the company is growing fast and investing heavily in capital assets. This figure corresponds to the increase or decrease in cash and marketable securities that appears at the top of a two-year balance sheet comparison.

Using the Statements to Measure Financial Health

Using the Statements to Measure Financial Health

The financial statements tell different but related stories about how well your company is doing financially:

- The income statement shows the bottom line. Using the rules of accounting, it indicates how much profit or loss a company generated over a period of time—a month, a quarter, or a year.
- The balance sheet shows whether a company is solvent. It provides a snapshot of the company's assets, liabilities, and equity on a given day.

- The cash flow statement shows how much cash a company is generating. It also tracks, in broad terms, where that cash came from and what it is being used for.

Now you're ready to take the next step: interpreting the numbers these statements provide. For example, is the company's profit large or small? Is its level of debt healthy or unhealthy? You can answer such questions through ratio analysis.

A financial ratio is just two numbers from the financial statements expressed in relation to each other. The ratios that follow are useful for almost any industry. But if you want to gauge your own company's performance, the most meaningful comparison is usually with other companies in the same industry.

Profitability ratios

Profitability ratios help you evaluate a company's profitability by expressing its profit as a percentage of something else. They include:

- ***Return on sales (ROS)***, or net income divided by revenue. (Remember that net income on the income statement just means profit.) Also known as **net profit margin**, ROS measures how much profit the company earns as a percentage of every sales dollar. For example, if a company makes a profit of $10 for every $100 in sales, the ROS is 10/100, or 10%.
- ***Return on assets (ROA)***, or net income divided by total assets. (You can find total assets on the balance sheet.) ROA indicates how efficiently the company is using its assets to generate profit.

- ***Return on equity (ROE)***, or net income divided by owners' equity. ROE shows how much profit the company is generating as a percentage of the owners' investment.
- ***Gross profit margin***, or gross profit divided by revenue. This ratio reflects the profitability of the company's products or services without considering overhead or other expenses.
- ***Earnings before interest and taxes (EBIT) margin***, or operating profit divided by revenue. Many analysts use this indicator, also known as operating margin, to see how profitable a company's operating activities are.

You can use these ratios to compare one company with another and to track your own company's performance over time. A profitability ratio that is headed in the wrong direction is usually a sign of trouble.

Efficiency ratios

Efficiency ratios show you how efficiently a company is managing its assets and liabilities. They include:

- ***Asset turnover***, or revenue divided by total assets. The higher the number, the better a company is at employing assets to generate revenue.
- ***Days sales outstanding***, or ending accounts receivable (from the balance sheet) divided by revenue per day (annual revenue divided by 360). This ratio tells you how long (on average) it takes a company to collect what it's owed. A company that takes 45 days to collect its receivables needs significantly more working capital than one that takes 20 days to collect.

- ***Days payable outstanding***, or ending accounts payable divided by cost of goods sold per day. This measure tells you how many days it takes a company to pay its suppliers. The more days it takes, the longer a company can use the cash. Of course, the desire for more cash has to be balanced against maintaining good relationships with suppliers.

- ***Inventory days***, or average inventory divided by cost of goods sold per day. This ratio indicates how long it takes a company to sell the average amount of inventory on hand during a given period of time. The longer it takes, the more cash the company has tied up and the greater the likelihood that the inventory will not be sold at full value.

Again, it's often helpful to compare changes in these ratios from one period to the next, and to track trends in the ratios over three years or more.

Liquidity ratios

Liquidity ratios tell you about a company's ability to meet current financial obligations such as debt payments, payroll, and vendor payments. They include:

- ***Current ratio,*** or total current assets divided by total current liabilities. This is a prime measure of a company's ability to pay its bills. It's so popular with lenders that it's sometimes called the **banker's ratio**. Generally speaking, a higher ratio indicates greater financial strength than a lower one.

- ***Quick ratio,*** or current assets minus inventory, with the result divided by current liabilities. This ratio is sometimes called the **acid test**. It measures a company's ability to deal with its liabilities quickly without having to liquidate its inventory.

Lenders aren't the only stakeholders who scrutinize liquidity ratios. Suppliers, too, are likely to inspect them before offering credit terms.

Leverage ratios

Leverage ratios tell you how, and how extensively, a company relies on debt. (The word *leverage* in this context means using debt to finance a business or an investment.)

- ***Interest coverage***, or earnings before interest and taxes (EBIT) divided by interest expense. This measures a company's margin of safety: It shows how many times over the company could make its interest payments from its operating profit.
- ***Debt to equity***, or total liabilities divided by owners' equity. This shows how much a company has borrowed compared with the money its owners have invested. A high debt-to-equity

ratio (relative to other companies in the industry) is sometimes a reason for concern; the company is said to be highly leveraged.

Nearly every company borrows money at some point in its life. Like a household with a mortgage, a company can use debt to finance investments that it otherwise couldn't afford. The debt becomes a problem only when it's too high to be supported.

Other ways to measure financial health

Other methods of assessing a company's financial health include valuation, Economic Value Added (EVA), and measurements of growth and productivity. Like the ratios just discussed, these measures are most meaningful when you are comparing companies in the same industry or looking at one company's performance over time.

Valuation usually refers to the process for determining the total value of a company. The book value is simply the owners' equity figure on the balance sheet. But the market value of the business—what an acquirer would pay for it—may be quite different.

Publicly traded companies can measure their market value every day: They just multiply the daily stock price by the number of shares outstanding. A privately held company—or someone who is considering buying one—must estimate its market value. One method is to estimate future cash flows and then use some interest rate to determine how much that stream of cash is worth right now. A second method is to evaluate the company's assets—both physical assets and intangible assets such as patents or customer lists. A third is to look at the market value of publicly traded companies that are similar to the company being evaluated.

Of course, a company may be worth different amounts to different buyers. If your employer owns

ANALYZING FINANCIAL STATEMENTS

- Compare numbers with what's typical in a given industry.
- Compare statements of similar-sized companies.
- Watch for trends: How have the statements changed since last year? From three years ago?

a unique technology, for instance, an acquirer that wants that technology for its operations may be willing to pay a premium for the business.

Valuation also refers to the process by which Wall Street investors and stock analysts determine what a publicly traded company "ought" to be selling for (in their view). That helps them decide whether the current market price of the stock is a good deal or a bad

one. Analysts and investors use various gauges in this process, including:

- ***Earnings per share (EPS)***, or net income divided by the number of shares outstanding. This is one of the most commonly watched indicators of a company's financial performance. If it falls, it will most likely take the stock's price down with it.

- ***Price-to-earnings ratio (P/E)***, or the current price of a share of stock divided by the previous 12 months' earnings per share.

- ***Growth indicators***, such as the increase in revenue, earnings, or earnings per share from one year to the next. A company that is growing will probably provide increasing returns to its shareholders over time.

- ***Economic Value Added (EVA)***. A registered trademark of the consulting firm Stern, Stewart, EVA indicates a company's profitability

after a charge for the cost of capital is deducted. The calculation is quite technical.

- ***Productivity measures***. Sales per employee and net income per employee are two measures that link revenue and profit to workforce data. Trend lines in these numbers may suggest greater or lesser operating efficiency over time.

Wall Street loves statistics, and these are just a few of the indicators that the professionals use. But they are among the most common.

Preparing a Budget

Preparing a Budget

A budget is a financial blueprint for achieving business goals.

Your unit's budget is part of the company's overall strategy, so you need to understand the company's strategy in order to create a useful budget. There are several steps you can take to increase your strategic understanding:

- *Pay attention to communications from senior management.* Most companies try to communicate at least the basics of their strategy to the entire organization.
- *Watch the overall economic picture.* A company's strategy during a recession will differ from its

strategy in a booming economy. Listen to your manager's and colleagues' views on sales and the economy, and make your own observations as well. Are you deluged by résumés, or is good help hard to find? Are prices rising or falling?

- *Stay on top of industry trends.* Even when the economy is booming, some sectors may be in trouble. Your budget should reflect realities in your own industry.

- *Steep yourself in company values.* Every company has values, sometimes formalized and sometimes just "the way we do things around here." Savvy managers factor those values into their decisions. Say your budget calls for layoffs. If the company views layoffs as counterproductive, your proposal will be dead on arrival.

- *Conduct **SWOT analyses**.* What are your company's strengths, weaknesses, opportunities,

and threats? Keep them in mind as you build your budget.

All these techniques should help you understand the context in which you'll develop your budget.

Top-down versus bottom-up budgeting

In **top-down budgeting**, senior management sets specific goals for such items as net income, profit margins, and expenses. Each department may be told, for example, to limit expense increases to 6% above the previous year's levels. As you prepare your budget, observe such parameters and look at the company's overall plans for sales and marketing and for costs and expenses. Those objectives provide the framework within which you must operate. For instance, many companies strive to improve profitability every year by reducing expenses as a percentage of revenue.

In **bottom-up budgeting**, managers aren't given specific targets. Instead, they put together budgets that they feel will meet the strategic needs and goals of their respective departments. These budgets are "rolled up" into an overall company budget. The company budget is then adjusted, with requests for changes sent back down to individual departments.

This process can go through multiple iterations. Often it means working closely with departments that may be competing against yours for limited resources. It's good to be as cooperative as you can during this process, but don't hesitate to lobby aggressively for your own unit's needs.

Getting started

Budgets should be ambitious but realistic. Don't map out a budget that you can't meet—but don't underestimate the possibilities. Here's how to begin.

First, list three to five goals that you hope to achieve during the period for which you are budgeting. For example:

- Increase gross sales by 5%.
- Decrease administrative costs as a percentage of revenue by 3 points.
- Reduce inventories by 2% by the end of the fiscal year.

Make sure those goals line up with the organization's strategic priorities.

Next, figure out how you'll achieve them. (Remember that a budget is just a plan with numbers.) How can you generate more revenue? Will you need more sales representatives? Where can you cut costs or reduce inventories?

The smaller the unit you're focusing on, the more detail you need. If you're creating a budget for a 12-person sales office, you typically won't have to worry

about capital expenditures such as major upgrades to the building. But you should include detailed estimates for travel costs, telephones and utilities, and office supplies. As you move up in the organization, the scope of your budget will broaden. You can assume that the head of the 12-person office has thought about printer cartridges and gasoline for the sales reps' cars. Your job now is to look at big-picture items such as computer systems and to determine how all the smaller-scale budgets fit together.

Other issues to consider when you're preparing a budget:

- *Term.* Is the budget just for this year, or is it for the next five years? Most budgets apply only to the upcoming year and are reviewed every month or every quarter.

- *Assumptions.* At its simplest, a budget creates projections by adding assumptions to current data. Look hard at the assumptions you're

making. Let's suppose you think sales will rise by 10% in the coming year if you add two more people to your unit. Explain what you're basing that assumption on, and show a clear connection to at least one strategic goal (in this case, it's probably to increase sales by a certain percentage).

Role-playing may help you here. Put yourself in the position of a division manager with limited resources and many requests for funding: Under those circumstances, what would persuade *you* to grant a request for two additional staff members?

Articulating your assumptions

Usually, budgeters take the previous year's budget as a starting point. If you're the manager of Amalgamated Hat Rack's Moose Head Division, for instance, you

STEPS FOR CREATING A BUDGET

1. Analyze your company's overall strategy.
2. If your company does top-down budgeting, start with the targets given to you by senior management. If it does bottom-up budgeting, create targets yourself.
3. Articulate your assumptions.
4. Quantify your assumptions.
5. Review: Do the numbers add up? Is your budget defensible in light of the company's strategic goals?

might look at the 2013 budget to get ideas about how to increase revenue, cut costs, or both. (See figure 4, "Moose Head Division, Amalgamated Hat Rack." Note that the parentheses in the table indicate unfavorable variances.)

FIGURE 4

Moose Head Division, Amalgamated Hat Rack

2013 Budget	Budgeted	Actual	Variance
SALES BY MODEL			
Moose Antler Deluxe	$ 237,000	$ 208,560	$ (28,440)
Moose Antler Standard	320,225	329,832	9,607
Standard Upright	437,525	476,902	39,377
Electro-Revolving	125,000	81,250	(43,750)
Hall/Wall	80,000	70,400	(9,600)
Total sales	**$ 1,199,750**	**$ 1,166,944**	**$ (32,806)**
COST OF GOODS SOLD			
Direct labor	$ 75,925	$ 82,000	$ (6,075)
Factory overhead	5,694	6,150	(456)
Direct materials	195,000	191,100	3,900
Total cost of goods sold	**$ 276,619**	**$ 279,250**	**$ (2,631)**
SALES, GENERAL, AND ADMINISTRATIVE COSTS			
Sales salaries	$ 300,00	$ 310,000	$ (10,000)
Advertising expenses	135,000	140,000	(5,000)
Miscellaneous selling expenses	3,400	2,500	900
Office expenses	88,000	90,000	(2,000)
Total SG&A	**$ 526,400**	**$ 542,500**	**$ (16,100)**
Operating income	**$ 396,731**	**$ 345,194**	**$ (51,537)**

TIP: TRACK YOUR THOUGHT PROCESS

As you put your budget into the required format, document your assumptions. It's easy to lose track of them during the budgeting process, and you'll need to explain them—and revise them.

Don't look only at specific revenue or cost line items, because revenue and costs are closely linked. Instead, ask yourself what the budget shows about last year's operations. As the table shows, the Standard Upright and the Moose Antler Standard exceeded sales expectations in 2013. Perhaps it would make sense to increase your sales projections for those products, particularly if your sales reps are optimistic about the prospects for more sales. The Standard Upright might be a particularly good choice, since it beat its 2013 projection by 9%. Could you increase the anticipated sales for this model by 5% or 10% in

2014? How much more would you have to spend on sales or marketing to achieve this increase? To make the decision, you'll need as much data as you can get about pricing, competitors, new sales channels, and other relevant issues.

Alternatively, you might plan to eliminate some products. The Electro-Revolving model, for example, is faring poorly. Would it be better to cut this line and promote the newer Hall/Wall model? That would eliminate $81,250 in sales, but the Electro-Revolving is expensive to produce, so discontinuation might not have much impact on the bottom line.

Other questions to ask yourself:

- Will you keep prices the same, lower them, or raise them? A price increase of 3% might offset the budget's 2013 sales shortfall, provided that it doesn't dampen demand.
- Do you plan to enter new markets, target new customers, or use new sales strategies? How

much additional revenue do you expect these efforts to bring in? How much will these initiatives cost?

- Will your cost of goods change? For example, perhaps you plan to cut down on temporary help and add full-time employees in the plant. Or perhaps you hope to reduce wage costs through automation. If so, how much will it cost to automate?

- Are your suppliers likely to raise or lower prices? Are you planning to switch to lower-cost suppliers? Will quality suffer as a result? If so, how much will that affect your sales?

- Do you need to enhance your product to keep your current customers?

- Does your staff need further training?

- Are you planning to pursue other special projects or initiatives?

Articulating your answers to questions like these ensures that your assumptions won't go unexamined. It will help you create budget numbers that are as realistic as possible.

Quantifying your assumptions

Now you need to translate your assumptions and scenarios into dollar figures. Begin with last year's budget and make the changes that fit your plans. If your entire staff of 12 needs sales training, for instance, find out how much the training will cost and add in that amount. Ask your coworkers for their ideas about costs as well. And consult the websites of trade associations or trade publications for data on industry averages.

Because your budget must be compared and combined with others in the organization, your company will probably provide you with a standard set of line items. When you've filled those in, take a step back:

BUDGETING BEST PRACTICES

- *Focus on the main goal.* If it's to increase sales, make that the overriding concern of your budget. Don't let other issues sidetrack you.
- *Be realistic.* Most managers would like to double sales or cut expenses in half. But remember: You'll be held accountable for the results.
- *Get help.* Include your team members; they may have detailed knowledge about certain line items that you don't. Your finance department can help, too.
- *Talk to your staff.* Don't use the budget as a substitute for regular communication with your staff. Team members should hear directly from you about funding for line items that affect them.

Does this budget meet your unit's goals? It's easy to overlook big-picture goals as you get into line-by-line details. Is your budget defensible? You may be perfectly happy with it, but you'll need to win over the budget committee. Once again, push your assumptions. Could you do with one extra staff member instead of two? If not, be sure you can make a good argument as to why not.

Calculating Return on Investment

Calculating Return on Investment

Imagine that Amalgamated Hat Rack is considering two investment options: buying a new piece of machinery and creating a new product line. The new machine is a plastic extruder with a price tag of $100,000. Amalgamated hopes it will save time and money over the long term, and that it will be safer than the current equipment. The second possibility, launching a line of coatracks, will require a $250,000 investment in design, production equipment, and marketing.

How will Amalgamated decide whether these options make economic sense? And if it can afford only one of them, how will it decide which to choose?

By figuring out the **return on investment**, or ROI. This means evaluating how much money the investment will generate compared with its cost.

Before you begin any ROI analysis, it's important to understand the costs and benefits of the status quo. You want to weigh the relative merits of each investment against the consequences, if any, of not proceeding with it. Don't assume that the costs of doing nothing are always high. Even if the new investment promises a significant benefit, it still carries risk. The short-term cost—and the short-term risk—of doing nothing is usually close to zero. Of course, the benefits, too, are close to zero.

Costs and benefits

ROI calculations always involve the following steps:

1. Identify all the costs of the new purchase or business opportunity.

2. Estimate the savings to be realized.
3. Estimate how much cash the proposed investment will generate.
4. Map out a time line for expected costs, savings, and cash flows, and use sensitivity analysis to challenge your assumptions.
5. Evaluate the unquantifiable costs and benefits.

The first three steps are fairly straightforward in theory, though they may be complicated in practice. When calculating the costs of an investment, you include up-front costs (the purchase price of a machine, say) and also costs to be incurred in subsequent years (maintenance and upgrades for the new machine). Savings may come from a variety of sources, such as greater throughput per hour, higher quality (and thus less rework), or a decrease in labor requirements. The cash generated typically comes from new sales. If you are calculating the ROI of a marketing campaign, for

instance, you will need to estimate the campaign's effect on the company's revenue.

It can be tricky to create a time line for your costs, savings, and increased cash flow, so you may want to turn to your finance department for help with this. Step five is really just a check on the other four: Which costs or benefits can't you quantify, and how will they affect your decision? For example, would a particular investment help or harm your company's reputation in the community or with prospective employees?

Once you have completed these steps, you are ready to use one or more of the analytical tools described in this chapter: payback period, net present value, internal rate of return, break-even analysis, or sensitivity analysis. We'll look at the strengths and weaknesses of each tool to give you a basic understanding. But you may want a colleague from the finance department to assist with the calculations.

Payback period

The **payback period** tells you how long until you recoup your investment. To calculate it, divide the initial investment by the average anticipated cash flow or cost savings per year. For instance, if a new plastic extruder will cost $100,000 and save Amalgamated $18,000 a year, then the payback period is 5.56 years. (See table 1, "Amalgamated extruder savings.")

Payback analysis is the simplest method for evaluating a prospective investment. It's useful mainly for ruling out options. If the extruder is likely to last only five years, for instance, it's obviously a bad investment, because the payback period is longer than that. But payback analysis does not tell you the rate of return on the investment. It also doesn't take into account the time value of money, because it compares outlays today with cash coming in down the road. (We'll discuss this further in the following section.)

TABLE 1

Amalgamated extruder savings

Year	Savings	Cumulative savings
1	$ 18,000	$ 18,000
2	18,000	36,000
3	18,000	54,000
4	18,000	72,000
5	18,000	90,000
6	18,000	108,000
7	18,000	126,000

Net present value and internal rate of return

Net present value (NPV) and **internal rate of return** (IRR) are highly valuable analytical tools, but they can be fairly complex. Because most calculators and spreadsheet programs can do the calculations for you, we'll describe these tools in broad terms only.

Consider the principle that underlies both methods: the time value of money. This principle states

that a dollar you receive today is worth more than a dollar you expect to receive in the future. The reason: Even forgetting about inflation, you can spend or invest today's dollar right away. You can't do that with a future dollar. And every dollar you expect in the future comes with some degree of risk. For example, the person or institution that promised it to you may be unable to pay when the time comes.

But you can't evaluate a new business opportunity without figuring out the value of the money you expect it to generate. So you need a method for expressing future dollars in terms of current dollars. That's what NPV and IRR calculations allow you to do.

Suppose that Amalgamated expects a new line of coatracks to generate $60,000 in cash annually, beginning one year from now and continuing for five years. Here are the key questions to consider: Given this anticipated cash flow and the $250,000 in upfront costs, is a new line of coatracks the most productive way to invest that $250,000? Or would

Amalgamated be better off investing its money in the extruder or something else?

Net present value

A net present value calculation *discounts* the anticipated $300,000 in cash flow to accurately express its value in today's dollars. How much should it be discounted? Companies usually establish a minimum rate of return, or **hurdle rate**, that they can reasonably expect to earn on their investments. (The rate is always well above whatever they would earn on relatively low-risk investments such as government bonds.) Let's say that Amalgamated's chief financial officer has set the hurdle rate at 6%.

So your initial outlay is $250,000, the expected return is $60,000 a year for five years, and the discount rate is 6%. If you punch these numbers into the NPV function on your calculator or spreadsheet, the program will give you the NPV. If it's a positive number—

and if no other investments are under consideration—the company should pursue the investment. The NPV for a line of Amalgamated coatracks is $2,742, which suggests that it would be an attractive investment.

But what about the other investment Amalgamated is considering—the $100,000 plastic extruder? At a discount rate of 6% and a savings of $18,000 a year for seven years, its NPV is about $483, which is just barely positive. When we compare NPVs for the two investments, we see that both are positive, but the one for the coatracks is larger. If Amalgamated can afford only one of these investments, it should go with the new line of coatracks.

The discount rate you use makes a big difference in NPV calculations. Suppose the rate were 10% instead of 6%. The NPV for the extruder would then be –$12,368, turning a modestly attractive investment into a very poor one.

Internal rate of return

IRR is based on the same formula as NPV, with one difference: When calculating NPV, you know the desired rate of return—that's the discount rate—and you use it to determine how much money your future cash flows are worth today. With IRR, you essentially set the net present value at zero and solve the equation for the *actual* rate of return. Your spreadsheet program or calculator will also perform IRR calculations for you. If the IRR is greater than the company's hurdle rate, the investment is probably a good bet, though you still need to compare it with other options.

What, then, is a reasonable rate of return for Amalgamated Hat Rack to expect on the new line of coatracks? According to the IRR calculation, it's 6.4%, which is slightly above the discount rate. So this is a good investment. But again, it wouldn't be if the hurdle rate were 10%.

Break-even analysis

Break-even analysis is useful when an investment you're considering will enable you to sell something new or sell more of something you already offer. It tells you how much (or how much more) you need to sell in order to pay for the fixed investment—in other words, at what point you will break even. With that information in hand, you can look at market demand and competitors' market shares to determine whether selling that much is realistic.

First let's put the goal in more precise terms. We're trying to determine the volume at which the incremental contribution from a product line equals the total cost of your investment. "Contribution" in this context means the revenue you get from each unit sold minus that unit's variable costs. **Variable costs** include the cost of materials and any direct labor involved in producing the unit.

Here are the steps:

- Subtract the variable cost per unit from the unit revenue. This is the unit contribution.
- Divide your total investment by the unit contribution.

The quotient is the break-even volume, expressed as the number of units (or additional units) that must be sold to cover the cost of the investment.

Suppose the new coatracks sell for $75 each, and the variable cost per unit is $22. The figure "Break-even calculation" shows how to determine the break-even volume for the coatracks.

At this point, Amalgamated must decide whether the break-even volume is achievable. Can it reasonably expect to sell more than 4,717 units? If so, how quickly? What will it take to make that happen?

To calculate the break-even volume for the extruder, you would define the unit contribution as the

FIGURE 5

Break-even calculation

$ 75	(unit revenue)
–22	(variable cost per unit)
$53	(unit contribution)
$ 250,000	(total investment required)
÷ 53	(unit contribution)
4,717 coatracks	(break-even volume)

savings per unit. If the new extruder will save $10 per unit, then your break-even volume is $100,000 divided by $10, or 10,000 units.

Sensitivity analysis

As noted, Amalgamated expects its new line of coatracks to begin generating $60,000 in annual cash flow a year from now. But what if some variable in the

scenario changed? How would it affect your evaluation of the investment opportunity? Sensitivity analysis enables you to see what changes in your assumptions might mean.

Imagine that people within Amalgamated disagree about the prospects for the new line of coatracks. Sherman Peabody is the vice president of Amalgamated's Moose Head Division. He would exercise day-to-day oversight of the new product line, and he is the one projecting $60,000 in annual cash flow for five years. Natasha Rubskaya, the company's CFO, is more doubtful about the investment, primarily because she believes that Peabody has drastically underestimated the marketing costs necessary to support the new line. She predicts an annual cash flow of only $45,000. Then there's Theodore Bullmoose, Amalgamated's senior vice president for new business development. Ever the optimist, he is convinced that the coatracks will practically sell themselves, generating an annual cash flow of $75,000 a year.

So Amalgamated conducts a sensitivity analysis using the three scenarios. The NPV for Peabody's is $2,742. For Rubskaya's, it's –$60,444. For Bullmoose's, it's $65,927.

If Rubskaya is right, the coatracks won't be worth the investment. If either of the other two is right, the investment will pay off, with a reasonable amount according to Peabody's profit projections and a generous amount according to Bullmoose's. Here is where judgment comes into play. If Rubskaya has shown herself to be the most reliable estimator of the three, Amalgamated's CEO might accept her projection of the new line's potential. But whichever route the CEO takes, the sensitivity analysis provides a more nuanced view of the investment and how it would be affected by various changes in assumptions. Changes in other variables can be mapped out just as easily.

Evaluating unquantifiable costs and benefits

The numbers never tell the whole story, so your ROI analysis should acknowledge qualitative factors as well. Does the new opportunity fit with the company's mission? Can the management team take on a new product line without losing focus? At times, seemingly unquantifiable factors can at least be estimated numerically. Suppose you're evaluating an investment in a new database, and you are trying to assess the value of the information it will provide. You might come up with a ballpark dollar figure representing the value of employees' time saved. You might also estimate the value of increased customer retention due to better understanding of purchase patterns. You may or may not decide to incorporate such estimates into your ROI calculations, but they can be helpful when you make the case for the investment.

Tracking Performance

Tracking Performance

When you prepare a budget or decide on an investment, you can be certain of one thing: The numbers will not be exactly as you predicted. That's why you need to monitor your results. If they differ significantly from your projections, you can take corrective action. If they are more or less on track, you can be confident that you are in control of the situation.

Performance of an investment

When you evaluate a new investment, you're planning for the long term—typically a year or more. But if you

track your projections monthly, you'll spot variations early.

Consider Amalgamated's new Coatrack Division. The senior team ended up using Theodore Bullmoose's optimistic cash flow projection of $75,000 a year (or $6,250 a month) as the basis for its investment. Table 2, "Amalgamated Hat Rack, Coatrack Division, January 2013 results," shows the state of affairs early in the first quarter. (For simplicity's sake, we'll assume here that operating profit is equivalent to the cash flow projections used for NPV calculations.)

The division is doing reasonably well on revenue and cost of goods sold. Its most significant negative variance is in the marketing expense line. It's difficult to be certain on the basis of figures from just the first month: Is this simply a onetime or seasonal variation? Or will Amalgamated have to spend more on marketing than anticipated?

If your ROI varies from what you expected—and the pattern of unexpectedly high costs (or unexpect-

TABLE 2

Amalgamated Hat Rack, Coatrack Division, January 2013 results

Item	Budget January	Actual January	Variance
Coatrack revenue	$ 39,000	$ 38,725	$ (275)
Cost of goods sold	19,500	19,200	300
Gross profit	19,500	19,525	25
Marketing	8,500	10,100	(1,600)
Administrative expenses	4,750	4,320	430
Total operating expenses	13,250	14,420	(1,170)
Operating profit	**$ 6,250**	**$ 5,105**	**$ (1,145)**

edly low revenue) seems likely to hold—it may be necessary to correct course. Amalgamated might decide to reduce its marketing outlay. Or it might decide to keep spending at that level, recalculate the expected cash flow, and see whether the investment still makes sense. Since Bullmoose's projection was highly optimistic, the company has some wiggle room before it must conclude that it has made a bad investment.

Performance of an existing unit

Tracking the budget for an established unit involves many of the same procedures. You monitor results so that you can make spending or operating adjustments as quickly as possible. When a line item contains a surprise, ask first whether the reason is related to timing. In other words, are you looking at a monthly aberration or a long-term problem?

If you suspect an aberration, don't be too concerned; the situation should straighten itself out. Just keep a close eye on that line item in subsequent months. If the variance is not an aberration, however, you need to determine why it's occurring. Maybe expenses are higher than budgeted because sales have increased sharply, in which case expense overruns would be good news rather than bad. Alternatively, maybe you made a poor projection and must find some way to make up the loss. Can you decrease

TIP: ENLIST HELP WITH ABERRATIONS

Involve team members in addressing variances. They're likely to have some good ideas about what's going on and what to do about it.

spending on other line items to compensate for those that are over budget?

Forecasts

In addition to comparing your actual results to the budget, you'll sit down and update your projections with new information to create forecasts. But don't throw out the old estimates in the process. When budget time rolls around next year, you'll want to assess how accurate your original assumptions were. That will help you improve your estimates the next time around.

If you are well off budget partway into the year—and if your forecasts don't show a correction—let senior management know. Explain the reasons for the variances and how you propose to make up for them. That way, the senior team can adjust the overall company forecast and perhaps provide direction on whether and how to address the shortfalls.

Test Yourself

Test Yourself

Below you'll find 10 multiple-choice questions to help you assess your knowledge of finance and budgeting essentials. Answers appear after the test.

1. **If you want to recognize the costs connected to a sale during the period when the sale was made, which accounting method would you use?**

   a. Accrual accounting
   b. Cash-based accounting

2. **Which of the following would be considered part of cost of goods sold, or COGS?**

    a. Administrative employee salaries
    b. Sales and marketing costs
    c. Rents
    d. Labor costs for assembling the product
    e. Advertising costs

3. **In most accounting systems, short-term or current liabilities are those that must be paid in less than:**

    a. One month
    b. Three months
    c. One year

4. **If the income statement can tell you whether a company is making a profit, what does the cash flow statement tell you?**

    a. How efficiently a company is using its assets

b. Whether a company is turning profits into cash
c. How well a company is managing its liabilities

5. **Many analysts like to look at a ratio that shows how profitable a company's operating activities are. Which ratio shows this?**

   a. Acid-test ratio
   b. Accounts receivable
   c. EBIT margin

6. **At ABC Company, unit heads develop budgets for their departments that are linked to company performance objectives. Is this top-down or bottom-up budgeting?**

   a. Top-down
   b. Bottom-up

7. **As you begin to prepare your unit's budget, your manager reminds you to be aware of the "scope" of your budget. What does "scope" mean?**

    a. The context of the proposed budget: the three to five goals it aims to achieve.
    b. The part of the company the budget is supposed to cover and the level of detail it should include.
    c. Whether the budget includes revenue and profits as well as the operating costs of your unit.

8. **When you're analyzing ROI, payback period analysis can help you rule out bad investments. What is the main drawback of this method?**

    a. It ignores the time value of money.
    b. It does not tell you how long it will take for the investment to break even.
    c. It can be used only to evaluate potential capital investments, not other types of new business opportunities.

9. **Your company is considering making an investment that could enable your division to sell more units of new tracking software introduced last year. Your manager has asked you to determine how many units the company would need to sell to recoup this investment. What analytical method might help you come up with an answer?**

   a. Break-even analysis
   b. Net present value analysis
   c. Internal rate of return analysis

10. **To track your budget, you carry out three steps on a monthly basis. Step two is missing in the list below; what is it?**

    Step 1. Assess monthly revenue and expense performance.

    Step 2. _____.

Step 3. Determine whether and how your bottom line will be affected by any variances.

a. Assess your company's capital expenditures.
b. Revise your forecast for the coming quarter.
c. Determine positive and negative variances compared with budget.

Answers to test questions

1: **a.** With accrual accounting, costs are matched to the associated sales, regardless of whether cash is actually received or paid in that period. By matching expenses with revenues in the same time period, accrual accounting helps managers understand how profitable a company's products or services are.

2: **d.** Assembly labor costs are considered part of COGS. Cost of goods sold includes the materials, la-

bor, and other costs that are directly attributable to manufacturing a product or delivering a service.

3: **c.** Generally, short-term liabilities have to be paid in a year or less. Long-term liabilities stretch out over a longer period and include items such as long-term bonds and mortgages.

4: **b.** The cash flow statement tells you how well a company is turning its profits into cash.

5: **c.** Many analysts use EBIT (earnings before interest and taxes) margin, often known as operating margin, to gauge the profitability of a company's operations.

6: **a.** In top-down budgeting, senior management sets specific performance objectives for individual units. For instance, unit managers may be asked to limit expense growth to no more than 5% over the previous year's expenses. They then develop their budgets within those limits.

7: **b.** Scope entails two things: the part of the company your budget is supposed to cover and the level of detail it should include.

8: **a.** Because payback analysis ignores the time value of money, it does not provide as accurate an economic picture as more sophisticated tools, such as net present value and internal rate of return.

9: **a.** Break-even analysis tells you how much (or how much more) of a product you need to sell in order to pay for a fixed investment—in other words, at what point you will break even financially. You can then use your sales history and knowledge of the market to determine whether the break-even volume is realistic.

10: **c.** Step two is to compare budgeted figures with actuals and calculate variances. You can then determine to what extent these variances will affect your bottom line.

Key Terms

Accounts payable (A/P). Money owed by a company to suppliers.

Accounts receivable (A/R). Money owed to a company for goods or services sold.

Accrual. An amount incurred as an expense in a given accounting period but not paid by the end of that period.

Accrual accounting. An accounting method whereby revenue and expenses are booked when they are incurred, regardless of when they are actually received or paid. Revenue is recognized in the time period

when the goods or services are delivered; expenses are recognized in the same period as their associated revenues.

Acid-test ratio. See *quick ratio*.

Allocation. The process of dividing costs in a certain category among several cost centers, typically on the basis of usage. For example, corporate overhead such as rent and utilities may be allocated to departments according to the number of square feet they occupy.

Amortization. A charge on the income statement reflecting a portion of the cost of an intangible asset such as a patent.

Assets. The economic resources of a company. Assets include cash, accounts receivable, inventories, land, buildings, vehicles, machinery, equipment, and other investments.

Asset turnover. A measure of how efficiently a company uses its assets. To calculate, divide sales by assets. In general, the higher the number, the better.

Balance sheet. A document summarizing a company's financial position—its assets, liabilities, and owners' equity—at a specific point in time. According to the fundamental equation of the balance sheet, a company's assets equal its liabilities plus owners' equity.

Banker's ratio. See *current ratio*.

Book value. The value at which an asset is carried on a balance sheet. The book value of a new asset is its purchase price, but that figure is reduced each year for depreciation. So the asset's book value at any point in time is its cost minus accumulated depreciation.

Bottom-up budgeting. A process whereby managers put together budgets that they feel will best meet

the needs and goals of their respective departments or units. These budgets are "rolled up" to create an overall company budget, which is then adjusted, with requests for changes being sent back down to the individual departments.

Breakeven. The volume at which the total contribution from a product line equals total fixed costs. To calculate it, subtract the variable cost per unit from the selling price to determine the unit contribution; then divide total fixed costs by the unit contribution. Breakeven on an investment is the point when the net cash received from the investment equals its cost.

Capital expenditure or capital investment. Payment to acquire or improve a capital asset.

Cash-based accounting. The recording of revenue and expenses when cash actually changes hands. This approach is seldom used except by very small companies.

Cash flow statement. A statement showing where the company's cash comes from and where it goes.

Contributed capital. Capital funds received in exchange for stock.

Contribution. In product cost analysis, unit revenue minus variable cost per unit; the sum of money available to contribute to fixed costs.

Cost of capital. The percentage rate a company must pay investors or lenders in return for its capital funding. Companies calculate their *weighted average cost of capital* by taking into account factors such as the average interest rate on their debt, the expected rate of return on their equity, and their tax rate.

Cost of goods sold (COGS). Costs directly associated with making a product.

Cost of services (COS). Costs directly associated with delivering a service.

Current assets. Those assets that are most easily converted into cash, including cash on hand, accounts receivable, and inventory.

Current ratio. A comparison of a company's current assets with its current liabilities. To calculate, divide total current assets by total current liabilities.

Days payable outstanding. A measure indicating how many days it takes, on average, for a company to pay its suppliers. To calculate, divide accounts payable by cost of goods sold per day.

Days sales outstanding. A measure indicating how long it takes, on average, for a company to collect its receivables. To calculate, divide accounts receivable by revenue per day.

Debt. Money owed to a creditor.

Debt-to-equity ratio. A comparison of a company's outstanding loans to its owners' equity. To calculate

the debt-to-equity ratio, divide total liabilities by owners' equity.

Depreciation. A charge on the income statement representing a portion of the cost of a tangible asset such as a building or a machine. The cost of such assets is charged over their estimated useful life.

Direct costs. Costs directly attributable to the manufacture of a product or the delivery of a service—for example, the cost of plastic for a bottle manufacturer or the cost of a service technician's time for a copier service company.

Dividend. A payment (usually issued quarterly) to the stockholders of a company, as a return on their investment.

Earnings before interest and taxes (EBIT). See *operating profit*.

Earnings per share (EPS). A company's net income divided by the number of shares outstanding. One of the most common indicators of a public company's financial performance.

Earnings statement. See *income statement.*

Economic Value Added (EVA). Net income minus a charge for the cost of a company's capital.

Efficiency ratios. Financial measures that link various income statement and balance sheet figures to gauge a company's operating efficiency. Examples include asset turnover, days sales outstanding, days payable outstanding, and inventory days.

Equity. The value of a company's assets minus its liabilities. On a balance sheet, equity is referred to as shareholders' equity or owners' equity.

Financial leverage. The extent to which a company's assets are financed by debt. A company that has a

high debt-to-equity ratio (by industry standards) is said to be highly leveraged.

Financial statements Reports of a company's financial performance. The three fundamental statements are the income statement, the balance sheet, and the cash flow statement; they present related information but provide different perspectives on performance.

Fiscal period or reporting period. An accounting time period (usually a month, a quarter, or a year) at the end of which the books are closed and profit or loss is determined.

Fixed assets. Assets that are difficult to convert to cash, such as buildings and equipment.

Fixed costs. Costs that remain constant in the short run regardless of sales volume; they include administrative salaries, interest, rent, and insurance.

Generally accepted accounting principles (GAAP). The rules and conventions that accountants in the United States follow when recording and summarizing transactions and preparing financial statements.

Gross margin. Gross profit as a percentage of revenue.

Gross profit. The sum remaining when COGS is subtracted from revenue.

Growth. An increase in the company's revenue, profits, or owners' equity.

Hurdle rate. A company's minimum required rate of return on its investments.

Income statement. A report showing a company's revenue, expenses, and profit over a period of time, usually a month, a quarter, or a year. The income statement is also known as a profit-and-loss statement

(P&L), a statement of operations, and a statement of earnings.

Indirect costs. Costs not directly attributable to the manufacture of a product or the provision of a service.

Interest coverage. An indicator of a company's margin of safety on its interest costs—specifically, how many times over the company could make its interest payments out of current operating profits. To calculate interest coverage, divide EBIT by interest expense.

Internal rate of return (IRR). The rate at which the net present value (NPV) of an investment equals zero.

Inventory. Material that will eventually be fabricated and/or sold. Examples include the merchandise in a shop, finished goods in a warehouse, work in progress, and raw materials.

Inventory days. A measure of how long it takes a company to sell the average amount of inventory on hand during a given period of time. To calculate inventory days, divide average inventory by cost of goods sold per day.

Invoice. A bill submitted to a purchaser for goods or services rendered.

Leverage ratios. Ratios related to a company's use of debt. They include interest coverage and debt to equity, and help people assess a company's ability to pay what it owes.

Liabilities. The financial claims against a company's resources, including accounts payable, loans, and mortgages.

Net income. An organization's profit after all expenses, including interest and taxes, are subtracted from revenue.

Net present value (NPV). The estimated current value of an investment, calculated by subtracting the cost of the investment from the present value of the investment's future earnings.

Net profit margin. See *return on sales*.

Operating cash flow (OCF). The net movement of cash from the operations side of a business, as opposed to cash related to investments or to a company's financing.

Operating expenses. Expenses that are not directly attributed to manufacturing a product or delivering a service—for example, administrative salaries, rents, and sales and marketing costs.

Operating profit. The sum remaining after all operating costs are subtracted from revenue. Also known as earnings before interest and taxes (EBIT).

Owners' equity. See *equity*.

Payback period. The length of time needed to recoup the cost of a capital investment.

Pretax profit. Net income before income taxes.

Price-to-book ratio. A ratio comparing the market's valuation of a company to the value of that company as indicated by its owners' equity.

Price-to-earnings ratio (P/E). The current price of a share of stock divided by the previous 12 months' earnings per share. This ratio helps you compare stocks' value.

Productivity measures. Indicators—such as sales per employee and net income per employee—that link revenue and profit information to workforce data.

Profitability ratios. Measures of a company's level of profitability, in which profits are expressed as a percentage of various other items. Examples include return on assets, return on equity, and return on sales.

Property, plant, and equipment (PPE). A line on the balance sheet indicating how much money (after depreciation) a company has invested in fixed assets such as buildings and machinery.

Quick ratio. A measure of a company's ability to meet its short-term obligations, also known as the *acid test*. To calculate the quick ratio, divide cash, receivables, and marketable securities by current liabilities.

Ratio analysis. A means of analyzing the information contained in the three financial statements. A financial ratio is two key numbers from a company's financial statements expressed in relation to each other.

Retained earnings. All after-tax income held by a business (and not paid out in dividends) since its inception.

Return on assets (ROA). A measure of the productivity of a company's assets. To calculate ROA, divide net income by total assets.

Return on equity (ROE). A measure of the productivity of a company's equity. Also known as return on owners' equity. To calculate ROE, divide net income by owners' equity.

Return on sales (ROS). A measure of a company's overall efficiency in generating profits. Also known as net profit margin. To calculate ROS, divide net income by total sales.

Revenue. The first line on an income statement, indicating the value of goods or services delivered to

customers during the period of time covered by the statement. Also called *sales*.

Sales. An exchange of goods and services for money. (See *revenue*.)

Shareholders' equity. See *equity*.

SWOT analysis. An analysis of a company's strengths, weaknesses, opportunities, and threats.

Time value of money. The principle that a dollar received today is worth more than a dollar expected at some point in the future.

Top-down budgeting. A process whereby senior management sets specific objectives for items such as net income, profit margin, and expenses. Unit managers then put together their budgets within these parameters.

Valuation. An estimate of a company's value for the purposes of purchase, sale, or investment.

Variable costs. Costs that vary according to sales volume, such as the cost of materials and sales commissions.

Working capital. A measure of a company's day-to-day liquidity. Working capital equals the difference between a company's current assets and its current liabilities.

Learn More

We recommend:

Berman, Karen, and Joe Knight, with John Case. *Financial Intelligence: A Manager's Guide to Knowing What the Numbers Really Mean*. revised ed. Boston: Harvard Business Review Press, 2013.

In *Financial Intelligence*, Berman and Knight teach the basics of finance—but with a twist. Financial reporting, they argue, is as much art as science. Because nobody can quantify everything, accountants always rely on estimates, assumptions, and judgment calls. Savvy managers need to know how those sources of possible bias can affect the financials. While providing the foundation for a deep understanding of the financial side of business, the book also arms managers with practical strategies for improving their companies' performance—strategies (such as managing the balance sheet) that are well understood by financial professionals but rarely shared with their nonfinancial colleagues.

Harvard Business School Publishing. *HBR Guide to Finance Basics for Managers*. Boston: Harvard Business Review Press, 2012.

This installment in the HBR Guide series explains financial statements and shows how to use the information they contain to make better business decisions. Among the topics covered: growing profits by streamlining your business, working your assets to boost growth, understanding balance sheet levers, and learning to speak the language of ROI. The book also investigates what the financial statements do *not* tell you, along with the "five traps" of performance measurement.

The following works (organized in reverse chronological order) may also be helpful:

Mason, Roger. *Finance for Non-Financial Managers in a Week: A Teach Yourself Guide*. New York: McGraw-Hill, 2012.

Matias, Anthony J. *Budgeting and Forecasting: The Quick Reference Handbook*. Cambridge, MA: Matias & Associates, 2012.

Shoffner, H. George, Susan Shelly, and Robert A. Cooke. *The McGraw-Hill 36-Hour Course: Finance for Non-Financial Managers*. 3rd ed. New York: McGraw-Hill, 2011.

Fields, Edward. *The Essentials of Finance and Accounting for Nonfinancial Managers*. 2nd ed. New York: Amacom Books, 2011.

Weaver, Samuel C., and J. Fred Weston. *Finance and Accounting for Nonfinancial Managers*. New York: McGraw-Hill, 2004.

Siciliano, Gene. *Finance for Non-Financial Managers. Briefcase Books Series*. New York: McGraw-Hill Briefcase Books, 2003.

Kemp, Sid, and Eric Dunbar. *Budgeting for Managers. Briefcase Books Series*. New York: McGraw-Hill Briefcase Books, 2003.

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Harvard Business School Publishing. Harvard Manage-Mentor. Boston: Harvard Business Publishing, 2002.

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Harvard Business School Publishing. *Pocket Mentor: Understanding Finance*. Boston: Harvard Business School Press, 2006.

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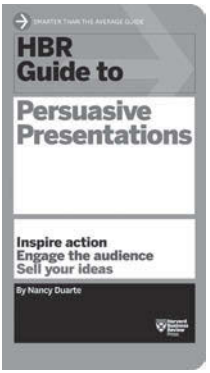

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Preview

You have a problem: Perhaps your company needs a new service to offer its customers or an internal process is taking too long. Your usual solutions aren't working, so you need something different, something creative. Innovative thinking can help you and your team meet urgent needs or make small but important improvements. This book walks you through each step of the creative process. You'll learn to:

- Build the diversity of your team to maximize creative potential
- Establish the right time and setting for idea generation
- Set ground rules for team interactions

- Draw on a variety of approaches to crafting ideas
- Narrow down your options to a useful solution
- Instill a culture of creativity within your organization

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Innovative Teams

Enhancing Your Team's Creativity

Enhancing Your Team's Creativity

Do you need to create a new, innovative product? Is your organization looking for a unique plan for entering into new international markets? Or do you need to think differently about how to break down silos between departments within your organization? All of these tasks require your team to be creative.

But how do you generate ideas—the right ideas—if your team is just going through the motions and stuck in a rut? Fortunately, you can take concrete steps to stimulate your group's creative energy. By understanding the fundamentals of the creative process as

well as the characteristics of creative teams, you can lead your team to more-innovative thinking—and to new products, better problem solving, improved processes, superior strategic plans, and more.

What is creativity?

Creativity is the ability to develop novel ideas to solve problems or satisfy needs. It's a key ingredient in *innovation*, which generally refers to that novel idea along with its practical application. An innovative team, as we'll discuss in this book, is a group of individuals who envision and develop creative solutions to problems.

Enhancing team creativity is a goal-oriented, collaborative process that draws on each individual team member's skills, experience, and expertise to develop those novel ideas. This kind of thinking isn't reserved for just the "creatives" in your organization. Whether

you're leading artists or accountants, a group of 12 in a nonprofit or a team of 12,000 in a *Fortune* 500 company, everyone involved can contribute.

Situations that call for creativity

Many common product-development challenges can best be tackled with innovative thinking. For example, maybe you're in charge of designing a new product line. The last line was a flop, so the pressure's on to create new products that wow. Or maybe you've recently launched a web-based service that your customers love. They're hungry for an app to complement the service—but how should it work? Or imagine that your competitor has released a much-heralded new product. What can your organization do to maintain market share? Creativity can help your company stand out, design products that provide a better user experience, devise new ways to engage

your customers, develop interesting ways to market a product, and build your competitive advantage.

You can also harness your team's inventive thinking to solve problems that may not directly affect your customers but have an adverse impact on your organization's effectiveness. Maybe an internal process is cumbersome and time-consuming: The invoicing process is overly complex, or a certain report is always submitted late, no matter who's writing it. A creative team can identify better ways to execute the process at hand. Perhaps you're unsure how to communicate a new initiative in a way that will both excite and involve your colleagues. Wherever you need new solutions or ideas, the creative process can help.

Not every problem requires a novel solution, however. The creative process may not be right for you if:

- Your team is short-handed, dealing with an urgent problem, or rushing to meet a deadline.

In such cases, the creative process can be a distraction (or a procrastination strategy) that will only slow you down. Aim for the most efficient solution, not the most innovative one.

- You have a client who is content with what you're providing and is risk-averse or dislikes change. Your client will likely be happiest with the status quo; don't rock the boat.

- You don't have the resources—whether talent, time, or money—to implement a new idea. Coming up with creative ideas without a realistic way to execute them can be a waste of time, and it is frustrating for a team to expend its creative energy on something that won't come to fruition.

- Major change is imminent in your organization—be it a merger, acquisition, or reorganization. Investing your time

in a creative solution that could become irrelevant in the new version of your organization may be unproductive. Wait. You'll soon encounter a new set of problems to solve creatively.

Benefits of the creative process

We've looked at some of the benefits of using the creative process in situations from product development to internal process improvement. But fostering creativity in your team doesn't just help you solve the problem at hand. By making your team aware of creative possibilities, you can discover new information and hidden needs, which can lead you toward even better products, improved processes, and more.

Fostering creativity is also central to engagement: When an employee helps craft a creative solution to a problem, he's more likely to feel a sense of owner-

ship—and may be more motivated to ensure a project's success.

What this book will do

This book will walk you through each step of leading the creative process within your team, no matter what challenge you're facing. These steps include:

- Establishing a team with the right blend of intellectual diversity
- Setting the right time and place for creative thinking and establishing group norms
- Generating a wide array of ideas using various techniques, including brainstorming as well as some less familiar tactics
- Narrowing down your options and using the right criteria to decide which idea to pursue and how

You'll also learn how to promote ongoing creativity in your team and organization by building a culture that embraces and rewards inventive thinking and innovative efforts.

Your opportunity to adapt a fresh, new way of thinking starts now. In the next chapter, we'll tackle the first step of the process: building your innovative team.

Building Your Team

Building Your Team

Before you can boost your team's creativity, you should first make sure your team is poised for success. Do you have the right team members in place with the skills, backgrounds, and expertise to generate and refine great ideas?

This chapter will explain what your creative team should look like, show you how to assess where your team needs improvement, and help you enhance the group's potential by bringing in new members or providing opportunities for individual employees' development.

The characteristics of innovative teams

Inventive thinking in a team setting is fueled by a blend of talents, skills, and traits—such as an ability to see problems through fresh eyes, a knack for understanding a frustrated customer's complaints, or a flair for turning a creative idea into a profitable innovation—that rarely exist in a single person. This kind of diversity is more likely to be present when individuals on the team come from different disciplines, backgrounds, and areas of expertise. A choir can't perform well if it's made up of all sopranos; similarly, on an innovative team, you won't achieve good results with people whose strengths and styles are all the same.

The most productive creative teams often exhibit characteristics that seem contradictory. For example, a group needs both expertise in relevant subjects and fresh eyes that can see beyond the established ways of

doing things. Its members need the freedom to decide how to achieve goals while also having the discipline to work in alignment with the organization's strategy. An innovative team needs to be both playful and professional, and it needs to be able to plan out a project carefully while also accepting that projects don't always go as planned—and being willing to improvise when unexpected events arise.

To build a team that, as a whole, can navigate effectively among these different dynamics, you need to shape your group so that each individual brings a unique combination of knowledge and skills. You may need people with relevant experience within a specific industry, the ability to perform a particular technical skill, or a talent for writing or presentation. You'll also want team members who excel in interpersonal dynamics such as building consensus, giving feedback, communicating in groups, and motivating others.

In addition to recruiting team members with a mix of skills and experience, you'll want to include

individuals with a blend of different preferred thinking styles, or unconscious ways of looking at and interacting with the world. There are many different ways to describe how people think. The Myers-Briggs Type Indicator, for example, divides thinking preferences into four categories:

- *Extroverted or introverted.* Extroverts look to other people as their primary means of processing information. They quickly share ideas or problems with others for feedback. Introverts tend to process information internally before presenting their results to others.
- *Sensing or intuitive.* Sensing people prefer using facts and hard data to help them make decisions. Intuitive people tend to be more comfortable with "big picture" ideas and concepts.
- *Thinking or feeling.* Thinking people use logic and order to make their decisions. Feeling

people are more attuned to emotional cues; their decisions are guided by the values or relationships involved.

- *Judging or perceiving.* People who judge prefer having closure, with all loose ends tied up, when managing tasks and making decisions. Those who perceive are more comfortable with openness and ambiguity. They often want to gather more data before making a final decision.

Everyone exhibits all eight of these qualities in varying degrees, though we do have innate preferences. For example, a feeling person is not incapable of logical thought, nor is intuition absent in a sensing person. But a feeling person is more likely to respond emotionally to a problem before applying a logical lens, and a sensing person may prefer to make a decision based on hard data rather than on a theory. Preferences can also change in different contexts. You

may have a tendency toward perception when visiting your child's classroom but employ judgment when at jury duty.

No one style is better than another, and each carries its own set of benefits to a collaborative discussion. The ideas and solutions that an intellectually diverse team generates will be richer and more valuable due to the wide variety of perspectives that inform them. Diversity of thought and perspective can protect your team from groupthink and can spark *creative abrasion*, a process in which potential solutions are generated, explored, and altered through debate and discourse.

Assess your team

Now that you understand what an innovative team looks like, think about your own group. If you've inherited an existing team or are newly embarking on the creative process with a group you already manage,

take this opportunity to get to know each individual, assessing her skills and other elements of intellectual diversity. (If you are starting a new group, see the sidebar "Building a team from scratch.")

The best way to get to know your team and assess its range of skills and experience is through conversation. It can be helpful to do this as a group, so everyone can learn what each team member brings to the table. Ask each person a few directed questions:

- What's your work history, both at this company and in previous jobs?
- What's your educational background? What did you study in college or for an advanced degree?
- What strengths do you have, and what do others say you do well?
- What are your passions and hobbies?

You may already know the answers to some of these questions, based on your prior experience with these

individuals. But many of us have interests and experiences unrelated to our jobs. Tapping into these areas at work can kindle passion and introduce ingenuity. The sales manager who is interested in art history may be your best big-picture thinker. The sound engineer who used to work as a stage director might bring expertise to the management of the creative process. And the marathon runner can bring grit and commitment to your team, motivating others when times get tough.

Also ask about prior team experiences, which will allow you and the rest of the team to learn about people's preferred work styles and different ways of thinking. For example:

- What was your best team experience? Why? What did team members or the leader do to make it a good experience?
- What was your worst team experience? Why? What behaviors made you frustrated or uncomfortable?

- What do you like most about working on a team, and what do you struggle with?
- How do you define a good teammate, team leader, and meeting?
- What do you need from a team to do your best work?

You may not be able to meet every request or preference discussed, but understanding team members' strengths and proclivities will help you bring out the group's inventiveness as you progress through the creative process.

Seek new members

Now that you've gotten to know your team, consider what's missing. Are there any relevant skills or areas of expertise that you don't have covered? Maybe

BUILDING A TEAM FROM SCRATCH

There may be an instance where you have the opportunity for a creative venture, but you have no existing team in place to work on it. In such cases, you have the opportunity to build your team from scratch.

To begin, assess your needs. When staffing a creative team, first envision the results you want, and then determine what skills and capabilities you'll need to achieve them. (If you want to build a mobile app, for example, you'll need expertise in technology, development, and user experience at the very least.) Once you have an individual on board with a particular critical skill, move on to the next person you'll require. You

you've assembled a group of big-picture thinkers who can generate lots of potential solutions to a problem, but you're missing a detail-oriented planner who will focus on how to execute on those ideas and help keep the project grounded. Or maybe you have plenty of

don't need more than one person with the same area of expertise.

Pick people who differ from you in thinking style and experience. As we've already discussed, a team that is made up of mixed approaches and areas of expertise will do better work than a group of too-similar people.

Your team should be high in diversity and low in number. Select the fewest people who can help you achieve the results you want. Three to seven people is ideal. The more individuals you have involved, the more difficult it will be to schedule meetings, manage information, and make decisions.

marketing know-how but lack someone well versed in accounting or design who can bring your project to fruition. If you discover gaps, consider who else you can bring onto your team. Depending on the scale of your project, you may want to look outside your

department, company, or even industry to find the expertise you need.

Before you start hunting, define your criteria. Create a job description that's specific to the type of person (or people) you need, clearly identifying the skills and areas of expertise required

Then, look within your organization for people on other teams or in other departments with the skills or background you're searching for. Ask colleagues if they can recommend someone. For bigger projects, perhaps some of your overseas colleagues can visit and temporarily join your team. Or former employees can return, bringing along knowledge they've gleaned by working at other organizations.

Talk to promising candidates—and their supervisors—about becoming part of your team. Do they have the time and resources to join you as a full-on team member? If not, consider building a support team that you can consult with periodically throughout the creative process to complement your core team. For example, just because you may want to invite a

finance representative to weigh in on your budget request doesn't mean that person needs to participate in your idea generation session.

If individuals within your company can't fill your gaps, go outside your organization—or even outside your industry. For instance, when engineers working at a ceramics manufacturer were having difficulty getting the ceramics to release from their molds, they realized that their problem had to do with quick freezing, not with ceramics. Instead of seeking out other ceramics experts, they turned to experts in the food industry who would have more experience with this process. You can do the same thing by asking those in your network for referrals, or by asking friends outside your industry to be on the lookout for the expertise you need. Consider recruiting individuals who may be able to take on part-time roles or internships, like professors on sabbaticals, students, and others who are making job transitions. You might also meet a suitable candidate at a conference or industry event, or even on job websites or social media platforms such as LinkedIn.

Once you've found someone of interest, bring her in for a formal interview so you can get to know her, much like you did for the rest of your team. This is especially important if it's for a bigger creative venture. Résumés and cover letters will likely reveal the applicant's education and work background, so instead spend your time trying to understand what the candidate would bring to the table in terms of her thinking style, interests, experience, and interpersonal behaviors. For smaller projects or if you're pressed for time, a short, informal conversation may be enough to determine whether a candidate will fit your needs.

Once you've found your new team members, carefully and deliberately integrate them into the group. Otherwise, these new arrivals could feel isolated or become marginalized. Here are some ways to ensure that your new teammates are comfortable with their new group:

- Thoughtfully prepare your group for any upcoming additions. Discuss in advance why

it's valuable to include people with different perspectives and skills, and ensure that the new members' roles within the team are clear to everyone.

- Match newcomers with seasoned mentors to help them acclimate to the team quickly, and ensure that new team members understand how the existing team works.
- Make meaningful introductions. Existing team members may already know one another's skills, interests, and styles, but sharing that information with new members can help both veterans and newcomers bond.
- Finally, meet early on with new team members to discuss their experience with the group and address any difficulties.

Enhance creative potential on an existing team

In some cases, you may not have the opportunity to bring on new members. You can still develop the diversity of your existing team's skills by:

- *Building expertise.* Send your people to professional conferences, or arrange training sessions to help them gain the skills and better understanding of processes. New knowledge can catalyze your team's creative thinking.
- *Taking field trips.* Arrange a site visit to a customer or even to a competitor. Or observe best practices in an unfamiliar industry. For example, an airline hoping to improve customer service might visit a clothing retailer known for its excellence in that area.
- *Hosting creative events.* Bring in outside speakers to give talks or workshops. One automaker

runs periodic events where employees can meet different types of artists—sculptors, DJs, chefs, photographers, writers—to learn about their creative processes.

- *Seeking additional resources.* Gather your team to watch and discuss a TED talk (popcorn optional), or form an ad hoc reading club to discuss books or articles of interest.

By building a team with a diverse set of skills, experience, and thinking styles, you'll be ready to infuse a variety of perspectives and opinions into a creative conversation. Once you have your team in place, your next step is to construct the right environment for creative thinking.

Setting the Stage for Creative Thinking

Setting the Stage for Creative Thinking

After you have your team in place, you're ready to start thinking inventively with them, right? Wrong. First you need to prepare. Where should your idea generation session take place? What information do you need in advance? How should your team members interact with one another? This chapter will help you determine the best time for idea generation, secure the right physical space, and set team ground rules before you dive into creative thinking.

Find the right time

Plan the timing for your idea generation session carefully. Imagining ideas, winnowing down options, and crafting a plan to move forward typically can't be completed in one meeting, so before you set a meeting time, create an overarching timeline. When do you need your fresh idea to come to fruition? Once you've identified a deadline, work back from there to decide when the best time for idea generation would be, remembering to reserve time in the schedule afterward for consideration and implementation of ideas.

When in doubt, plan your idea generation session far in advance of your deadline. Many people assume that creative minds come up with their best ideas when time is tight—but that's rarely true. Allowing too little time for the idea generation process due to an unnecessarily restrictive deadline can short circuit

your efforts and hamper innovation. Teams that are pushed to work creatively within an arbitrarily short time frame can end up frustrated and burned out. Of course, some instances may require an urgent solution. If your team is under extreme time constraints, see the sidebar "Time pressure."

Once you've determined how much time you have, schedule a meeting to generate ideas. Creative sessions can be mentally demanding, so reserve about 30 minutes for your session. An hour-long meeting (or more) can be exhausting, and you'll soon discover that you had your best ideas earlier in the meeting. If you decide that your team needs more time, you can always reconvene, but it's better to stop and schedule a follow-up meeting than to force your group to keep grinding away unproductively.

Some times of day are more conducive to creativity than others. Morning sessions can be more productive than afternoon sessions, when people are tired and energy flags—although you should refrain from

scheduling meetings first thing in the morning, when people are still settling into the workday.

Avoid times when your team may be too distracted to dedicate their time and energy to creative efforts. If your team is dealing with an urgent project unrelated to your creative task, find another time to meet when you can have the group's full attention. On the day before a holiday or long weekend—even on a regular Friday afternoon—people will be rushing to check off everything on their to-do lists, and you won't be able to keep their focus. Similarly, the day before or after a team member's vacation is not ideal. In either case he'll likely be bogged down with other tasks.

Set the scene

Choosing a meeting location with a dull atmosphere can stifle an inventive discussion. When an environment provides different kinds of stimuli, on the other

TIME PRESSURE

Ingenuity can flourish under extreme time pressure. One well-known example: the NASA team that dropped everything and, within hours, came up with an inelegant but effective fix for the failing air-filtration system on Apollo 13—a creative solution that saved the mission and crew. But don't be fooled into thinking that time pressure on its own will spur creativity.

Creative thinking is certainly possible under high, even extreme, time pressure, but only when people are able to be deeply immersed in the urgent problem. If you are forced to accelerate the creative process:

- *Explain the urgency.* When people understand that their work is critical, they become more involved and feel positively challenged. Let them know why their work is important and needed

(*continued*)

TIME PRESSURE

so fast, so they don't feel they're being pushed to meet an arbitrary deadline.

- *Help them focus.* People do better creative work when they're able to concentrate on a single activity without interruption. Protect your creative team from distractions and unrelated demands by freeing them from less-essential tasks and meetings.
- *Work in small groups.* Under time pressure, collaboration is more effective when it's concentrated. Have your team work in small groups or even in pairs. The entire team can then reconvene to discuss their findings, if that will help advance the project.

While these tactics can be effective, unnecessary deadlines and time constraints can still cause more

harm than good when it comes to creativity. But by approaching the situation with a clear purpose and by positioning your team to work effectively, you can help your team members become invested and accepting of time pressure, giving way to more collaborative and creative results.

hand, it encourages team members to make new connections and think more broadly—and it sends an outward signal that this meeting will require different thinking.

If possible, choose a location where your team rarely meets: The same old conference room can feel stale and uninviting. If you need to meet in your usual space, play around with the room setup. Instead of sitting around a conference table, position chairs in clusters. Or, if the tables are usually set up in small

groups, push them all together to make one large table or circle. Select seating that will encourage activity and collaboration. That cozy armchair may not motivate someone to leap up and draw on the board, but an upright posture—on backless stools or even standing—encourages people to stay alert and engaged.

Provide warm light to create an energizing environment. Open the blinds or provide floor lamps to combat the draining quality of overhead fluorescents. And if it fits your organizational culture, perk people up by playing background music.

Ask your team to leave all laptops, tablets, phones, and other devices behind. Instead, supply the room with tactile tools beyond the traditional whiteboard: huge pieces of paper, small colorful sticky notes, or a blackboard with colorful chalk. Cover any tables with paper that can be used for note taking, doodling, or drawing, and provide colored pens or pencils, markers, crayons, pipe cleaners, even clay. Art supplies can help bypass inhibition and ignite the imagination.

Do your homework

Gather any existing materials that might be relevant to your problem or situation—including documents, reports, or in-house materials—before your team members convene. Having a clear understanding of what the current situation is will help you imagine possible solutions.

Also seek out existing knowledge about the problem at hand by searching through relevant literature on the web, talking to experts, and investigating the source of the problem. You might do this research yourself or assign specific team members to do it. Experts are almost always happy to talk about what they know best, so it's worth picking up the phone to speak with someone who knows more about a particular problem than you do. (Use the phone here, or even meet in person; you'll learn much more by having a conversation than by exchanging e-mails.) Tap

into university, professional, and personal networks to find ways to connect with knowledgeable experts.

Share the findings with the entire team prior to meeting so participants can get a handle on the problem, and route any relevant materials to team members early so they can read them in advance.

Finally, communicate a clear agenda before the meeting. People need to know before they convene if they'll be generating ideas or evaluating already existing ones.

Establish rules of conduct

At the start of your idea generation session, establish guidelines for interaction within your team. Your team members need to feel that they won't be humiliated, judged, or punished—by you or anyone else—for speaking up, expressing concerns, suggesting unpopular ideas, or making mistakes. You want a team

made up of people who listen to one another, who are open to other viewpoints, and who challenge one another's assumptions—without becoming aggressive.

Establishing rules of the road will help the group identify what's appropriate before potential tension arises—and it's possible that the very process of developing these norms can keep violations in check.

Start with four rules that are appropriate for any creative group:

1. *Respect all members of the group.* Ideas and assumptions may be attacked; individuals may not.

2. *Be a good listener.* Everyone will have an opportunity to speak and should actively listen to others.

3. *Value varying points of view.* Everyone has a right to disagree and challenge assumptions. Conflicting views are a valuable source of

learning and should be welcome when raised at the appropriate time in the discussion.

4. *No idea is a bad idea.* No idea should be deemed "bad," "stupid," "useless," or any other negative descriptor that can shut down creative thinking.

Next, team members can work together to define additional norms based on the unique preferences and working styles of those in the group.

One way to establish these additional rules is to have each person write out a few conditions they feel are essential for doing productive work. You might find, for example, that people's must-haves include starting meetings on time, arriving prepared, and giving notice if you can't attend a meeting. Also ask everyone to write out some things they can't tolerate such as interrupting others, becoming defensive when someone's idea is challenged, or making sarcastic or snide remarks when conveying disagreement.

Discuss these conditions, and gather the team's suggestions into a clear, concise list. Make sure everyone contributes to the discussion. When team members help determine the rules of behavior, they feel a sense of ownership of the guidelines as well as a sense of team identity. Once you've finalized the list, keep it handy so that your team can refer to it, particularly if any issues arise.

With rules of interaction in place, you can now move on to generating creative ideas.

Generating Ideas

Generating Ideas

Creative ideas arise from *divergent thinking*, in which you and your team break away from familiar or established ways of seeing and doing things to come up with something new and fresh. This type of thinking allows your team to see from different perspectives, discover new connections among facts or events, and explore questions that have never been asked before.

The goal of divergent thinking is to quickly generate a wide variety of solutions for a given situation or problem without judging the merits of those options. In this step of the process, you don't yet narrow down the options that you create. Creating and winnowing

down your options at the same time is like driving with your foot on the brake: You'll expend a lot of energy but get nowhere.

This chapter will walk you through how to create novel ideas through the use of four different common creative approaches: brainstorming, mind mapping, catchball, and individual idea generation.

Brainstorming

Brainstorming, probably the most well-known option for divergent thinking, is a method of soliciting ideas from a group quickly. It's especially useful if you want to engage everyone on the team in an informal way. With brainstorming, you can come up with myriad new ideas, understand a problem better by listing possible causes, and solve a problem by gathering a multitude of possible solutions.

Your goal in a brainstorming session should be quantity over quality, and you should encourage even

the wildest ideas, no matter how strange, fanciful, or offbeat. Every idea is valuable—you never know where it may lead. Encourage team members to build on one another's ideas, and don't fall into the trap of latching on to the first option your team comes up with. Generate as many ideas as you can. Make sure to have a way to capture all of your ideas, such as a whiteboard or a large sheet of paper.

Have high aspirations for what you'd like your group to achieve. If your team easily comes up with five ideas, push for twenty. Set a stretch goal—even an unreasonable goal—by challenging your team to come up with, say, fifty ideas in three minutes, or a hundred in five minutes. Pushing for more options can send your team off into interesting new directions. People will inevitably throw out some ideas that are duds—but don't judge. As the list of ideas grows and people feel pressured to come up with more, their thinking will become more inventive.

Use these four brainstorming techniques to get your team's creative juices flowing:

1. *Exploring.* Use guided imagery—symbols, analogies, and metaphors—to generate options. For instance, if your group is trying to create a new, truly innovative customer service initiative, you could say, "What are the feelings that you want your ideal level of service to generate in customers?" Or, "Draw an image that symbolizes what you think of as best-practice service." Use these attributes and illustrations to come up with potential solutions to your problem—a new ratings system that incorporates those feelings of satisfaction and happiness or a customer engagement event with employees that can achieve a level of personal connection to create that smiley-face picture your team member drew.

2. *Visioning.* Ask group members to imagine an ideal solution in great detail and then identify what the means for achieving it might

be. For example, "If our consulting company could provide *any* services, what would they be?" Ignore constraints; be impractical. If money, time, and resources were no object, what ideas would produce the ideal future? Push even further by asking team members to imagine themselves five to seven years into the future. What would the situation look like then? What would the team have accomplished? The goal of this technique is to break free of the practicality that can inhibit creative thought. After this imaginative process, follow up with information gathering and analysis to identify what it would take to make these ideal solutions happen.

3. *Modifying*. While visioning entails imagining a future world with no constraints, modifying asks you to consider the current situation and change or adapt it. For instance, let's say

your team needs to reduce the number of errors when entering customer information into a company database. Look at the situation through the eyes of those who use the program. What would you adapt to make this software more intuitive? What features or functionality could be added to double-check the data?

4. *Experimenting.* Systematically combine elements, test the combinations, and see if they reveal valuable new ideas. You can express this visually by creating a matrix with categories across the top row. For example, if a car-washing company were looking to break into a new market, the team might list products washed, equipment, and products sold across the top of the matrix. Then, under each category, list all the possible variations you can think of—even if they seem outrageous. For

example, equipment variations might include sprays, conveyors, stalls, and brushes; products washed might include cars, boats, and dogs. (See table 1, "Car wash experimenting matrix.")

The resulting table allows the team to put together new business possibilities by combining the options listed in each column: selling microfiber cleaning cloths to motorcycle owners, starting a service for boaters to wash their boats using stalls, sprayers, and conveyors—or, as a stretch option, power-washing homes using sprays and hoses.

Throughout your session—no matter which of the four brainstorming techniques you choose—move at a fast clip; if the conversation slows, people may start to censor themselves. If the process stalls and no one is suggesting an idea, restate the problem in a different way or ask a new question to prompt more suggestions.

TABLE 1

Car wash experimenting matrix

Products washed	Equipment	Products sold
Cars	Sprays	Upholstery shampoo
Motorcycles	Conveyors	Travel-size trash bags
Construction equipment	Stalls	Microfiber cloths
Lawn mowers	Dryers	Car fragrance spray
Houses	Brushes	Hanging car air fresheners
Clothes	Hoses	Gift cards
Boats		Squeegees
Upholstered furniture		Windshield wiper blades
Horses		Windshield washer fluid
Dogs		

You can also combine your brainstorming efforts with physical activity. For example, have your team members write ideas on a paper airplane and toss it to another person. As each person catches the plane, they can write down a new idea. The physical stimulation and freedom of play can bring about new ideas.

Mind mapping

Brainstorming can give a team the opportunity to come up with a long list of options quickly, particularly if there aren't any ideas to start with. Another approach to consider if you're starting with a blank slate is a free association activity called mind mapping. Mind mapping lets you think associatively and visually to develop a constellation of interconnected ideas. Your team may be able to generate more connections between ideas using this format than it would by simply listing ideas.

Begin by writing a keyword or concept relevant to the situation at hand in the center of a blank page or whiteboard. Have your team free associate by adding words that relate to the original concept. Just as in brainstorming, don't evaluate or judge any of the ideas that are put on the map. Even the most outlandish words or phrases can generate fresh thinking.

Connect your ideas by drawing lines between them. Encourage your team to use colors to indicate action items, ideas, doubts, and other important factors. If ideas end up on the board that don't directly connect with a given thought, that's ok. Just leave them on the board for the rest of the team to see. Introduce constraints to challenge your team. For example, try limiting the idea discussion by using only a small page.

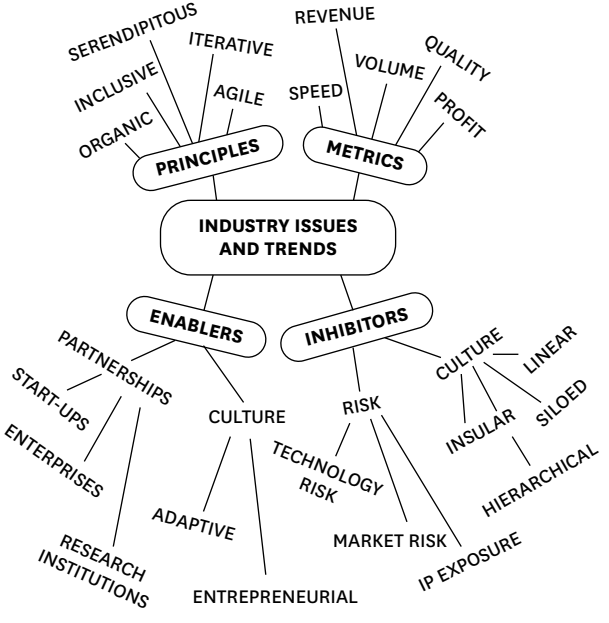
You'll end up with a visual mind map—a messy web of related concepts—that looks like figure 1, "Sample mind map." Give the team the opportunity to discuss it, so that everyone can understand each other's viewpoints and contributions.

Catchball

Both mind mapping and brainstorming are great options for a team that needs to start the idea generation process from scratch. If your team already has an

FIGURE 1

Sample mind map



Source: Duarte, Nancy. *HBR Guide to Persuasive Presentations*. Boston: Harvard Business Review Press, 2012.

idea or two to start with (such as an existing product or the typical solution to a common problem), consider using the catchball approach. Catchball has two goals: to improve on an existing idea and to gain buy-in among participants.

In this approach, someone on the team "tosses" the initial idea to someone else. Whoever "catches" the idea must understand it, reflect on it, and improve on it in some way. Then that person tosses the modified idea back to the group, where it's caught by someone else and improved further. (If this approach makes someone freeze up, invite the rest of the team to help.) As each person participates, she will have the opportunity to tinker with the idea and enrich the conversation. This will give each team member a sense of shared responsibility and commitment to the idea—a feeling of ownership that will remain once it's time to implement the idea, no matter who initially introduced it.

Consider the following example. Members of a neighborhood association are concerned about the

large number of bike accidents at a certain intersection and want to gather ideas to take to city officials. Jake is the first to get the ball, saying, "The traffic light pattern needs to be changed. Too many cars try to get through the yellow light." He passes the ball to Sonia, who elaborates: "Maybe there needs to be a 'left on green arrow only' signal." Next, to Pierre: "I like that. Can they shorten the yellow light, too?" Finally, to Allison: "And maybe reprogram the traffic light pattern for a few blocks in each direction, so fewer cars end up fighting through that intersection at once." The team now has some ideas to present at the next city council meeting.

As your team builds ideas, assign someone to write down each and every one—no matter how silly—so you can discuss them later. One risk of the catchball approach is that it can push your team to move from generating ideas to narrowing down those options too fast. It's important to separate these two processes, so make it clear to your team that you're focusing on idea generation and nothing else.

Individual idea generation

Some people come up with their best ideas in a collaborative setting, but others will produce more and better ideas working on their own. If your team seems hesitant to jump into a discussion, consider implementing a hybrid structure in which people first work independently and then together. (This hybrid structure can also work well with brainstorming and mind mapping techniques.) Here are three options for the hybrid approach:

1. *Initiate individual discussion.* Ask your team members to silently consider creative solutions to the problem and write down their ideas. They can do this at their desks, in a quiet room, or even around a table in the same room, but be sure to reconvene as a group once everyone is finished. Go around the room and ask each person to read what she's written

down. Make sure everyone gets a chance to speak. If you don't understand an individual's response or you think her idea can be broadened, take the time to ask her to clarify her thinking.

2. *Use sticky notes as visual cues.* Have your team members write down their ideas on sticky notes. Then, have people place them on the wall for all to see. (If your team members would rather remain anonymous, ask one person to gather the notes and place them on the wall.) Invite the group to arrange the ideas in a way that makes sense—perhaps according to a category scheme, a mind map, or something else entirely. Then initiate a conversation with the group to elaborate on the ideas.

3. *Keep it anonymous.* Ask your team members to write down their ideas anonymously and hand them to a designated recorder to read

aloud. Each team member should then rate each idea in order of value from 0 to 10 and hand their ratings to the recorder. That individual then tallies the ratings and posts them for the team to see. The team can then discuss each idea without fear that anyone's ideas or ratings will be judged.

If you don't want your team to go so far as to work alone but you still don't think a large group exercise is a good option, encourage team members to generate ideas with one another in small groups. Break the team into pairs or small clusters to talk, and then reconvene the whole team to share any ideas in a larger discussion. Make sure that at least one person from each group speaks up.

Though brainstorming and other divergent thinking activities are at the heart of the creative process, they're only one step. Next you need to decide which ideas are worth pursuing.

Choosing the Right Option

Choosing the Right Option

Developing creative ideas can be exciting, but there's a difference between an intriguing idea and a real business opportunity or viable solution. Moving from many options to a single path forward can be the trickiest part of the creative process. This chapter will help you narrow down the ideas you've generated and create a plan for implementation.

Evaluate useful ideas

It's best to allot some time between your idea generation session and narrowing those ideas down. A few days or even a couple of weeks is ideal, but at a

minimum, give your group a night to "sleep on it." This will allow team members to consider their options and think deeply before commenting. During this time, new ideas may emerge, as well as sudden insights about which ideas may be best to pursue.

Once the incubation period has passed, reconvene your team for *convergent thinking*, in which a team shifts its focus from generating novel ideas to considering which of those ideas are useful. The convergent thinking process tempers creativity with discipline, helping you channel the results of idea generation into a new product, service, process improvement, or solution to a problem.

During idea generation, judgment and critical thought were banished. Now it's time to invite those qualities back into the room. At this point in the process, you'll define the constraints you're working with and ask challenging questions to rule out the ideas that don't seem feasible. You'll identify the best ones to pursue and then assess how best to proceed.

It's important to welcome—even encourage—dissent during convergent thinking. Your team should feel free to disagree and express contrary views, as long as that doesn't escalate into unproductive conflict. (See the sidebar "Handling interpersonal conflict" for advice on how to prevent and alleviate this type of tension.) If you find that your team quickly converges into comfortable agreement, don't settle too early: Assign someone to be a devil's advocate to challenge assumptions. An opposing viewpoint can help members reexamine their positions and make a better choice.

Narrow down your list

The work of convergence involves setting limits: narrowing the field of options using a given set of constraints. Once defined, constraints can help you rule out options that are beyond the scope of your project

HANDLING INTERPERSONAL CONFLICT

Despite your best efforts, you may end up with unproductive tension in your team. As important as team diversity and creative abrasion are for imaginative thinking, they can also lead to interpersonal conflict that can be destructive to the entire group. This conflict will only intensify as you delve more deeply into convergent thinking and work pressures mount, so you must deal with it deliberately, thoughtfully, and immediately. Unaddressed, a difficult issue can tamp down your team's energy and hamper its creativity.

If conflict is simmering, first review the group norms with the team. You may have agreed that every team member should have a chance to voice his dissenting opinion, but only ideas—not people—will be judged. Reminding your team of these rules will set the stage for a productive conversation about the issue at hand.

Next, discuss the problem. For example, say you're dealing with someone who is bothered by another

team member controlling the discussion. One of your team members, Dawn, might say, "Carlos argues against every idea we propose and controls the conversation. I'm getting frustrated with the project, since it seems like every idea we've suggested doesn't seem viable in his view." Ask Dawn to explain how the behavior affects her with specific examples, making sure that she only speaks for herself. Speaking for others ("Everybody thinks . . .") could cause the person being criticized to become defensive or tune out.

Then, give others in the group the opportunity to discuss the issue so you can fairly assess the root cause of the problem. For example, Carlos may explain that he finds overcoming challenges to be motivating for him, so positing obstacles to each idea is his useful contribution to the group. Others may then admit that

(*continued*)

HANDLING INTERPERSONAL CONFLICT

they are overwhelmed by the sheer number of ideas being discussed and welcome Carlos's attempt to eliminate some options.

Keep the conversation as impersonal as possible, and don't assign blame. After hearing all sides, you may discover that Carlos's behavior is not the problem; instead, different thinking styles and preferences are at play. In that case, perhaps the team could agree that each member can only name one or two obstacles for a particular idea before passing the torch to someone else to share his opinion. That way, Carlos's points will be heard without taking over the entire conversation.

If you discover during the discussion that the subject is too sensitive, tempers are heated, or the meeting is going nowhere, adjourn until a later date so that people can cool down or until you can bring in a facilitator to help keep these interactions more impersonal.

In extreme instances, even after taking these steps, the conflict may be too much for the team to handle. You may need to assess whether asking a team member or two to leave the group would be the best option for the sake of the project.

or are a poor fit for your organization. Consider your company's culture, mission, priorities, and resources, as well as the purpose of your creative project, and evaluate each option your team generated according to these criteria.

These following parameters can help winnow down your options:

- *Organizational values.* Does the idea align with our purpose, mission, and strategy? Does it fit within our culture?

- *Resources.* Can we realistically execute this idea? Do we have the resources—office space, technology, or supplies—available? Do we have the technical and business competencies to make it happen and be successful?
- *Time frame.* What is our time frame for completing the project? Is it doable within that time period?
- *Costs.* What are our cost constraints? Do we have a budget we need to stay within? Do we have the time and personnel to devote to this idea?

If you answer "no" to any of these questions, it may mean that a given idea isn't realistically viable. You may need to modify your idea or move on to another option.

If you can say "yes" to all of these questions, the idea has potential. Continue to challenge it by digging

in a little deeper. The following questions will help you assess whether your idea is worth the time and commitment:

- *Implementation.* Does the idea represent real value or benefit? Would others find it useful? For example, if the idea modifies an internal process within your organization, would people implement it?
- *Future opportunities.* Will the idea open the door to other opportunities or improvements?
- *Potential fallout.* If the idea doesn't work, will there be any lingering damage to the company or to team members? How easily could we recover?

Let's look at an example. Say you're trying to find a way for your organization to retain your high performers and to do so quickly. One idea on the table is to develop a new incentives-based bonus system.

You've established that this kind of system aligns with your organization's values and culture, and you have the resources and finances available to implement it. You're confident that it can easily be set up in a short time frame. Now dig deeper with your team. Here's how your thinking might play out:

Does the idea represent real value or benefit? Would others find it useful? Yes. We know that financial reward is a leading factor for retention of star performers, and it may also encourage some of our average performers to improve. That's a direct benefit to the company because we'll get better performance, and individuals will find it both useful and appealing.

Will the idea open the door to other opportunities or improvements? After we see whether there is improvement, we'll be able to consider other incentive efforts, and we can use the successful program to attract new workers.

If the idea doesn't work, will there be any lingering damage to the company or team members? How easily could we recover? If this idea doesn't work, not only will we continue to struggle with retaining our top performers, but there may also be some upset employees in the company, particularly those who become frustrated when they don't meet the requirements for a bonus. These people may also find new jobs, leaving the rest of the workers shorthanded.

Answering these questions for each of your ideas can help you and your team determine which option on your long list is the best solution. Once you've narrowed down your list to one specific path to pursue, you can then decide how to proceed.

Identify next steps

To move forward with your new idea, you and your team need a clear blueprint for how to implement it.

Begin with a detailed explanation of your proposal so you and your team members are all on the same page. Write down the idea clearly in a variety of ways—both in short form and in long form. For example, ask your team members to jot down the elevator pitch, or limit them to only one sheet of paper on which to write a brief description. Then go into more detail by outlining exactly what the team plans to do, why it will work, and why it matters. Describing your idea a few different ways will help the group crystallize the idea and unearth any lingering questions. You'll also have those explanations handy when you need to share your plan with others, whether that's a quick pitch during a hallway discussion or a longer breakdown during a planning meeting.

Next, consider what you need to move your plan toward fruition. The right way to move forward will be highly dependent on the idea you're pursuing. To help you determine this, discuss the following questions among your team:

- *Who will be involved?* Define the key stakeholders for this idea: decision makers, participants, and supporters. Whose buy-in is critical? What other individuals or departments need to take part to make this idea a success? What will each of those people need to contribute to the plan?

- *What resources are needed?* Identify where you might need specific technology, office space, or equipment. How will we get the resources we need?

- *What are the costs?* What funds are required to execute this idea? In addition, consider personnel time—training programs, operational changes, and other disruptions from the daily routine.

- *Where will the idea meet resistance?* Who might resist the idea, and why? How might we overcome opposition to the plan?

Once you've clearly outlined answers to these questions, you'll be able to prioritize what you should do and identify next steps. For example, if you discover that your project will require a large time and financial commitment—a new experimental software system that lets your customer service representatives video chat with each member of your online community—you'll first need to get buy-in from potential stakeholders and combat any resistance in order to get the funding you need. Alternatively, if your team has figured out a new way to create an informal mentorship program between experienced and new workers, you'll first need to identify where, when, and how these meetings will take place—the resources and time costs—before getting participants to take part. You can then use your answers to lay out next steps.

Finally, determine how you will measure success—how you know whether your idea worked or if you need to modify it or look for another option. For instance, if you're developing a new product, what sales

numbers are you aiming for? If you're deciding how to break down silos between your design and sales departments, what kind of engagement do you want to see from your employees? If you're trying to improve employee retention rates, how will you evaluate which changes are due to your new incentive system and whether it needs to do more? Answers to these questions will help you and your team boost the odds of seeing your promising new idea become successful for your company.

With next steps in mind, you can move your idea to execution—and you've completed the creative process. But don't close yourself off to more opportunities for creativity. You can embed inventive thinking into the everyday by fostering a creative culture.

Promoting a Creative Culture

Promoting a Creative Culture

As we've seen throughout this book, the creative process can provide your organization with inventive solutions to imminent challenges. But creativity doesn't need to be reserved for one-off situations; you can embed it into your company's daily work. In this chapter you'll learn about ways to make your organization more encouraging of innovation and creativity, from modifying the physical environment to offering support and rewards.

Enrich the physical environment

Your workplace can have more of an effect on your creative endeavors than you might imagine. Reconfiguring a meeting room for a one-time discussion is a great start. But engineering your organization's overall physical environment to encourage inventive thinking and communication can build creativity over time. A workspace that invites face-to-face interactions and chance encounters, especially one filled with many types of creative stimuli, can encourage people to make new connections and to think more broadly about problem solving and finding new opportunities.

Casual conversations and spontaneous meetings can spark innovative ideas in unexpected ways. Part of the power of these interactions—which often occur around coffee machines or water coolers and in other public areas such as copy rooms or kitchens—may be the fact that they're unplanned. Take note of

the places people are already gathering informally, and make them more comfortable places to linger. Add comfortable chairs that encourage people to sit and converse. One company designed staircases wide enough for people to stop and chat. Another placed beanbag chairs in conference rooms to create a more casual atmosphere. Bring in snacks every week or two and invite your team to take a break just to talk.

Place tools for creativity and communication in unexpected places. Some organizations leave whiteboards, markers, and flip charts in informal meeting spaces—in the kitchen, for example. These tools inspire people to capture and sketch out ideas during a spontaneous discussion. Other companies distribute crayons and white paper on conference room tables to encourage doodling and making diagrams, enabling a mode of thought that's different from the usual verbal discussion.

Find opportunities for play using games and other stress relievers. Play serves a serious function: When

employees are clattering a ball around a foosball table, they may also be subconsciously unwinding a sticky work problem. Giving the conscious mind a break from the problem at hand allows a person to later return to work refreshed—perhaps with a new approach or a unique solution.

Keep in mind, though, that as with your diverse team, your organization has many different ways of working and thinking. Beyond these open, collaborative spaces, create areas for quiet work and reflection: a company library where silence is expected or meeting rooms where doors can shut out distractions.

Encourage risk and learning

In addition to considering your company's physical environment, look at its psychological setting. Creative problem solving and inventive thinking will only flourish in an organization that welcomes them.

Innovation should be viewed as a normal part of business.

Encourage individuals within your company to take risks. Innovative progress and risk are inseparable. One new idea could easily fail, but another could have great benefits. An organization that recognizes this dynamic must communicate that reasonable risks aren't only acceptable, they're necessary to keep the company moving forward.

Encourage knowledge sharing across the organization. Tightly controlling information limits the opportunity for knowledge to combine and intersect in ways that can spur innovation and creative thinking. Make opportunities for your employees to share information and bring new ideas to the fore. Encourage communities of interest, groups of people across the organization with similar passions, to communicate and exchange ideas. Urge employees to gain insight from external sources by attending professional meetings and conferences, visiting customers, and meeting

experts. The more knowledge that's exchanged and brought into your organization, the more likely it is to be used in creative ways.

Establish a reward system

Inspire idea champions. Network with influential people within your organization, and make sure they take notice of especially creative efforts. Attention from organizational leadership signals to an individual, a team, and the rest of the company that a project is important. And that attention can be a powerful motivator for continued creative work. Executives who stand behind good ideas can provide not only moral support but also protection and resources to new endeavors. Such support—and the rewards that come with it—can further motivate employees to bring their creative ideas to life.

Most people naturally associate the word "reward" with money or bonuses. Such extrinsic rewards—

which include additional pay, a vacation, or even special recognition—appeal to a person's desire to attain a goal that is distinct from the work itself. But these external awards aren't the only way to motivate your employees to continue their inventive efforts. Intrinsic rewards can appeal to a person's desire for self-actualization or challenge, to her deep interest and involvement in the work, or to her curiosity or sense of enjoyment.

Four types of intrinsic and extrinsic rewards can support and encourage your employees to continue their inventive efforts:

- *Recognition.* A sense of making progress is a powerful motivator. Publicly acknowledge an individual or group with an announcement or award. For example, ask a high-level executive to share her appreciation for what a team is doing. Or publicly recognize a person who has worked outside his preferred style or function.

- *Control.* Involve an individual or group in making a decision or choice that affects them. Grant them the autonomy to solve problems on their own. For example, after a successful customer engagement event, invite your team members to choose a new marketing opportunity to think about next. Or give them increasingly challenging projects to tackle that pique their interests.

- *Celebration.* Applaud a successful venture by throwing a small party. Toast a new product's launch, or take your employees out to dinner after successfully launching a redesigned website.

- *Rejuvenation.* Offer time off or time away from a given task. Give team members extra vacation days for breaking your company's core cereal brand into a new international market. Or send individuals to industry conferences so they can develop their skills, build relation-

ships, and come back to work renewed and energized.

You can stimulate *and* sustain your team's creative energy—and help people make progress every day—with a thoughtfully constructed system of rewards and support in an atmosphere of openness. Building a culture that maximizes creative momentum can help you lead your team through the process of generating and implementing new solutions to the tough challenges you face.

Creativity can provide your organization with fresh thinking and exciting solutions to anything from everyday problems to big challenges. Don't leave this kind of inventive thinking to the "creatives" in your organization: Empower your whole team to generate and act on great ideas.

Learn More

Quick Hits

"Designing Spaces for Creative Collaboration." HBR.org Ideacast, January 19, 2012. https://hbr.org/2012/01/designing-spaces-for-creative/.

In this interview, Scott Doorley and Scott Witthoft of Stanford University's Institute of Design, or "d.school," discuss how to design your organization's physical space to enhance creative potential. They suggest small but significant changes that can promote an inventive and collaborative culture—from choosing chairs that promote active engagement to putting visual work on display to creating pop-up meeting spaces.

Kelley, Tom and David Kelley. "Three Creativity Challenges from IDEO's Leaders." HBR.org. November 8, 2013. https://hbr.org/2013/11/three-creativity-challenges-from-ideos-leaders/.

Creativity takes practice, argue IDEO's Tom Kelley and David Kelley, and the more you do it, the easier it gets. In this piece, the authors provide diagrams and step-by-step instructions for three exercises to help readers improve their creative skills both individually and as a team.

Richardson, Adam. "Boosting Creativity Through Constraints." HBR.org, June 11, 2013. https://hbr.org/2013/06/boosting-creativity-through-co.

Conventional wisdom says that the best way to boost a team's creativity is to release participants from all constraints. But it turns out that some restrictions can help your team find clarity of purpose in its creative efforts. In this piece, Richardson helps readers understand when a constraint can enhance creativity and when it needs to be removed or replaced.

Books

Harvard Business Essentials: The Innovator's Toolkit. Boston: Harvard Business Press, 2009.

How can you generate creative ideas for your business? How can you translate ideas into an actual innovative product or service? This book provides techniques and practical tips to show readers how to develop and implement innovative ideas, from generating ideas to testing the business potential of options to moving an innovation forward with a strategic plan.

Leonard, Dorothy and Walter Swap. *When Sparks Fly: Igniting Creativity in Groups*. Boston: Harvard Business School Publishing, 1999.

Most innovations come from well-led group interactions, say organizational behavior experts Leonard and Swap. This book digs deeply into the creative process, explaining how

to effectively design and manage a creative team to produce more-innovative services, products, and processes. Managers will discover how to influence all aspects of the work environment—from leadership style to motivation to the use of space—to enhance creativity and innovation.

Thompson, Leigh. *Creative Conspiracy: The New Rules of Breakthrough Collaboration*. Boston: Harvard Business Review Press, 2013.

According to management expert Thompson, collaboration that is conscious, planned, and focused on generating new ideas builds excitement and produces a "creative conspiracy." In this book, readers will learn how to help their teams reach their full creative potential and maximize their results by creating a diverse and social team, facilitating and motivating group collaboration, improving brainstorming's effectiveness, transforming conflict into creativity, and more.

Articles

Amabile, Teresa M., Constance N. Hadley, and Steven J. Kramer. "Creativity Under the Gun." *Harvard Business Review*, August 2002 (product #R0208C).

Does working under a tight deadline enhance your creative efforts? While in most instances the answer is no, sometimes these situations are unavoidable. In this piece, the authors provide readers with a variety of tips and advice based on

research to soften the negative effects of time pressure, from shielding your team members from distractions to helping them discover the importance of their efforts.

Catmull, Ed. "How Pixar Fosters Collective Creativity." *Harvard Business Review*, September 2008 (product #R0809D).

In this article, the president of Pixar and Disney Animation Studios explains how to build a sustainable creative organization. Using Pixar as an example, Catmull shares the principles the company uses to create successful films. By studying the case, readers will learn how to take risks, lead a creative vision, promote a supportive culture, and overcome bumps in the road.

Saunders, Rebecca M. "Better Brainstorming." *Harvard Management Communication Letter*, November 1999 (product #C9911C).

Brainstorming may be a familiar technique for generating ideas, but it's not always as effective as it could be. In this article, experts share a number of ways to keep ideas flowing and make brainstorming sessions more productive—in both quantity and quality. Tips include defining the problem as a group, inviting innovative thinkers to your meeting, adding physical activity to your idea generation session, and using "assumption reversals" to look at problems in new ways.

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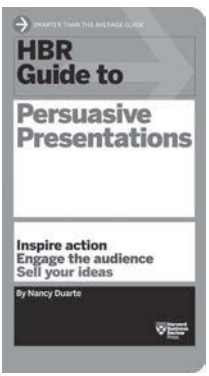

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Preview

Demands on your time are growing by the hour, and work keeps piling up. Unclear goals, constant interruptions, and urgent tasks are competing for your attention; you know that you're working less effectively than you could be. This book will teach you how to become more focused and organized at work so you can be more productive by showing you how to:

- Prioritize your tasks
- Create to-do lists that work
- Organize your physical and virtual workspace
- Develop a daily routine and stick to it

- Stay focused and stop procrastinating
- Work more efficiently with others
- Assess your progress

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Getting Work Done

Why Invest Time in Improving Your Productivity?

Why Invest Time in Improving Your Productivity?

Do you feel so swamped with work that you don't know where to start? Though you know that it's essential to work efficiently to ensure that you get everything done, these feelings can be paralyzing and cause you to spiral into a panic that actually makes you less productive. How do you get out of this cycle and get started?

This book will begin by highlighting the basics of time management: how to track, prioritize, and log your work so you can see where inefficiencies lie and where your goals aren't being met. It will then show you how to schedule your tasks and create helpful to-do lists, organize the virtual and physical space

around you in order to achieve better focus, train yourself in better habits and routines, and work more effectively with others.

Your first reaction may be to rebel against these efforts. Your time is already sapped; why would you expend more of it making lists, planning and executing changes to your work habits, and tracking your progress? Though improving your productivity requires time and effort up front, you will get more accomplished in the long run—and you'll do it more deliberately and calmly. By tracking your time, you'll discover inefficiencies that will help you identify tasks that should be prioritized or delegated; by getting more organized, you will clear away distractions so you can stop procrastinating and finally focus; by adjusting your work habits and establishing new routines, you will discover newfound energy to put toward the work that matters; and by assessing your progress over time, you'll be able to adjust how you're working as your goals evolve.

Commit to change

It's important to believe that you *can* become more organized, that you can change your work habits and improve your efficiency. You may think that you're built to work a certain way or that the way you work is too ingrained to be altered—either you're a morning person or you're not; either you're organized or you thrive in chaos and clutter. This is not true. Good habits can be learned, and, even better, they can become routine.

In today's world of instant communication, we have become drawn to urgency. It pulls us in and gives us a false sense of productivity (see the sidebar "Busy Doesn't Mean Productive"). But putting systems in place to organize your work helps to dissipate the stress and lets you work with more forethought, focus, and energy. Most importantly, it will give you time and attention for your most important work, the

BUSY DOESN'T MEAN PRODUCTIVE

Do you find yourself running from meeting to meeting, dashing off responses to e-mails while zipping through the halls, and focusing on routine tasks in order to feel a sense of accomplishment? If so, you may not be as productive as you think.

It's time to take stock of your work and your priorities. Busyness can be a dangerous way to make up for a lack of purpose or a feeling that you aren't a good fit within a particular role or organization. You can schedule your day in an attempt to make yourself, and others, see value in you, but being busy may prevent you from reaching your true potential. Admit to yourself that it might be time to improve the way you work.

work that actually contributes to your personal goals and those your organization has set for you.

In order to truly understand what work is most important and how to become more efficient, you need to first identify your goals and recognize how you're currently spending your time. We'll start there.

Identify What Needs to Get Done

Identify What Needs to Get Done

What goals are you aiming for in your work? Does the way that you are spending your time actually correlate to those goals? Without answers to these questions, you won't know how the many tasks on your list should be prioritized, organized, and ultimately accomplished.

List your goals

Ideally, you and your manager should meet at the start of each year to formulate a set of performance

goals. From your discussion, you should understand how those goals tie into the company's aims and mission. You likely also have your own personal career goals. Together, these may look something like, "Improve people-management skills. Manage six new products. Handle contracts for all of the department's new products. Develop vendor-management skills."

Revisiting them now, write these goals down—on paper or in a note-taking app if you prefer. You will use these goals in two ways: first, to prioritize your daily work; and second, to gauge your progress (in other words, to benchmark what you're accomplishing and whether the changes you make as a result of this book are effective for you). By referring back to this list regularly, you'll be able to identify which tasks are most important for you to tackle so you can plan accordingly.

Track your time

Once you've identified your goals, it's time to examine how you're currently spending your time. Are you working on the things you *should* be doing—the things that will allow you to reach those goals—or are you getting bogged down by unrelated tasks or unexpected crises?

In order to truly understand where you are spending your time and to identify whether you should adjust your workload, track your work for two weeks by completing the following exercise. You may discover that your results don't align with your goals. The point is to uncover where that misalignment occurs so you can correct it.

First, write down your activities. Consider this a brain dump, and leave no stone unturned. List all of the tasks you perform, meetings you attend, and even the time you spend socializing or procrastinating at work. It can help to look back over your calendar for

the last week or two to get a sense of your range of activities. Once you have a full list, break it down into broad categories so you can track the amount of time you spend doing tasks in each category. Some categories to consider include:

- *Core responsibilities:* day-to-day tasks that make up the crux of your job.
- *Personal growth:* activities and projects that you find meaningful and valuable, but may not be part of your everyday responsibilities.
- *Managing people:* your work with others, including direct reports, colleagues, and even your superiors.
- *Crises and fires:* interruptions and urgent matters that arise occasionally and unexpectedly.
- *Free time:* lunch breaks and time spent writing personal e-mails, browsing the web, or checking social media.

- *Administrative tasks:* necessary tasks that you perform each day, such as approving time sheets or invoices, or putting together expense reports.

Seeing your work broken into categories like this will help you visualize how you're really spending your time, and you may already be getting a sense of whether this lines up with the goals you identified.

Then, track your time. Once you have your categories established, begin tracking how much time you spend doing tasks in each. You can estimate by the hour, or if you want to dig deeper into your habits, you can get more granular. To record your results, use either an online time-tracking tool or a standard calendar; to analyze those results, use a spreadsheet like the one depicted in table 1. List each category in its own column, and write the days of the week in each row. Calculate the time you spend on each task for each category for the next two weeks and put the totals in the corresponding categories.

TABLE 1

Time-tracking tool

Week ending 4/14	Core responsibilities	Personal growth	Managing people	Crises and fires	Free time	Administrative tasks	Total time/ day
Monday	2 hrs	1 hr	3 hrs	0 hrs	0 hrs	2 hrs	8 hrs
Tuesday	3	1	4	0	0	2	10
Wednesday	7	0	0	1	0	2	10
Thursday	0	3	3	0	0	2	8
Friday	1	2	0	1	3	2	9
Total time/ activity	13 hrs	7 hrs	10 hrs	2 hrs	3 hrs	10 hrs	45 hrs
% of time	29%	16%	22%	4%	7%	22%	100%

At this point, you may be thinking, I'm busy; I don't have time to log everything I do. It's true: This system does require an up-front investment of time and effort.

But logging your tasks and how long it takes to complete them will let you clearly see where you're spending too much time and where you need to begin to reallocate time to achieve your goals. If you want to improve your people management skills, for example, you may realize that devoting 10 hours a week is not enough; perhaps you need to offload some administrative tasks so you have the additional time you need for that goal. By making small, deliberate shifts in how you spend your day, you'll ensure that you're investing the right amount of time on the tasks that matter most, making you more efficient at achieving your goals.

Schedule Your Work

Schedule Your Work

Now that you know what your goals are and have identified where you may need to be spending more or less time, it's time to tackle your task list—all those competing priorities, projects, and activities that you need to do in the near future. First, identify the most important work you need to do; then figure out when to do it.

Set priorities

Go through your task list—everything you need to do that you have marked down on sticky notes, in notebooks, or in e-mail reminders to yourself—and

determine what is most important and what is most urgent.

Without a clear way to identify the important work from the not so important, you're likely to treat every item on your list and request that comes your way as urgent. But "urgent" and "important" are different. By staying focused on the goals you identified, you can separate out what *seems* urgent but really isn't.

E-mails in which the sender demands an immediate response (but without a specific reason), projects that seem quick but turn out to be more involved, and simple tasks that are just more appealing than other work you need to do—these activities often present themselves as pressing even if they are not.

Resist the temptation to get drawn into these tasks without thinking them through. Some cases—a request from your boss with a tight deadline—might actually require your immediate attention. Others may be able to wait until after you've completed your more important work. Evaluate each item on

your task list based on its importance—how closely it aligns with the goals you've identified and the way you want to spend your time—and its true urgency based on the following four descriptions, first defined by productivity expert Stephen Covey.

1. *Urgent and important.* These are the crises and deadlines that you need to address—a problem with a product that you oversee, the website that you help to maintain, or a big client that you handle, for example. These should always be your highest priority.

2. *Not urgent but important.* These tasks have a high impact on you or your organization, but aren't necessarily time sensitive. They are likely to be closely related to your goals: acquisition of a new skill or work on a big project, for example. Because they're not urgent, you might fail to devote enough time to them, which is why you should make them your second priority.

3. *Urgent but less important.* These tasks need to be done quickly, but have a lower impact if they're finished late or if they're never done at all. When considering whether something is less important, be sure to consider its potential impact not only on you but on your group or organization as well. These should be your third priority.

4. *Not urgent and less important.* These are the tasks that don't require immediate attention and aren't urgent. These should be your last priority. (See the section "Learn to Say No" later in the book for more on recognizing when you shouldn't agree to take on new tasks suggested by colleagues.)

By prioritizing your tasks in this way, you can identify what needs to happen first and what can be put off until later. This will help as you begin to set real deadlines for your work and decide when you will do which tasks.

You'll also begin to see what work you can actually handle and what you can—and should—delegate to others. (See the section "Delegate" later in this book.) Lowest-priority items are often those that can often be handed off. This is the fastest path to obtaining additional time that you can use toward more important work.

Use deadlines to your advantage

Now that you have a sense of which tasks are most important and need to be done first (or last), it's time to think about when to actually do them.

When planning any kind of project (even one without a prescribed deadline), set realistic, meaningful end dates. Deadlines put pressure on everyone involved, but they are also crucial to get a project moving. Some of your tasks may have a deadline already assigned—a report that's due at noon on Friday, for example. But for others, you shouldn't be afraid to set

your own deadlines and to commit to them according to the priorities you set earlier.

When setting a deadline, break the project down into manageable tasks and record how long each step should take. This will help to ensure that you've allotted the appropriate amount of time to each task. Consider how long it has taken to complete a similar task in the past, think about what might not go as planned, and allot time in the schedule to change course if needed. If the project is new to you, seek advice from someone who has worked on a similar project. Could you share your estimates with your manager for her feedback? Are you working with another colleague or an external vendor who could help you gauge appropriate timing? Making these inquiries in advance will ensure that the time you're allocating to each task is realistic.

Breaking a larger project into its component parts with individual due dates will guarantee that you have budgeted time for each part of the process, and

these interim deadlines will also help you avoid leaving the bulk of the project to the last minute. You will feel a sense of accomplishment as you complete each piece according to your schedule, and you'll avoid that overwhelming panic that consumes you when you leave something until the eleventh hour.

While deadlines can facilitate getting work done in a timely manner, they can bring their own pressures and frustrations. Deadlines can take a toll if they are unrealistic, so make every effort to avoid the extreme pressure that comes from not allotting adequate time to specific tasks. Especially if you need to explore new ideas or think creatively, give yourself the time you'll need.

That said, it's tempting to give yourself extra time to avoid additional pressure, but artificially extending deadlines doesn't work. When you do this, you lose motivation, you procrastinate, and you don't leave yourself time to react if something doesn't go as planned. Once you set a deadline, keep to it. Extending

a deadline just for the sake of granting yourself an extension will have a cascading effect on the rest of your schedule. Put in the work up front to create a realistic schedule and then follow it.

Add the deadlines for each task to your calendar. Even if you have them all in one place in a separate project plan, for example, it's still helpful to be reminded of them on a day-to-day basis; you'll see at a glance if you're overscheduled, and you'll be reminded of upcoming milestones as they approach.

Schedule your tasks

Now that you know what work has to get done and you've assigned deadlines for completion, you need to decide when you'll actually do the work. You should consider this regularly—at the beginning of each week, for example, but also daily as you arrive in the morning or before you go home, to take

into account new tasks and what you accomplished that day.

Looking at each of the deadlines you've set and your calendar, plot out what work you're going to do when—you'll write marketing copy at 3 p.m. on Wednesday, for example. Recording these activities directly on your calendar will help you see quickly if all of your tasks are achievable within the time frame you have to complete them. Projects will also feel less daunting if they are spread out and assigned to specific days.

When scheduling your time:

- Put your most demanding and important tasks at the beginning of the day. This is when you're fresh and energized, and haven't yet been interrupted by other workplace demands. Tackle those tough tasks first, and you'll feel a sense of accomplishment that will enable you to complete the less onerous tasks around the other commitments of your day.

- Similarly, keep in mind your energy levels throughout the day. Schedule easy tasks between harder ones to reward yourself for getting the tough ones done and to give yourself a mental break.

- If you have several similar tasks to get done in a week, try grouping them together—do all of your travel reports or invoicing during one hour-long chunk, for example. Checking these tasks off as a group is rewarding and helps you hit those deadlines easily. It also minimizes switching back and forth between different kinds of tasks, which can erode your efficiency.

As you add your tasks into your calendar, you'll quickly realize that there aren't enough hours in the day to achieve everything you'd like. This exercise forces you to prioritize your most important tasks and to schedule those that are less important into time slots on another day.

But in some cases, you may still have items on your list that haven't made it onto your calendar, tasks you seem to carry over every day, or every week, and you never seem to get to. Sometimes these are administrative in nature, such as creating a new filing system to store vendor contracts, or they're related to longer-term goals, such as brainstorming ideas for a new product. Take a moment to review these tasks and decide what to do with each one:

1. *Just do it now.* Wouldn't it feel great to cross that task off your list, even if it never does bubble up to top priority? If that's the case, just do it and move on. Respond to that voice mail, cancel that meeting, or book that flight. Then move on to more important work.

2. *Schedule the task for later.* You've determined the task doesn't require immediate attention, you can't check it off quickly, but it still needs to get done. Slot it on your calendar for a later

date and adjust any related deadlines accordingly. It won't get done if you don't schedule it, and even if that means you put it on your calendar for a month from now, get it on there. You can reconsider it when that day comes.

3. *Remove the task.* If you aren't willing to complete the task or schedule it, this could mean that you're never going to get to it. This is a clear signal that whatever it is, it is not a priority. Admit this to yourself, talk to your manager, and get permission to remove the task from your list, either by delegating it or deciding together that it's just not going to happen.

You've now organized and prioritized your tasks and removed those tasks that you do not have time to get done. Now it's time to create your to-do list.

Create your daily to-do list

As the last step in this process, look at your calendar. What do you need to do today? If you've already scheduled time for each task on your calendar, making the day's to-do list should be rather straightforward. There are two keys to employing to-do lists successfully.

First, break down your tasks. A to-do is one single task that will move a project or goal forward. (This concept should be familiar from what you did to break down your deadlines.) For example, if your task is to create a production schedule for a catalog, one to-do is to e-mail the print vendor and set a print date that will allow you to create that schedule. Going through the exercise of creating a to-do list also reminds you of each step that needs to happen toward achieving your tasks in a given day.

Second, be specific. Don't leave yourself cryptic notes. You might have "Schedule lunch with Elsa" on

your to-do list, but by the time you get to that item, you forget what the purpose of the lunch was or when you wanted to schedule it. Be more specific so that it's clear why your to-do is important. Write it all out: "Schedule lunch with Elsa on Friday at 1 p.m. to discuss the upcoming client meeting."

To create your actual physical list:

1. *Put your list on a note card or oblong sheet of paper.* Create a list you can see and carry with you. By putting it on a sheet of paper that is a special shape or size, it will stand out from the other papers on your desk.

2. *Note the due date next to the task.* This is yet another reminder of how much time you have.

3. *Highlight your top priorities.* Color-coding allows you to home in on those most important to-dos.

As you work, take a look at your to-do list regularly—every hour or so. Is it still manageable? Do

some tasks need to be reprioritized or rescheduled? If you engage in this review every hour, you will start to take better control of your time. And you will get more work done.

Consider rewarding yourself for your efforts, too. When you cross three tasks off your list, give yourself a break or launch into an easy task next. The sense of accomplishment and reward will keep you motivated.

By taking the time to understand your goals and how you spend your time, and then prioritizing and assigning times to your work, you can create daily to-do lists that are realistic and that ensure you'll get the right work done at the right time. Next, you need to improve how you actually go about working by finding your focus and developing good habits.

Find Your Focus

Find Your Focus

You've set your goals and priorities. Your to-do list is ready. We'll now turn to organizing your environment—both physically and virtually—so that you can become more focused once you begin tackling each task. We'll also look at how you think about your day, finding routines that can minimize the daily decisions you need to make and maximize the energy you have available for important work.

Organize your space

If you can't find your to-do list on your desk—it's buried under your breakfast, hidden under a mountain

of paperwork, or scribbled on the back of your child's soccer schedule—chances are you're not going to check off too many items. It's important that the physical space you are working in is conducive to getting work done. Here is how to create a calmer, more efficient work environment:

1. *Eliminate the clutter.* As you begin each item on your to-do list, take the time to file or throw away anything that is not relevant to the task at hand. A clear space allows you the physical and mental capacity to work and eliminates distractions that can lure you off course.

2. *Keep what you need within reach.* If you use a stapler once a month, put it in a drawer. If you use a particular workbook or reference book daily, keep it next to your keyboard. If an item on your desk hasn't been used by the end of the week, file it or throw it away.

3. *Bundle complementary supplies.* Store the staples next to the stapler and the tape refills with the tape dispenser. You'll save the time it takes to hunt for these items later.

4. *Keep a physical inbox.* Clear your chair of any paper, packets, and handwritten notes your coworkers leave you when you're away from your desk. Instead, create an inbox on your desk and direct colleagues to put important documents there. Go through this inbox at the end of each day, readying it for the next. Otherwise, it becomes just another box of clutter.

5. *Make yourself comfortable.* Is your office chair and computer monitor at a comfortable height for you? Is your space aesthetically pleasing? You spend a lot of time in your workspace, so organize it in a way that is comfortable for you.

After you've made some of these changes, check back in with yourself and reassess your environment after a week or so. Is your space working for you? Are you constantly hunting for that notepad you moved? Are you leaving pens everywhere because the coffee mug that holds them is now out of reach? Make the adjustments your space needs to ensure you're comfortable and your space is efficient.

Organize your e-mail

E-mail has brought a number of benefits to the workplace. You're always accessible—to your boss, to colleagues, to customers, and to your loved ones—and it affords you the opportunity to work remotely, to collaborate with thought leaders worldwide, and to work more quickly.

But e-mail can also be a huge disadvantage when it comes to effective work. The constant pinging of in-

coming messages and an overflowing inbox can be a big distraction, and it can take a lot of time just to sort through and remove unimportant messages.

Just as you took the time to clean up your physical space, take the time to revisit your virtual space:

1. *Clean up that inbox.* Sorting your e-mails by sender will help you delete the backlog of messages you no longer need and the ones you have already responded to.

2. *Create three folders: follow-up, hold, and archive.* For the remainder of your messages, an efficient filing system works online just as it does in your physical office. Create three folders in which you'll place all the e-mails that now remain in your inbox: *follow-up*, where you'll file the messages you need more than a few minutes to respond to; *hold*, for messages that refer to an event in the future, like an invitation; and *archive*, for those messages

you've responded to but want to keep a record of. Going forward, move each message you receive into one of these folders.

3. *Start over.* If you don't have time now to go through all of the messages in your inbox, don't. Instead, create an archive folder and label it "old e-mails." Dump all of your e-mails there and start fresh with a new inbox. Then, as you have time, go into that archived folder and start deleting and organizing. You won't lose any messages you might need later, and you can start organizing incoming messages appropriately.

If you've tried each of these steps and you still need help to manage e-mail overload, try a task manager within your e-mail application. These systems work with your e-mail and allow you to separate the tasks from the messages, so those messages prompting you to do something no longer clog up your inbox. You

can also try a separate task manager; there are many options available for Mac and PC users alike.

Organizing your physical and digital workspace helps you work more efficiently by allowing you to focus more effectively on the task at hand and to find items that you're looking for more quickly.

Develop smart routines

You've organized your task list and your space; think next about how you're going through your day. Are you getting bogged down by small decisions like what to wear, when to check e-mail, and where to eat lunch? In order to focus your attention and energy on the work that matters, apply a repeatable structure to your day. Create regular routines and habits.

The more decisions you have to make in a day, the more drained you will feel. Routine helps limit the number of choices you have to make, preserving your

energy for actual work. By putting some of your decisions on autopilot, you'll be better equipped when faced with more challenging choices.

Start by identifying what work patterns you may already have in place. For example, you may already start your day by checking e-mail and voice mail, and responding to those messages that are most important before moving on to other tasks. Perhaps you also take the time just after lunch every day to read industry news. Identifying what routines you already have will help you identify what's working and what might not be, so you can adjust accordingly. For example, you may discover that reading those industry headlines after lunch distracts you from work for the rest of the afternoon; you may need to wait until the end of the day to catch up on daily events.

If you find that you don't yet have a routine—or that you want to add to those that are already working for you—consider these suggestions:

- *Begin your day early.* Instead of proclaiming that you're not a morning person, give it a try. For some, early is 5 a.m., when the kids are still asleep and the office is still quiet. In some corporate offices with flexible scheduling, early might be 9 a.m. if everyone else in your group arrives at 10 a.m. Talk to your manager to see if it's possible to adjust your hours so you can get an early start. No matter the time you choose, you'll feel energized by how much more you can check off of your to-do list before noon if you start earlier.

- *Start with yourself.* Take a moment at the start of your day, before you dive into that to-do list, to pause and mark the moment. This gives you an opportunity to appreciate and focus on what you're about to do.

- *Work in 90-minute increments.* Concentrate on one task (or one group of tasks), uninterrupted,

for 90 minutes. This is the optimal amount of time for focus. Then, take a break to refuel before switching to your next task.

- *Review your day.* At the end of the day, when you're powering down, review your to-do list. Did you get everything accomplished? Were your expectations realistic? Engaging in this review every day will help you determine where you are assigning time and tasks appropriately, and where your allocations might need refining.

Now, take it a step further. Create additional rituals outside of the office:

- *Get a good night's sleep.* Set a regular bedtime to ensure that you get the same amount of sleep every night. You'll arrive at the office well rested and ready to work.

- *Plan your meals and wardrobe.* As with planning how to spend your time, if you decide every day what you're going to wear, eat for breakfast, and eat for lunch, you may be unnecessarily sapping your energy resources. If you organize your wardrobe into outfits, eat the same foods regularly, and have everything prepared ahead of time, you will be better equipped when hit with decisions that require more thought.

By reorganizing your space and restructuring your day and other choices, you create a work environment that will give you more energy to do the things that matter most. The next step is to keep that focus despite interruptions and other distractions, which we'll cover in the next chapter.

Keep Up the Good Habits

Keep Up the Good Habits

You've prioritized. You've organized. You've identified daily practices to keep yourself working effectively. But you can still veer off course if you're not careful.

To maintain your focus, you need to understand why you get distracted. Identifying what's leading you astray will help you maintain better control of your attention.

Stop procrastinating

You might occasionally invite distractions because there's a task you simply don't want to tackle. But

avoidance doesn't get work done. It's important to understand what is behind the impulse to procrastinate so that you can fend it off when it strikes.

The inclination to procrastinate can come from having too much on your plate (the more you have to do, the stronger the inclination to bury your head in the sand and put it off). It can also come from disliking a particular task or not knowing how to do it or where to start. Figure out which of these it is. Answering honestly will help you determine next steps; either get it over with or ask for help from a colleague or manager.

Here are three tips to get yourself focused on the task at hand, even when you just don't want to:

- *Set deadlines for yourself in advance.* Resist the urge to pull an all-nighter. What might have gotten you by in college will not suffice in the workplace. As you've already learned, slotting tasks (and subtasks) into your calen-

dar will help you control your inclination to save everything until the last minute. By seeing these items on your calendar, you'll feel responsible to complete each task in a particular time frame, and you'll gain a sense of accomplishment every time you complete one.

- *Reward yourself.* Take a coffee break or go talk to a colleague once you've finished a particularly dreaded task. Or force yourself to leave a task that you *do* like until after you've finished the one you don't. On days that you just can't seem to focus, consider paying yourself a dollar for each task you accomplish and use the money to buy something you've been wanting. The promise of the reward can help kick-start your motivation.

- *Get help.* If the problem at the outset is that you don't know how to start the project, work with a colleague who can help you. Not only

does working with someone else get you unstuck, but it also holds you accountable. Not wanting to let your colleague down will propel you forward. You may also discover that it makes the task more fun.

If you've tried these tactics and you still can't get started, it may be that you're afraid of the inherent risk in the project at hand. In getting work done there is the possibility of failure. But you won't accomplish anything unless you get started. (See the sidebar "The Dos and Don'ts of Procrastination.")

Avoid interruptions

Sometimes your work gets put off not by your lack of motivation, but by outside influences. When you switch back and forth between to-do items, between a task and an e-mail, or between a task and a

THE DOS AND DON'TS OF PROCRASTINATION

Do:

- Identify the tasks you are likely to put off ahead of time.
- Understand why you've put off a certain task.
- Use deadlines to motivate yourself.
- Reward yourself as you achieve your goals.

Don't:

- Label yourself a procrastinator.
- Extend your deadlines, just for the sake of it.
- Tackle the hard stuff alone.

question from your boss, it takes cognitive energy and time to get back on track to complete the project at hand. It also hinders creativity: You lose great ideas before they have a chance to grow. When you are interrupted, you cannot reflect holistically on your work—what you could do better or differently. Interruption also induces stress. But perhaps the most insidious danger of interruption is that if you stop each task to respond to every incoming e-mail message, you're likely putting mundane work above more crucial work.

There are many external factors that can distract you from your work. E-mail is one—think about how you react every time you hear the ding alerting you to a new message—as is the tendency to multitask. (We discuss both in more detail later.) Another is visits from colleagues: You may want to tell them when you're available for office hours when you're facing an imminent deadline.

Of course, there will be times when a new task, goal, or problem takes priority over what you're currently

doing. When this happens, don't shift gears too fast; take a brief break to let your mind and body know you're moving on to something else. Get up from your chair, take a walk, or do some stretches. These actions signal to your brain that something new is about to happen. And you can get back to your previous task after you've conquered this new request.

Don't let e-mail take over

E-mail can be a big culprit when it comes to interruption and loss of productivity. You've already organized your inbox, which should help you focus on the messages that are crucial to tackle, but it's important to carefully manage the time you spend on messages as they come in, when you're supposed to be working on something else. Here are some tips to avoid being distracted by incoming e-mails:

- *Turn it off.* If your e-mail is off, you won't instinctively react to each new message as it

comes in. Instead, schedule time every two to three hours to review your e-mails. If that doesn't seem frequent enough, review your inbox every hour on the hour. If you need to, put a note in your e-mail signature telling those you correspond with what times you check e-mail and to call you if something urgent arises.

- *Give it two minutes.* Once you are looking at your inbox, if you can answer an e-mail in two minutes, do it. Don't file it, don't leave it in your inbox to review later, but respond right away. If it requires more than two minutes, schedule a time to reply to it and add it to your to-do list.

- *Rethink "Reply all."* If you're stuck in an e-mail chain with 10 coworkers, consider whether e-mail is the most efficient use of everyone's time. Instead, schedule a quick meeting so that everyone can contribute and get their questions

answered without pulling you away from your work again and again.

- *Stop unnecessary responses.* You don't need to close every loop. While a quick "will do" or "thank you" sounds helpful (and polite), sending e-mails like these throughout the day can add up to a lot of time wasted. Before you draft that e-mail, ask yourself if it's helpful. If it's not, go back to what you were working on.

- *Auto-organize.* Create filters to automatically file or archive regular e-mails that you may need at some point but distract you from your work, so you can look at them later (company bulletins, reservation confirmations, or other automated alerts). Or automatically file e-mails regarding a specific project so you can look at them all together, when it's convenient. And unsubscribe from any newsletters that

you never read that distract from important messages.

Stop multitasking

Multitasking is just like interrupting yourself, continuously. You can't give your work your full attention if you're trying to do everything at once. Here are three myths about multitasking:

Myth 1. Humans are capable of doing two things at once. We're not. So if you are flipping through this book while talking on the phone, put the phone down and read it again. You can only do one thing at a time.

Myth 2. Multitasking makes you more efficient. Wrong. In fact, research shows that it will take you 25% longer to finish the initial task once you've picked up another one.

Myth 3. The stress of multitasking boosts your performance. Anxiety reduces your ability to think clearly or creatively; it also makes you act impul-

sively. That's not the way you want to operate in the workplace.

Given the constant demands on your time and attention, it's no surprise that interruptions can steal your focus from the work you should be doing. But in your zeal to keep your head down, don't forget to take a step back and recharge. Working too much can be damaging to your focus as well.

Work less

You can't operate at a level of peak performance all the time. People perform best when they alternate between times of intense work and times of rest. Demanding a little less of yourself actually helps you to be more productive, focused, and engaged. Here are two ways to try to put *less* pressure on yourself:

- *Reclaim your lunch hour.* Get out of your office. Take a walk or use the time to exercise.

Have lunch with a friend or colleague. You will be more focused and fueled to perform at your best for the rest of the day. If you can't get out of the office, take 20 minutes to close your door, shut your eyes, and meditate at your desk. Grab your headphones and listen to soothing music or a podcast to help set the tone for relaxation. You may even want to take a brief nap.

- *Take time to think creatively.* Set aside time during your day for brainstorming—with colleagues or alone. Brainstorming often goes to the bottom of your to-do list and rarely gets the time it deserves. Not only is this time rewarding for you, creatively, it can also lead to big ideas for your company.

So far, you've learned what you can do yourself to become more organized and get work done. Now it's time to add another variable into the mix—your colleagues. How do you work more efficiently with those around you?

Work Effectively with Others

Work Effectively with Others

Working productively doesn't always mean working alone. You'll often need to work with others, and for good reason: The people around you can be great resources in helping you get work done. Recognize when it's appropriate to delegate work and learn to do it well; also identify when to ask for help.

Working with others can also slow you down, however. In a social environment like a workplace, you're often driven to do work that you don't need to simply because a colleague asked. You need to learn to recognize when work doesn't add value and know how to say no. Working with your colleagues also often means a lot of meetings; to be efficient, you need to

learn to make the most of those gatherings so they don't proliferate. And in today's world of telecommuting and far-flung global offices, it's critical to learn how to work effectively with a virtual team to avoid miscommunication and inefficiency.

Learn to say no

You want to be known as a helpful, eager team player, but you should have a method of assessing the mountain of requests that come your way, especially if you feel as if you're losing sight of your goals and priorities because you're already being pulled in too many directions.

When a colleague asks you for a favor or to take on a new task, consider the following:

1. How valuable is this work to the company? Does it contribute to the company's overall objectives or to the objectives of your team or division? If the work doesn't add value and it's

not having a positive impact on the company's goals, it may not make sense for you to take it on.

2. How important is this activity to your own professional performance goals? Classify the work as essential, important, discretionary, or unimportant. If it's not important to your organization or to the metrics for success that you and your manager have set for you, don't do it.

3. Do you get personal value from this work? Do you enjoy it or do you dislike it altogether? If the work isn't meaningful to you, chances are you're not going to perform the task well and it might not be something worth putting on your list.

4. Do you have enough time to do the work? Even if it's valuable, if you have other high-priority work on your plate, it may not make sense for you to take on this project now.

5. Is this something only you can do because you have a particular skill set or expertise, or could it be accomplished successfully by someone else? If it is the latter, this task is one you should delegate.

Even if the request is coming from your boss, it's acceptable to push back and ask these questions. If you've clearly outlined your tasks and goals, the two of you together will be able to see if this request doesn't fit.

Sometimes the best thing you can do for yourself, and for the business, is to not take on those tasks that add little value and instead commit yourself to the work that matters.

Delegate

Do you find that you're still working in the office every night after everyone else has gone home? Do you

feel as if nothing could ever get done without you? Do other people keep offering to help you? If you've answered yes to any of these questions, think about whether you have too much on your plate. You may need to seek help to get work done.

While it's true that there are only so many hours in a day, it's also true that you can free up more of those hours if you delegate (or eliminate) the less important tasks on your list. You're not shirking your responsibilities; you're working efficiently to get the real work of the business done.

What tasks could be done well by someone else? Delegate that work to a colleague or direct report. Here are the three important steps for delegating effectively:

1. *Identify low-value tasks.* Go through your to-do list and look for tasks that are not a high priority for you or your company (like those you identified earlier in the book). Those are

the ones that you should consider delegating. If you're not sure what is within your right to delegate, talk to your manager.

2. *Choose the right person.* Consider what work could best be done by your direct reports, each member of your team, and other colleagues around you. Is there something on your list that would give another team member valuable experience? Is there work that could augment—or take advantage of—a colleague's skill set? Making the work you delegate a part of someone's development goals will ensure the work gets done. For administrative tasks, identify more junior team members who may have more time to do them. Again, work with your manager to make sure that the person you've picked for the handoff makes sense.

3. *Walk away.* The key to successful delegation is to hand off the work and let others deter-

> mine how to get it done. Show that you trust your direct reports or colleagues by not intervening or micromanaging the work they're doing. Instead, monitor their progress at a distance and be available for support as they hit roadblocks that might require your expertise.

Once you've delegated some of your work, decide how you will reallocate the time you've freed up: List the two to three things that you would like to be doing but haven't had the time to do. Treat these items as you would others on your to-do list by following the processes described earlier in this book.

You've kept your boss informed throughout this process, but in order to commit to freeing up more time for what's really important, share your time-reallocation plan with her in detail by asking her to review and assess what you've delegated and what you've committed to spending time on. Request that she hold you accountable. If you don't, you're likely to lean on bad habits when you get busy again.

Remember that it takes time to learn how to delegate well. Give yourself that time and know that you will make mistakes. Ask your manager and your colleagues for feedback, so you can adjust for the next time. (See the sidebar "The Dos and Don'ts of Delegation.")

Ask for help

Sometimes it's difficult to admit that you don't know how to do something. But it's worse when your insecurity leads to work getting done incorrectly or a project spiraling out of control. Sometimes you need to reach out to others for assistance.

In some cases, it may be easy to identify who you can ask for help. Remember that person you consulted to see how long a task would take when you were assigning deadlines? Reach out to him again if you're having trouble with that task now that you've

THE DOS AND DON'TS OF DELEGATION

Do:

- Be aware of how much you're working, compared to your colleagues.
- Hand off the tasks that do not fit into your goals and might be best done by somebody else.
- Involve your manager by explaining your delegation plan in detail.

Don't:

- Give someone a task and micromanage how she accomplishes it.
- Assume you're the only one who can get a task done.
- Think you're going to get delegation right every time.

started. If you're just not sure whom to ask, talk to your manager.

Once you know whom to approach, think about how you'll ask for help. Taking more of the initiative will mean that you'll get quicker, better answers.

1. *Start with what you know.* Give the person the information that you have, so that he knows where you're starting from. In addition to giving him important background information that he needs to help you, this will also help you feel more confident.

2. *Have an opinion.* You might not know the right answer, but you should know where you'd like to begin or have a suggested course of action. Explain to the other person the direction you'd like to take and let him give you input on whether or not he thinks it's the right one, rather than making him come up with a plan himself (that will take a lot more time

and effort on his part than reacting to your ideas).

3. *Be direct.* There will be times when you ask for help and you still don't understand the direction you're given. Ask again. The person who is assisting you won't know if his instructions are helpful if you aren't clear with him.

Interacting with others efficiently can be a great asset as you work toward your goals. But you won't always be working one on one with your coworkers. Now let's look at how you can be more productive when you're leading a meeting with a group.

Make meetings more productive

Whether the purpose of your meeting is to bring people together to make a decision (or several decisions), to brainstorm, to give status reports, or to share other

information, gatherings of multiple people can become inefficient very quickly. Here's how to make your time together more productive:

- *Get the right people together.* If the vice president of marketing is out of the office and you can't make the decision without her, reschedule the meeting. Otherwise you're wasting time for yourself and everyone else.

- *Set an agenda.* Outline what will be covered in the meeting in advance and route that agenda to the attendees ahead of time, along with any other important documents needed for the meeting. Two to three days in advance of the meeting is ideal to give attendees a chance to review. Label each agenda item as "for discussion," "for information," or "for decision," so that everyone in the room is clear on what the action items are during the meeting. Gathering to meet when participants are unaware of what

you'll be discussing and haven't prepared is likely to waste everyone's time as well.

- *Assign time slots for each agenda item.* This will help ensure that you don't spend more time than necessary—or than you have available—on any one agenda item. Begin with the most important to-dos, too, since most people come to a meeting with energy and enthusiasm that will decrease as the meeting progresses.

- *Stick to the 90-minute rule.* Very few things are accomplished after 90 minutes. If it's not possible to cover everything you need to in that time frame, schedule a follow-up meeting rather than taking the time all in one session. Your time together will be more productive.

Running effective meetings will improve the way you work—and also the way your colleagues work. They will appreciate your respect of their time and,

ideally, learn from your own good habits, making other meetings you attend more efficient as well.

Make virtual work more effective

Many employees work from home or from another location outside of a company's main headquarters. Whether it's because of the company's far-flung global offices or as the result of a flexible work benefit, working off-site has become a normal part of our work lives.

Virtual work demands that you communicate clearly or you're going to be spending a lot of time resolving misunderstandings or redoing work. There's a lot of room for confusion when you're not addressing your colleagues face-to-face. Often, you can't see the person you're talking to. Social cues and the information we get by looking someone in the eye—and seeing her in her environment—are gone. Tone can be misread. You have to work harder to ensure you're understood.

If you're part of a virtual team, establish communication norms. For instance, how long will it take you to respond to e-mail? Will all team calls take place via Skype or through some other type of videoconferencing? If a team member needs to be reached right away, does she prefer a phone call to an e-mail? When these norms are made clear at the outset, you won't need to have a back-and-forth before a meeting; you'll already know that you'll be using a set videoconference line. Nor will you need to flood your colleague's inbox with messages asking for a response to an e-mail you sent 20 minutes ago. You'll know he'll be in touch within the hour, and you can devote the time before you hear from him to other important work.

Keep the following tips in mind to make sure that your communications are understood and efficient.

- *Spell it out.* Be clear and specific in your messages. More communication is better than less. If you're unsure whether your message was clear, ask your colleagues to paraphrase it for

you; if they don't get it quite right, clarify it again. For example, if you need a response by a particular date, communicate that deadline explicitly. Saying, "I look forward to hearing back from you," doesn't sound urgent, and it's unclear when you'll need a response. Instead, be specific: "I need your feedback by end of day Thursday so I can communicate it to the client during our call on Friday morning."

- *Respond promptly.* In virtual work, you don't have the benefit of knowing where your colleagues are or what they've been doing all day. If a virtual colleague sends you an e-mail, he may not know that you've been stuck in a conference room for hours, or that you've been working on a specific project and have turned off your e-mail alerts; he may assume that your lack of response means that his request isn't important to you. Let your virtual teammates

know when you might be unavailable and respond to their e-mails as quickly as possible, even if that response is a brief one to tell them you aren't available at the moment but will be back in touch soon. They will spend less time trying to track you down, and you can feel less stressed to respond to them as soon as you do get out of your meeting or step away from your project.

If you're the one working away from a central office, remember that virtual work requires the same commitment to task and routine as any other kind of work; don't let your new and improved productivity habits lapse when you or others are out of the room. All of the great work you've done to be productive, and to work well with others, is even more critical when you aren't always working face-to-face.

Assess Your Progress

Assess Your Progress

All of these to-do lists, organization tools, and routines aren't worth the effort if they aren't helping to make you more efficient. Take the time every few months—or at least once a year—to ask yourself whether they are working and whether you've come closer to achieving the personal and professional goals you set earlier in the book.

Reflect and adjust

During this period of review, revisit the goals you outlined in the beginning of "Identify What Needs to Get

Done" and ask yourself if you're now on track to meet them. If there's still room for improvement, examine which tools are contributing to your productivity and which aren't.

Are you using your to-do lists, or do you only look at the tasks that you've entered into your online calendar? Are you missing important, urgent communication with your teammates because you're checking e-mail too infrequently? If you're finding that a particular tool or routine isn't useful, modify or jettison it. You aren't committed to the approaches you try; the point is to find what works for you.

Things also get messy even after they've been organized. Make time—every four to six months—to reset. Go through your filing system, your e-mails, and your to-do lists, and make sure everything is still getting sorted according to the method you devised at the outset. It feels good to clean things up regularly and give yourself a fresh start.

Look at the small successes you've had, even if they don't appear on a financial chart. These indicate that

some change you've made to your way of working has improved your productivity. For example, it's OK if your inbox now has a dozen messages in it, instead of the zero it had when you first set up your folders and filters. Remember four months ago when you had over two hundred messages? This is real progress! Identify where your organizational system is working, and if you need to make small adjustments, allow yourself some variance.

Finally, anticipate obsolescence. Productivity tools and systems will come and go, especially the digital ones. And just as technology changes, so too might your preferences. Understand and prepare for this by using software tools that allow you to export your data so that you're not stuck in any one platform. Or know that you might migrate from a paper to-do list to an online list, or vice versa. These kinds of changes are fine, as long as they are helping you get work done.

Remember, this is not a one-size-fits-all process. Apply your own creativity and make sure your system works for you. Embrace the fact that you operate in a

certain way, and that certain things work for you that may not work for others. Perhaps you like to review your organizational plan as part of "spring cleaning," or maybe you like to reorganize every January 1 because it recharges you. Whatever system works for you is fine; the important thing is to have a system and review it over time.

Taking the time to step back and reconfigure how you work is critical to improving your productivity. But it's not a one-time process: Being prepared for challenges to your focus and to the positive habits you've begun to build will keep you productive—and improve your work and that of the colleagues with whom you collaborate. Establishing processes for identifying and scheduling your most important tasks and implementing changes that result in greater focus and efficiency are just the first steps. By checking in on these processes and adjusting them frequently, you will enjoy not only a more effective way to get work done, but ideally a more productive way to live.

Learn More

Books

Allen, David. *Getting Things Done: The Art of Stress-Free Productivity*. New York: Penguin Group, 2001.

Veteran coach and management consultant David Allen shares his methods for stress-free performance based on the notion that our productivity is directly proportional to our ability to relax. This classic in the genre shows readers how to apply the "do it, delegate it, defer it, drop it" rule to empty e-mail inboxes, reassess goals, stay focused, plan projects, and overcome feelings of confusion and anxiety.

Halvorson, Heidi Grant. *9 Things Successful People Do Differently*. Boston: Harvard Business Review Press, 2012.

According to author Heidi Grant Halvorson, accomplished people reach their goals because of what they do, not just who they are. In this short, practical, research-based book, she explains exactly what strategies have the biggest impact on performance, including setting specific goals, using if-then planning, and monitoring your progress.

Harvard Business School Publishing. *HBR Guide to Getting the Right Work Done*. Boston: Harvard Business Review Press, 2012.

This guide takes a deeper dive into productivity tactics than this 20-Minute Manager does with additional practical how-tos and sample routines. Topics include prioritizing your work, determining what work is urgent, delegating effectively, renewing your energy, and developing good work habits.

Harvard Business School Publishing. *Managing Time*. Boston: Harvard Business Review Press, 2014.

While *Getting Work Done* walks through some of the basics of time management as well as other productivity tips and tricks, *Managing Time* focuses more deeply on the tried-and-true methods of managing your time and schedule. In addition to what's included in this book, readers will learn, for example, how to get a derailed schedule back on track and how to reallocate time to reflect their goals.

Samuel, Alexandra. *Work Smarter, Rule Your Email*. Boston: Harvard Business Review Press, 2014.

By reducing the amount of time spent on e-mail, Alexandra Samuel argues, readers can focus their time and attention on the work that matters most. Using an e-mail program's already existing filtering tools can do the heavy lifting in managing an overflowing inbox. This short ebook explains how to set them up.

Articles and Periodicals

Birkinshaw, Julian, and Jordan Cohen. "Make Time for the Work That Matters." *Harvard Business Review*, September 2013 (product #R1309K).

This article reveals an exercise designed to help readers make small but significant changes to their day-to-day work schedules in order to boost productivity.

"Find Your Focus: Get Things Done the Smart Way." HBR *OnPoint*, November 2013 (product #OPWI13).

This issue of HBR *OnPoint* helps readers think about and manage their time in order to maximize both productivity and effectiveness.

Pozen, Robert C. "Managing Yourself: Extreme Productivity." *Harvard Business Review*, May 2011 (product #R1105K).

In this article, Harvard Business School senior lecturer Robert Pozen presents six principles and practices to maximize personal productivity without sacrificing health or family life, distilled from his blog posts on HBR.org.

Online Resources

"Boost Your Productivity with Microbreaks." HBR.org Ideacast. April 5, 2012. http://blogs.hbr.org/2012/04/boost-your-productivity-with-m/.

According to research, taking breaks can help your productivity, if they are the right breaks. This interview with Charlotte Fritz, professor at Portland State University, defines for listeners which breaks can energize you and which ones leave you disengaged.

"Develop Productivity Rituals." HBR.org Video. January 3, 2012. http://blogs.hbr.org/2012/01/develop-productivity-rituals/.

Tony Schwartz, president and CEO of The Energy Project, lists the top-four habits that help him get more work done, using insights gleaned from others who manage to get things done while still having a life. His secret? Develop rituals.

"Find Time to Achieve Your Vision." HBR.org Slideshow. http://hbr.org/web/slideshows/find-time-to-achieve-your-vision/1-slide.

This slideshow, based on Robert Steven Kaplan's *What to Ask the Person in the Mirror: Critical Questions for Becoming a More Effective Leader and Reaching Your Potential*, suggests a process to help readers focus on their priorities by asking themselves key questions.

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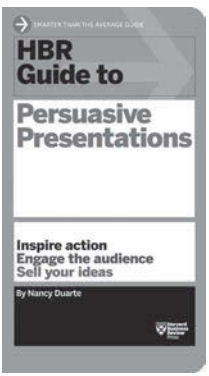

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Preview

You have too much to do and too little time. It's frustrating and stressful and has a big impact on your success. Although you can't magically add more hours to the day, you can learn to manage your time—however limited it may be—more carefully and efficiently. This book will quickly teach you the basic steps and tools you can use to take control:

- Logging your time
- Prioritizing your responsibilities
- Developing a plan to reallocate your time to reflect your goals
- Managing deadlines
- Creating detailed, task-oriented to-do lists
- Avoiding interruptions and distractions

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Managing Time

Why Manage Your Time?

Why Manage Your Time?

Why do I never seem to have enough time to get everything done?

Do you find yourself asking that question frequently?

If so, you probably have a lot going on: There are your daily tasks and the big projects that your boss has put on your plate, not to mention new skills that you want to learn, and bigger goals that you'd like to accomplish. You're juggling a wide range of tasks, responsibilities, projects, and deadlines. You're swamped, and you're not sure if you can pull it all off. There's too much to do, too little time. There are only so many hours in a workweek, after all.

When time is scarce, and progress is slow, it can be overwhelming. And sometimes you just can't get everything done, and you miss a deadline or let a project fall away unfinished.

There's nothing more to do about it, right?

Wrong: Whether you're new to the work world or a veteran coping with a long-standing time-management issue, you can learn to prioritize, to plan, to be more efficient, and to align your schedules with your goals. The supra-organizational impulse need not be coded into your DNA; time management is a skill that you can learn and continue to fine-tune with practice. You just have to be disciplined.

There isn't a one-size-fits-all approach to time management, since we all have different schedules, responsibilities, and personalities. There are some best practices, however. This book will walk you through those basic, tried-and-true methods of getting your schedule back on track—and will do it fast, so you don't waste any (more) time.

You'll learn how to do the following:

- Assess how well you're spending your time now, uncovering the hidden time sinks in your day
- Clarify your goals so you can make sure to work toward them
- Reallocate your time to prioritize the work and goals that are important to you and your organization
- Overcome the common obstacles that keep you from doing the work that you *should* be doing

Once you get the hang of it, you'll find managing your time more deliberately to be well worth it. You'll have time and energy to focus on the skills, tasks, and projects that are most important to you, your boss, your team, and your organization.

Let's get started.

Assess Yourself

Assess Yourself

The first step to effective time management is self-awareness.

You probably have a general sense of what types of tasks you perform on a daily basis, and how much time you spend on each. But perception isn't always reality, and you may overestimate or underestimate, and any blind spots you have won't help. Those miscalculations can add up and leave you with an incomplete picture of where your time is going.

That's why it's important to actually track your time. For a week or two, keep a log of the tasks that you perform and how much time you spend working on each. This chapter will show you how to put together a tracking plan and log that works for you.

It's true that time tracking can feel like busywork, but the minutes you spend on it can be kept to a minimum and it's the best way to get a clear and detailed account of how you've spent—and wasted—your time. The more aware you become of your habits, the more data you will have to make better time-management plans and decisions going forward.

State your objectives

Before you begin tracking your activities, identify the reason you're going through this exercise. What do you want to accomplish by better managing your time? This question may seem too simple to spend much time on (you don't have any time, after all!), but it's important because your answer will inform your efforts *and* serve as your metric for success. If you know where you want to end up, it's a lot easier to figure out how to get there.

Your goal could be personal or professional. You may have a new project that you want to make time for, a skill you want to acquire, or a performance metric your boss wants you to reach. Or you may want to stop missing deadlines set by your colleagues—or by your manager. Perhaps you want to stop feeling so much pressure to stay late and work when you could be home with your family. It may be a combination of these. Just make sure that your own goal as you state it matches up with those that your manager has set for you.

Break down your responsibilities

You'll want to make the time-tracking process as simple, painless, and manageable as possible.

To do this, break down your job duties into broad categories—for example, personal growth, employee management, core responsibilities, administrative

work—and then track the amount of time that you spend doing tasks in each category. It's easier and more efficient than logging every single task that you spend time on.

You can also break down your duties along other lines, depending on the types of problems you face. If you work in a deadline-intensive environment, for example, you could break down your workload into short-term, long-term, and urgent tasks. Or by priority level: high, medium, low. We'll assume you're using the broad category method for the sake of this book, but any of these will work.

While it's more labor intensive, it may be beneficial to track your activities at a more detailed level for a week or two. You'll put more time into the tracking, but you'll be rewarded with more pockets of inefficient time that you uncover as a result of that detailed accounting. If, on the other hand, there's one category that's been a pain point for you—say, you seem to be spending an inordinate amount of time

on administrative tasks—you may want to track only that category.

Here are some typical categories to track.

- *Core responsibilities.* These are the day-to-day tasks that make up the crux of your job. For a book editor, for example, core responsibilities include editing manuscripts and corresponding with authors. If you were at a party, and someone asked you what your day-to-day work entails, what would you say? The types of activities you would describe are most likely your core responsibilities.

- *Personal growth.* This category consists of the activities and projects that you find valuable, meaningful, and fulfilling but that may not be part of your everyday responsibilities. It could be a big project you've taken on, or a skill you'd like to learn. In a perfect world, most people would choose to devote a lot more time, focus,

and energy to these activities because they contribute most to their career and personal development.

If you're feeling in a rut careerwise and aren't progressing as fast as you'd like, this is the best category to track. Do the same if you want to carve out time to learn a new skill.

- *Managing people.* Do you have any direct reports? Do you work collaboratively with colleagues? Lead a team? If so, the amount of time that you spend managing people—that team, your colleagues, even your superiors—should be logged here.

  If you feel that people issues are taking up a large chunk of your time, you could break this category down into smaller subcategories such as managing up (your boss and other superiors), managing across (your peers), and managing your direct reports.

- *Administrative tasks.* These are the necessary chores you perform each day: emails, time sheets, expense reports, approving invoices, and so forth.

- *Crises and fires.* Interruptions. Urgent matters. Unplanned meetings. Last-minute issues that need to be dealt with right away can sabotage even the best time-management plans. That's why they're particularly critical to track. Although you won't ever be able to anticipate when they're going to happen, if you can identify some patterns—for example, that you spend five hours a week on average putting out fires—you can plan accordingly.

- *Free time.* This may not be an official part of your duties, but everyone needs to take breaks from work. Lunch, a walk, a coffee pit-stop, a chat with a coworker, personal email, the internet—in small doses, these can unclutter

your mind and even increase collaboration and productivity. But if you're not careful, these brief respites can add up.

As you break down your responsibilities, think carefully about what a typical day looks like at your job. You may find that you want to supplement or replace some of the categories above with some that are more specific to your role.

Track your time

Once you have your categories in place, you can build your time-tracking tool. If you're a pen-and-paper type of person, the tool described below should work well for you. If you're more digitally oriented, there are a host of time-tracking programs and apps that make the process simpler by doing most of the work and math for you. Either way, the same principles are at work and it's important to understand them.

Whether you decide to track one category or fifteen, it's important to be as diligent as possible. Log every hour. As you begin, you will want the most accurate and detailed data possible. Frankly, this can be a pain: Nobody wants to take time out of their busy schedule to remind themselves of how busy they are. But the more effort you put into time tracking, the more confident you'll be in your results and the more likely that you'll find a solution to your problem.

Here's how to build your time-tracking tool:

1. At the very start of a workweek, create a time chart as in table 1. Devote a row for each day of the week and a column for each broad category.

2. Just after you complete a task, write down how long it took you to finish it. If you spent an hour on Tuesday morning responding to emails, for example, record that in the Administrative Tasks column, and so on.

TABLE 1

Time-tracking tool

Week ending 4/14	Core responsibilities	Personal growth	Managing people	Crisis and fires	Free time	Administrative tasks	Total time/ day
Monday	2 hrs	1 hr	3 hrs	0 hrs	0 hrs	2 hrs	8 hrs
Tuesday	3	1	4	0	0	2	10
Wednesday	7	0	0	1	0	2	10
Thursday	0	3	3	0	0	2	8
Friday	1	2	0	1	3	2	9
Total time/ activity	13 hrs	7 hrs	10 hrs	2 hrs	3 hrs	10 hrs	45 hrs
% of time	29%	16%	22%	4%	7%	22%	100%

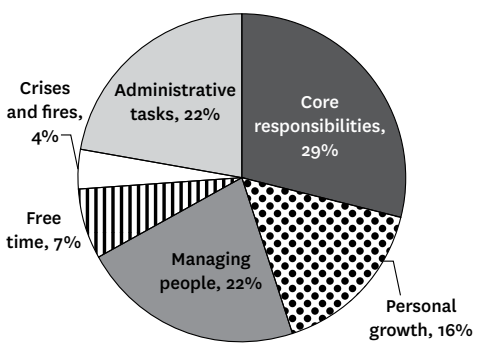
3. At the end of each day, take five minutes or so to tally the total amount of time that you spent on each activity. Do the same at the end of the week as well.

4. Next, calculate the percentage of your work-week that you spent on each activity.

5. Finally, visualize the results by creating a pie chart (figure 1). (You easily can do so using

FIGURE 1

Time-tracking chart



Excel's chart functions.) You'll be able to see which activities are taking up the biggest chunk of your time.

Examine your results

As you go, be on the lookout for patterns and habits: Identifying these is the point of the exercise. Most likely, your results don't align with the objectives you outlined initially. Maybe you'll realize that you're spending much more time on administrative tasks than you thought you were, wasting too much time socializing with colleagues, or devoting far less time developing a new strategy for your business unit than you'd like. Perhaps you thought you weren't spending that much time on a particular category, but you really are. Or it could be the other way around: You bemoan how much time you spend on a particular task but you've just realized that it's not that much

compared with your other categories. You may find that you're spending more time than you expected on non-work-related activities.

You may also have uncovered some more nuanced patterns and habits as well. Say you tend to unwind for 30 minutes after a meeting, or you often get drawn into overly long conversations by a chatty colleague, or your productivity tends to tail off each day around 3 p.m.

Recognizing patterns large and small will inform the kinds of changes you will make in how you spend your time.

If you have the flexibility, you can use this data to make more creative and well-informed decisions about what to do with your time. Even if you have little to no control over your day-to-day schedule, it can help you structure a get-real conversation with your manager. Numbers help: If you can show her that you are spending 10 hours a week on a task that isn't a strategic priority, she may be able to help you shift your responsibilities.

Unearthing these issues means that you know where to shift your priorities and where to make improvements. Now you need a plan to help make that happen.

Develop a Plan

Develop a Plan

In the next stage—the planning stage—you'll take what you learned from time tracking and develop the plan you need to spend your time more wisely in the future.

Reclaim your time

You now have a good idea of which kinds of work are taking the most and the least of your time, and a general sense of how those realities measure up against the goals you've set. The next step is to find more time to spend on your highest-priority activity.

Say your goal is to improve your people management, but your time-tracking metrics reveal you've been spending only an hour per week on people-management-related tasks—not nearly enough. To meet your goal, you'll need to devote more time, energy, and resources to it. But how much? Three hours? Five?

Start by thinking about what tasks you'll need to perform in order to reach your goal. You will probably want to interact more often with your eight direct reports. One way to do this is to schedule weekly, half-hour check-ins with each of them, for a total of four hours. You may also want to think more seriously about planning some training for them—that will probably take another half hour per week.

Next, figure out where you'll get those extra three and a half hours. Chances are that you don't have that much free time available, so you'll have to spend less time doing other things. Identifying where to cut can be tricky—you'll want to make the *right* trade-offs.

Even though your overall objective is to spend more time on your most important activities, you may not have that many low-value tasks to jettison. Of course you can free up some time by cleaning up some of the bad habits, inefficiencies, and time sinks that you uncovered when tracking your time—such as those thirty minutes you use to unwind after meetings. But some decisions may be more difficult, requiring you to compromise, or revisit, your goals if you can't "find" enough time.

Most likely, it's going to take some work to figure out. But take your best guess. You can lock in a more realistic number when you take a closer look at the rest of your job categories, which we'll cover next.

Create a big-picture vision

The next step is to apply this process of reallocating time more broadly to your other job categories—

which will require some prioritizing of your tasks. You'll also put some interim goals in place to ensure your success. This may seem like overkill, especially if redistributing your time to your highest-priority activity was a straightforward process, but it's worth the effort because it's rare that your top priority category is the only one you need to attend to.

Here's how to do it:

- *Prioritize.* First, rank all of your time-tracked categories in order of priority (by how important they are—not the amount of time you're currently spending on them) and place them in the far left column—highest on top, lowest on bottom as shown in table 2.

- *Allocate time.* Now determine how much time you can spend on each category. You've already done this for your highest-priority category. Moving down the list, allocate time to your other categories as well. Of course, you only have so many hours in your week. If you add a

TABLE 2

Big-picture vision

Job category	Goals	% time required	Hours/ workweek	Key activities
Managing people	• Take a more active role in my team's growth and development • Develop a better relationship with my boss	25%	10	• Meet with direct reports on a weekly basis • Arrange for training for my team • Meet with boss biweekly
Personal growth	• Expand my finance knowledge	23%	9	• Take online finance class
Core responsibilities	• Reach personal and corporate goals for this fiscal year	32%	13	• Develop a more direct relationship with customers • Draft a new strategic plan for my business unit
Administrative tasks	• Be more efficient at email	13%	5	• Set aside one hour a day for less important and non-urgent emails
Crises and fires	• Learn to prioritize and delegate better	5%	2	• Develop a plan to prioritize interruptions based on importance and urgency • Delegate less important "emergencies" to others
Free time	• Take meaningful breaks throughout the day	3%	1	• Go for three walks a week
	Totals:	100%	40	

few hours to one category, you'll need to take them away from another. If you're very busy, you may only be able to adjust your time allotments by a few hours or so. Even that will help.

This step may take you a few rounds to get right. As you review your list, you may realize that you'll need to devote more time to some categories than you'd anticipated. In that case, lower your time allocations in one or more other categories to make up the difference. If you're lucky, you may discover that you can devote less time to something. Then simply allocate the extra time to one of your highest-priority categories.

Note also that your highest priorities, no matter how important they are, will probably take up only a small fraction of your schedule. That's OK. The objective isn't to spend the majority of your time on these tasks; it's to find *enough* time to ensure that you reach your goals.

Finally, give yourself some breathing room as you build out your schedule; you may want

to save a few hours each week to deal with unanticipated activities, such as lunch with a former colleague who's in town.

- *Establish interim goals.* Once you have reallocated your time, it's useful to set goals—interim milestones—in each of your job categories. What do you need to accomplish in a month, quarter, or year? Make sure that these goals match up with any that your manager has made for you, as you did when considering your overall goals at the beginning of this process.

  Save your most ambitious goals for your high-priority categories since you'll want to devote the bulk of your time, focus, and energy to them. It's still useful to set goals for your other categories as well, however. They'll keep you focused and motivated.

- *Identify key tasks.* List the tasks that you'll need to complete in order to achieve those goals and place them in the next column. If you know

the specific steps that you plan on taking, you're more likely to meet your goals; having more actionable tasks will make it easier to hold yourself accountable. You either complete them or you don't: There's no fudging it.

Table 2 is an example of what a big-picture vision should look like. Your job categories, time allocations, goals, and key tasks will probably differ from the ones shown here, but if you follow the basic steps described above, you'll have no trouble mapping out a realistic and attainable plan of your own.

Do a reality check

Your goals and time allotments may seem reasonable on paper, but once you get into the flow of a workweek, you may find that they're unrealistic. Perhaps you failed to account for just how much time you spend on a particular task, or how long it takes you to transition

between activities, or maybe you even forgot about a category that doesn't come up very frequently, such as a quarterly report, or annual performance evaluations. The next chapter will show you how to put your plan into action, but as you do so it will be important for you to closely track your progress—by continuing to track your time—for a week or two.

Depending on what you discover, you may need to tweak your time allotments, adjust your goals, or both. Don't worry: That's par for the course. Just start at the bottom of your list—with your low-value tasks—and see if you can scale down your goals.

You can't do everything, so don't spread yourself too thin. The purpose of time management, isn't to find ways to do more work; it's to get the *right* work done while working at a consistent and comfortable pace. The more realistic, reasonable, and attainable your plan is, the more successful you'll be at managing your time.

Execute Your Plan: Time Boxing

Execute Your Plan: Time Boxing

You've tracked your time, and you've developed a detailed plan to spend it more wisely. The next step is putting your plan into action and sticking to it. You'll do this using a tool called time boxing.

Execution is by far the hardest part of the time-management process. When you're juggling a wide range of tasks, goals, responsibilities, meetings, and deadlines, it's not easy to stick to a plan, no matter how carefully crafted it is. But if you take a more disciplined, thoughtful, and organized approach to your daily schedule, it *is* possible to stay on track.

Time-boxing basics

Time boxing is a planning tool that's a cross between a calendar and a to-do list. It involves breaking down your schedule into a number of small time periods—say, in half-hour, hour-long, or two-hour-long chunks—and then slotting tasks into each chunk. It's like scheduling meetings with yourself: Set the agenda, set the time, and show up on time prepared to work.

One of the benefits of time boxing—other than forcing you to be realistic about what work you can accomplish when, and making sure you have the time to do it—is that it helps you group similar tasks so you can take advantage of any efficiencies. Think about a trip to the grocery store. If you had a list of 25 items (meat, milk, vegetables, cereal, cheese, yogurt, rice, coffee, etc.), you wouldn't zigzag from aisle 1 to aisle 15, then aisle 2, aisle 9, aisle 5, and back to aisle 15.

You'd separate the items based on their proximity to each other, and then work sequentially from one end of the store to the other, picking up two or three items from each aisle as you go.

Typically, when it comes to tackling our to-do lists for work, we're more like that zigzagging shopper: We don't always go about things as rationally as we would if we stopped to plan. Instead we blindly attack whatever's on top of that arbitrarily constructed list without thinking about the most logical and efficient sequence. We fail to take into account the value, importance, and priority level of every task. So, like the shopper, we end up zigzagging from one activity to the next and back again. Time boxing prevents that kind of randomness and instead brings the following:

- *Accountability.* Scheduling in advance when and how long you're going to work on a task gives you the best chance of making sure you'll devote the right amount of time to your most

important activities. If you commit a schedule to paper, you're more likely to follow it.

- *Efficiency.* Grouping similar tasks together will allow you to get more done in less time because you won't be shifting mental gears between tasks.

- *Time awareness.* You'll be more focused and productive when you know you're on the clock, and you'll be less likely to give away that time to a last-minute meeting or a chat with a coworker.

- *Healthy pressure.* When you know you only have a set period of time to accomplish something, you're more likely to push ahead and get it done. If you're driven by deadlines, this method gives you more of them.

- *Focus.* An hour you intend to spend on a task can quickly turn into two or three if your energy

levels go down or if you're distracted. But when you set time constraints, you're more likely to keep your attention on the project at hand.

- *Effectiveness.* Do you spend too much time tweaking emails or slide decks once they're essentially complete? There's nothing wrong with trying to get something right, but sometimes good enough is good enough. Setting a time limit will help to quell the urge to spend too much time on minor, inconsequential details and force you to see the big picture instead.

You can adapt time boxing to your needs and preferences. If your job has a lot of moving parts—that is, if you need to manage a lot of competing responsibilities, deadlines, and projects—then you may find that you'll want to plan every task, activity, and project. If your schedule is relatively stable, you may choose to use it just for specific categories of work, say, to block off time for administrative tasks.

Setting up your time boxes

Here's how to create your time-boxing system. Table 3 shows an example.

1. *Review your week.* One day a week—say, Friday afternoon or Monday morning—review the week ahead. Deadlines, commitments, meetings, tasks: Take an inventory of everything that you need to accomplish.

2. *Prioritize the items on the list.* Put the deadline-sensitive tasks first, your goal-oriented tasks second, and then schedule these around your recurring tasks and obligations. This step is the most important, so give it the attention it warrants. We'll cover this in more depth in the next section.

3. *Estimate time for tasks.* Calculate how long you think each task will take you to complete.

If you're new to time boxing, it's a good idea to err on the side of caution. It's much better to overestimate than underestimate, so include some slack time in your calculations.

4. *Slot time boxes into your calendar.* Create a series of time boxes, spreading them throughout your calendar. You can enter them directly into your calendaring software (such as Outlook or Google Calendar) or first sketch them out on a piece of paper. But you'll want to end up making a note of them wherever you keep track of your appointments so you treat them with the same degree of rigor.

5. *Review your estimates.* Always keep track of the accuracy of your time estimates after the fact. Note the tasks that you finished and the ones that you didn't. This will help you make better estimates in the future.

TABLE 3

Time-boxing tool

Adapt this to any type of calendar or software program.

SCHEDULE FOR MONDAY AND TUESDAY MORNINGS

Time	Monday	Tuesday
8:00 a.m.	**Task:** Research strategic plan (SP) **Actual time spent:**	**Task:** Research SP; call Joe **Actual time spent:**
9:00 a.m.	**Task:** Monday staff meeting **Actual time spent:**	**Task:** Follow up on new leads **Actual time spent:**
10:00 a.m.	**Task:** Plan to delegate invoicing task **Actual time spent:**	**Task:** Meet with Joe about his sales figures **Task:** Review résumés for administrative assistant position **Actual time spent:**
11:00 a.m.	**Task:** Return phone calls and email messages **Actual time spent:**	**Task:** Work with Jane **Actual time spent:**

How to prioritize tasks

When setting a daily schedule, one of the most critical questions is which tasks to do first, second, third,

and so on. Many of us skip thinking this through, but when we do, we often do the wrong work at the wrong time—and so we spend more time than we should on things that matter less.

Sometimes, for example, we choose one task over another because it's easier or because it gives us instant gratification, even though we have more important work to do. Or we work on all our big projects but let smaller tasks slip through the cracks. We aren't necessarily doing this deliberately; on a daily basis, we face hundreds, if not thousands, of choices, and it's difficult to keep the big picture in mind at all times.

Even if we're trying to be careful, it can be hard to decide what to tackle next. Do you work on the minor task that has a deadline today or the major project that isn't due for another few weeks? Is it so bad to seize low-hanging fruit?

Developing a system to prioritize your tasks will simplify your decision-making process and will encourage you to make better decisions on a more consistent basis.

The following two-by-two matrix—popularized by productivity expert Stephen Covey—will help you prioritize your tasks based on their importance and urgency. When examining an item on your to-do list or assessing a new task that you've just been assigned, decide if it's urgent (needs to be done soon) or not urgent, and whether it's important (will have a big impact) or unimportant, and then apply these preestablished rules.

1. *Urgent and important.* These are the crises and deadlines that you have to deal with throughout the course of the week. Say there's a problem with a product that you oversee, the website that you help maintain, or a big client that you handle. These should always be your highest priority.

2. *Not urgent but important.* This quadrant consists of tasks that have a high impact on you or your organization but aren't necessarily time

sensitive. These tasks are likely to be closely related to your long-term goals: acquisition of a new skill or working on a big project, for example. Since they're not urgent, we often fail to devote enough time to them. That's why you should make them your second priority.

3. *Urgent but less important.* These tasks need to be done quickly, but have a lower impact if they're not done at all or if they're late. When considering whether something is less important, weigh not only its potential impact on you but on your group or organization as well. These should be your third priority.

4. *Not urgent and less important.* The name says it all. These are the tasks that don't require immediate attention and aren't urgent. These should be your last priority. Some email management may fall into this category, for example.

By using these priorities to help guide your schedule, you'll be more likely to do the right work at the right time.

Time boxing is an iterative process, so it won't always be perfect. Your estimates will be off sometimes, and your schedule may change more quickly and dramatically than you'd like. But the more seriously you take the time you've set aside for your work, and the priorities you set, the more realistic your schedule will be, and the more likely it will be that you can get your most important and urgent work done.

Keep Yourself on Track

Keep Yourself on Track

Good time management is based on preparation. Once you establish goals, set priorities, and develop a plan, it will be easier to stick with it. But, as you can probably guess, even if you invest time in preparing, it won't always be easy. It doesn't matter if you're extremely organized and self-disciplined; you're going to find yourself in trouble from time to time. There will be roadblocks along the way, and you may fall back into bad habits.

Common weak spots and challenges that cause us to deviate from our well-intentioned plans include deadlines, a proclivity for procrastination, and interruptions—including email and meetings. Manage

each of these well and you'll be on your way to staying on track.

Manage your deadlines

Deadlines for big projects can be daunting. This is especially true if you have a lot of other work on your plate (and who ever has just one project?). Your schedule, your colleagues, and your project may suffer if you don't manage the deadline well.

If you fail to set aside adequate time to complete a project, and the deadline is approaching at a fast clip, you'll have to drop everything else at once. The project, whether you like it or not, is now your most urgent and important task (and, suddenly, the most urgent and important tasks for others involved in the project who are depending on you). The rest of your to-do list will need to wait—no matter what important items remain on it. And if there's a last-minute

change to the project, or you get a surprise assignment that's unrelated, you may be left without options other than missing your deadline.

On the other hand, the better you are at preparing for deadlines, the more reliable and effective you will be at doing your job.

Here's how to make deadlines doable.

Plan from the beginning

Does the following scenario sound familiar? When you originally got the assignment, you made a quick mental note, a guess really, about how long the project might take to complete, and then you didn't give it a second thought. But now that you've started it, the truth hits you. What you thought would take a few days to finish is going to take you a week or two, and you're going to miss your deadline.

This situation is easy to avoid with some disciplined planning. When you're first given a deadline, always

take the time to estimate how long the work will really take you to complete. Think about how you will do it: Will you break it out into pieces? Are there logical stages—perhaps some that depend on others' contributions or feedback? Once you understand all the tasks involved and have estimated how long they will take, work backward from the due date and set yourself smaller deadlines along the way. Give yourself enough time to get it all done at a calm and comfortable pace.

It may sound silly to do this for small tasks, but even then it will help you be realistic about what you will need to accomplish when. So be disciplined about doing this with each assignment you get.

Sequence big to small

If you can, it's also helpful to sequence your project so that each successive subtask is shorter and easier than the last—that is, start with the most difficult and time-sensitive tasks, and end with the least.

Sequencing allows you to get the hardest and most time-consuming parts of a project out of the way first. This should keep your motivation high throughout the process—by the time you're finished with the first few tasks, the rest is easy! It will also prevent you from stalling near the finish line, since you're not leaving the toughest work for last.

Sequencing also allows you to track your progress against the deadline you're trying to meet. Say you're three weeks into a six-week assignment, and you've completed half the tasks on your list. Because you front-loaded your schedule with the most challenging and time-consuming tasks, you can be confident that you'll meet your deadline, since the second half of your list should take you less time to finish than the first.

If you find yourself behind schedule, you'll know to adjust your estimates and to allocate more time to the project going forward. As long as you catch it early on, your deadline should still be within reach.

Overcome procrastination

We all put off work—usually more so the more we dread actually doing that particular task.

That's not always a bad thing. If the work is unimportant and non-urgent, it *should* be low on your list of priorities in the first place, after all. But when you have the choice to do (a) more important work, (b) less important work, or (c) nothing at all, and you consistently pick (b) or (c), procrastination can become a real problem.

Understanding why you're procrastinating can help you stop. Often it's because either the task is something that you don't want to do, that you're not good at doing, or that you find too daunting. Whenever you feel the urge to procrastinate, ask yourself if one of those reasons is the culprit.

Once you pinpoint the cause, use one of these remedies.

- *Set deadlines.* Deadlines hold you accountable, so they're particularly helpful if you just don't want to do something. Deadlines work for larger projects that are too daunting as well: Just break the project down into smaller tasks, and set a deadline for each. Each chunk will be easier to approach, and you know when you need to complete it, so you'll be less likely to put it off. (See more on starting small below.)

- *Start small.* When we don't want to do something, especially a big and difficult task, dread can sink in, and procrastination rears its ugly head. More often than not, however, the dread dissipates when we actually get down to work. The key is to start small. If you're dreading giving a presentation, for example—all that preparation, not to mention the public speaking—don't imagine that you have to tackle the prep work all at once. Do some research, take

notes, or brainstorm. Consider it a warm-up of sorts. Once you're comfortable, you'll be more apt to jump into the rest of the project without trepidation.

- *Ask for help.* If you're having trouble with something, ask a colleague for assistance rather than postponing your work on it. It sounds like common sense, but our coworkers are a resource that many of us don't utilize enough; instead we struggle, get stuck, and then put the work aside (because somehow later it will be easier?). But if a colleague can provide you with a quick answer or point you in the right direction, or even listen to you talk through your thinking on something, you'll get the task done, you'll learn something, and you'll help build a relationship with this individual.
- *Make it a game.* We also procrastinate if a task provides us with little to no satisfaction, such as filing or filling out expense reports. We dislike

doing these tasks, and once we finish them, we don't experience a buzz of accomplishment. So make a game out of it: Group a bunch of your menial tasks together, set a timer for 15 or 20 minutes, and get to work. If the tasks require more thought and attention, and your time limit isn't wise, you can always challenge yourself to improve.

Avoid interruptions

Not all interruptions—from non-urgent emails to crises—are created equal, but sometimes we treat them as if they were. We get caught up in the rush, and respond to everything right away regardless of its importance and urgency.

Give yourself some ground rules to ensure that if your attention is being diverted, you are making the right choice about what to focus on at that time. Here are some rules of thumb:

- If the problem is urgent and important, take care of it as soon as possible. Yes, it will steal your focus from the task at hand, but as discussed in the previous chapter, this category of concerns should be your highest priority.
- If the problem doesn't need immediate attention and it's going to take up more than a few minutes of your time, then move it to a time box that you've dedicated for less urgent work.
- If none of the options above are viable, refer the interrupting person to a colleague who could also handle his or her problem as well as—maybe even better—than you could.

Email

We all have a love≠hate relationship with email. It's an efficient way to communicate, but it can also eat up a lot of time, especially if you open and respond to each and every message right away.

Some of the push and pull of email is unavoidable. If you work in a client-based or customer-centric business, for example, you may need to keep a close eye on your inbox all day long. But think hard about whether the nature of your work really requires you to be "on" all the time. If not, there's no reason to drop what you're doing every time you receive an email—especially if you're focused on another task. Sure, you want to be responsive and alert, but you also don't want to be in reaction mode all day. It will kill your focus.

Email can provide a refuge from more difficult tasks, so it is easy for it to turn into a time-wasting trap: First you answer one non-urgent email, then another, then another, then another. If this occurs multiple times an hour—which is very common—you'll end up taking valuable time away from more important work.

If you find yourself accidentally surrendering more time to new message notifications than you'd like, try dedicating small blocks of time each day to email.

First thing in the morning, every hour, before or after lunch, or right before you call it a night—these are all great times to respond to non-urgent messages.

Remember: Your objective is to devote as much focus, energy, and time as possible to the things that are most important to you. By restricting the times during which you can be distracted by email, you'll allow yourself more time for uninterrupted work.

Meetings

Meetings, especially if you're a manager, can take up a large amount of your day. But when you're shuttling from conference room to conference room for hours at a time, it's hard to get important work done.

Meetings do serve important purposes: They keep everyone informed, solicit critical points of view, and even encourage social interaction. But some meetings fail to meet those goals; they're superfluous and inefficient. Those are the meetings to watch out for.

Whether you "own" meetings or whether you're just an attendee, consider whether the time you're spending in conference rooms is valuable—more so than the other work you could be doing in that time.

If you run meetings:

- Don't always default to an hour-long meeting time. Sometimes the agenda only warrants a half hour or less. Consider scheduling a 20-minute or a 50-minute meeting so you and your attendees can complete follow-up tasks within the remaining 10 minutes.

- Cancel an instance of a recurring meeting—say, a weekly staff meeting—if you don't have an agenda.

- If you're scheduling a meeting to share information, consider whether a simple email would be an adequate option. Reserve meetings for items that require a direct response from team

members, or if the matter is sensitive enough that attendees will want to hear from you in person (but not so sensitive that it should be handled one-on-one).

If you are a meeting invitee:

- Be more selective when accepting meeting invitations. Ask yourself this question: If you were to call in sick the day of the meeting, would it need to be rescheduled? If the answer is no, then you may be able to decline it. This can be risky, however. The other participants may make important decisions without you, or a higher-up may notice your absence. You can mitigate some of these risks by getting approval from your boss or the meeting leader beforehand and following up with the important parties after the meeting to see if they need your input on any of the discussion points.

- If you're swamped with work and need some breathing room, evaluate the meetings already on your calendar. Do you have an instance of a recurring meeting that doesn't have an agenda posted? Are there any meetings you could skip or move? Don't assume that just because a meeting is on your calendar that that time is inviolable. However, if you're declining a meeting after accepting it, verify with the organizer that your role in the meeting is not critical—and as a common courtesy to let him or her know you won't be there—and follow up with colleagues later that day, or ask to see the meeting notes if you need to catch up.

Meetings can be difficult to manage because they're often beyond your control. Unless you own the meeting, you don't decide its time or length or what's covered. But know that you can make more constructive choices. You're valuable to your organization because

of the quality of your work, not the number of meeting invitations that you accept. Being more selective about which meetings you attend reflects your ability to prioritize and manage your time well.

Think on your feet

These traps and roadblocks are ever-present in our work lives; you won't be able to completely avoid them. But if you're always on the lookout for them, and have a solid plan in place for dealing with them, you'll do a better job making good time-management decisions as these challenges come up, and get back on track as quickly as possible.

Reassess Yourself

Reassess Yourself

Time management isn't a once-and-done process. Even if you track your time, follow a detailed and smart plan, time box your tasks, and avoid common pitfalls, continue to assess and reassess your progress.

As your priorities shift and your schedule evolves, you'll need to be both persistent and responsive in order to stay on track. These two characteristics are what separate great time managers from good ones. Great time managers don't just prepare and then stick to their plans; they are also able to improvise. They learn from their mistakes, and make adjustments.

Are you still on track?

It's easy to get caught up in the day-to-day hustle of our work lives. We can lose track of our big-picture goals. So it's important to slow down to make sure our priorities still line up with those objectives.

The best way to do this is to schedule self-check-ups. Think of these as you would a trip to the doctor. Is everything working well? Are there warning signs that you should be worried about? Are there things you need to improve?

The frequency of your check-ups will depend on your situation. If you're juggling multiple projects and deadlines, you may want to assess yourself each week, every few days, or even at the end of each day. If you're checking off every item on your to-do lists, meeting deadlines, hitting milestones, and finding ample time to work on the projects, tasks, and skills that mean the most to you, then a once-a-month check-in will probably suit you fine.

A check-up gives you a chance to identify warning signs and areas that need improvement before it's too late, so that you can change your plan or shift your priorities. Even if you're in good shape, a frequent check-up will, at the very least, give you the peace of mind that your plan is working well.

When checking up, ask yourself these questions:

- Do I feel prepared and focused each day?
- Do I feel like I have enough time to get everything done?
- Am I completing my scheduled tasks?
- Am I making reasonable progress each week?
- Do I frequently work at a comfortable, non-frenzied pace?
- Are my time estimates more accurate than before?
- Am I meeting deadlines?
- Am I achieving my goals?

These questions should get you started. But feel free to add your own to the list. If you have a particular weakness—say, procrastination—it's a good idea to assess how well you're improving in that area as well.

Getting back on track

Your answers to the check-up questions will determine your course of action.

- *On track.* If you answered "yes" to most of the questions, that means you're on the right track. That's great! Keep up with what you're doing, and make adjustments as you see fit.

  Even though everything is going well, take the time to write down anything that you learned since your last check-up. If you miscalculated how long a project would take to complete, for example, make a note of it so

you don't make the same mistake twice. Time management is a continual learning process. You may fail sometimes, but as long as you learn something in the process, you'll make better decisions in the future. This is the time to capture that learning so you can put it into action when the next opportunity arises.

- *Off track.* If you answered "no" to several of these questions, then you may need to make a few modifications. Some of the changes may be obvious. If you're not meeting deadlines, you may be able to fix the problem by adding more time to your estimates in the future. But some may take more work to figure out. If you're not on track to meet your overarching goals, for example, you may have to do some soul searching.

  A good place to start is the big-picture vision you created—your priorities, goals, and time allocations. Did you set your goals too high?

Are your time allocations off? Did you set your priorities correctly?

If you miscalculated or overlooked something, don't worry: These things are hard to gauge and will often take some adjusting. When this happens, realistically lower your goals, tweak your time allotments, or rerank your priorities.

If you're still at a loss, try tracking your time again. You may have missed something the first time, your workload may have increased, or you may have picked up some new bad habits.

Whether you're on track or off track, the important thing is to keep learning. So make some changes. Strive to get better. Assess and reassess. As long as you prepare, plan, prioritize, and pivot when needed, you will grow into an effective time manager.

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Learn More

Recent research

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Birkinshaw and Cohan's article reveals just how much time knowledge workers can save by eliminating and delegating unimportant tasks so that they can replace them with value-added ones. The authors outline a process that professionals can follow to identify those unnecessary tasks; drop, delegate, or redesign them; and then allocate freed-up time for more valuable work. The article includes an interactive self-assessment.

Mogilner, Cassie. "You'll Feel Less Rushed If You Give Time Away." *Harvard Business Review*, September 2012 (product #F1209D).

In this Q&A article Mogilner shares her research, which reveals that offering your time to others could make you actually feel less rushed and that you have more time on your hands.

Classics

Billington, Jim. "Fairly Timeless Insights on How to Manage Your Time." *Harvard Management Update*, February 1997 (product #U97020).

Too much literature on time management stresses how to do more faster—essentially how to manage a to-do list. Instead, as Billington argues in this newsletter article, managers should visualize the end result by "getting on the balcony—seeing the whole field of play and where their undertaking should fit in." People should spend most of their time on work that is truly important, and avoid the addiction to urgency—fighting fires, fielding calls, firing off memos, and attending irrelevant meetings that can consume a manager's day but add little lasting value. A short checklist of practical tips to increase efficiency is included.

Blanchard, Kenneth, William Oncken Jr., and Hal Burrows. *The One Minute Manager Meets the Monkey*. New York: Quill, 1989.

The message in this book is to let your direct reports take on the tasks they can and should do. Trust them and train them, but don't do it yourself!

Mackenzie, Alec, and Pat Nickerson. *The Time Trap: The Classic Book on Time Management*. 4th ed. New York: American Management Association, 2009.

Nickerson updates Mackenzie's classic book of "time traps" that keep us from being as productive as we'd like. The au-

thors diagnose each trap—such as "the inability to say no" and "poor delegation and training"—and then give advice for how to avoid it.

Morgenstern, Julie. *Time Management from the Inside Out: The Foolproof System for Taking Control of Your Schedule and Your Life*. 2nd ed. New York: Henry Holt, 2004.

Those who fear "time management" because they worry about living uncreative or overly scheduled lives will find themselves reassured by Morgenstern's ability to customize her system. The most important thing readers must do, she emphasizes in this book, is to create a time-management system that fits their personal style—whether it be spontaneous and easily distracted or highly regimented and efficient.

Oncken, William Jr., and Donald L. Wass. "Management Time: Who's Got the Monkey?" *Harvard Business Review* OnPoint Enhanced Edition. Boston: Harvard Business School Publishing, 2000.

Many managers feel overwhelmed. They have too many problems—too many monkeys—on their backs. All too often, they find themselves running out of time while their subordinates are running out of work. Such is the common phenomenon described by the late William Oncken Jr. and Donald L. Wass in this 1974 HBR classic. This article describes how the manager can reverse this phenomenon and delegate effectively. In his accompanying commentary, Stephen R. Covey discusses both the enduring power of this message and how theories of time management have progressed beyond these ideas.

Peters, Thomas J. "Leadership: Sad Facts and Silver Linings." *Harvard Business Review* OnPoint Enhanced Edition. Boston: Harvard Business School Publishing, 2001 (product #8326).

In this article Peters suggests that the "sad facts" of managerial life can be turned into opportunities to communicate values and to persuade. The fragmented nature of the executive's workday can also create a succession of opportunities to tackle bits of the issue stream. The fragmentation is precisely what permits a manager to fine-tune, test, and retest the strategic signals being sent to the company.

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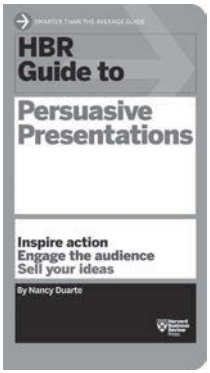

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Preview

Running a meeting can be an excellent way to make a decision, gather ideas, or inspire a team—not to mention an excellent opportunity to demonstrate your organizational, motivational, collaborative, and leadership skills. But we often fail to approach meetings with the kind of discipline and attention that they deserve, and so things frequently don't go as well as they could. This book will help you with the basics so you can make every meeting as productive as possible:

- Setting the right agenda
- Picking the right people for the meeting—and making sure they attend
- Executing your plan

- Energizing your team
- Hosting virtual participants successfully
- Managing conflict
- Making decisions
- Ensuring effective follow-through on tasks after the meeting

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Running Meetings

Running Effective Meetings

Running Effective Meetings

Most of us have attended too many meetings where the meeting organizer was anything but organized. Perhaps he called a meeting to make an important decision, but didn't send out the critical information to prepare in advance—so we spent the entire meeting skimming data and only half focusing on the decision at hand. Perhaps he sent out the presentation deck in advance but didn't think to invite the team's leader, though she needed to endorse the final choice. Perhaps he just invited everyone to brainstorm, but nobody really had any ideas and the conversation faltered as everyone began surreptitiously answering messages on their smartphones. Or maybe everyone had great

ideas during the session but forgot to follow through on them afterward.

Unproductive meetings like this are frustrating for everyone because they waste time. On the other hand, productive meetings can be an extremely effective way of communicating, solving problems, making decisions, planning projects, or inspiring a team. Depending on your organization's culture, meetings may be the central place where these critical activities occur.

We all know that running a successful meeting requires work before and after anyone is actually seated in a room together, but far too often we think we can just wing it by having a general idea of what we need to talk about. *We just need to have a quick conversation*, we say, or *Let's just pull everyone into a room*. We often don't take the time to consider what we need to do to make that conversation effective.

Thoughtful preparation, active meeting management skills, and strong follow-up can make the difference between a rewarding, enjoyable, and invigorating session and one in which everyone doodles and

avoids eye contact. This is *especially* true if the need to gather is urgent—then it's that much more important that the meeting itself be effective. The discipline and time you invest before, during, and after will pay off for your team and for you: In the meeting you'll be able to communicate, build consensus, and get things done—and you'll earn a reputation as a productive meeting leader in your organization as well.

Though this book may be especially useful for people just assuming levels of leadership responsibility, running effective meetings is a skill that is critical all the way up to the C-suite level. "Stop Wasting Valuable Time," a 2004 article in *Harvard Business Review*, found that even top management teams of companies tend to use their meeting time badly, focusing on the critical issues of strategic planning for less than 15 percent of their time together. Whether you are an executive looking to work more efficiently with your team or a new manager learning for the first time, this book will help you quickly learn the steps you need to take to make sure your meeting is successful.

Preparing for Your Meeting

Preparing for Your Meeting

Your meeting is far more likely to be a success if you think through its purpose, how to craft an effective agenda, whom to invite, how to word the invitation so that people actually attend, how to ensure your attendees are well prepared, and how you'll lead and delegate within the meeting when it happens.

Not every gathering will require elaborate preparation, of course. In some cases your initial prep work may in fact lead you to conclude that you don't need a meeting after all. But remember to think of running a meeting as a discipline: If you take the time to run through the basics of good preparation each time,

you'll know what to expect on the actual day and develop a natural sense for how much groundwork is appropriate for each type of gathering in the future—and of course, reap the rewards of a smooth session.

Why are you meeting?

First things first. It may sound trivial or obvious, but don't gloss over accurately identifying the purpose of the meeting. This is the fundamental planning step, since the purpose drives all the other elements, including planning the agenda, the invitation list, and the timing and venue.

Be as specific as possible as you think through what the gathering needs to accomplish. Is it to brainstorm? Brainstorm what? To inform your team? About what exactly, and why? To fix a problem? If so, are you meeting with the expectation that you'll solve it, or that you'll come up with a plan to determine a solution at a later date? Are you meeting to clarify

roles and responsibilities? Rally the troops? Make a decision?

For example, if you invite everyone involved to discuss the Special Revenue-Generating Project, but don't really consider whether your goal is to get a status update (which you know you need to do), to brainstorm ways to speed up the timetable (which needs to happen at some point), or to reprioritize workload (which one of the team members really wants), you and your attendees will all come into the room with totally different ideas of what you will get out of the meeting. The attendees may all have put thought into different aspects of the issue, and when you don't focus on all of those aspects, you'll only frustrate them.

If, instead, you let people know that the purpose of the gathering is to make a decision about reprioritizing the workload in your department, you are far more likely to include just the individuals who specifically need to be there, and in turn they will be on hand to give their feedback about options and to endorse the decision as it is made. Knowing the purpose of

your meeting is thus critical to the rest of the planning process.

As you're preparing for the specific type of gathering you need, you may also want to refer to "Running Specific Types of Meetings" later in this book, which focuses on how to lead several of the most common meeting types.

Setting an agenda

Once you've defined the purpose of your meeting, you need to create an agenda based on it.

Agenda items

List the items that you need to achieve your purpose—whether these are time for brainstorming, a discussion about a certain issue, or a presentation of new information.

In addition to these items, it's a good idea to plan a bit of time for an introduction since you'll want to provide some recap and context-setting at the beginning of your session ("Last time we met, we needed to find out what the budget would be for this project. We have that number now . . ."). A good agenda takes into account these kinds of routine items so that you won't spend unexpected time on them, forcing you to rush through the heart of your program.

Once you know what your agenda items are, decide roughly how much time you will grant to each one. Your attendees' schedules may limit the length of the full meeting, but even if they don't, think short. (See more on timing your meeting in the section "Finding a time," later in this chapter.) Although most meetings are between thirty minutes and two hours long, few people can really focus their attention for a full two hours while sitting still in a chair. One hour is better (and fifty-five minutes is great—it allows your participants five minutes to get to the next meeting).

Half- or full-day gatherings should be reserved for infrequent, special events such as a semiannual training session or a yearly strategy offsite.

Always underestimate rather than overestimate how many issues a group can handle in a given time, and allow extra time to deal with your most critical items.

Sequencing agenda items

Once you have your agenda items listed and a time assigned to each, think about the logical flow from one item to the other. You don't want to discuss the budget for a project, for example, before you've identified its deadline and its scope. As you go, keep in mind that you may know more about the project than the other participants, so sequence items so that they make sense to the attendees rather than just to you.

Here's how to plan the sequence of the agenda for optimal flow and energy:

- If your agenda is likely to be complicated or challenging, consider starting with a few easy items. Then work up to the most complex or controversial ones.
- Separate information-sharing issues from problem-solving, decision-making, or brainstorming issues. For example, if your agenda is about a thorny assignment the CEO has given your group, present that news first. It should be its own agenda item: "Update on new assignment." Then, separately, raise the question of how you'll fit the new project into the group's workload: "Review of workload status." Then you can discuss who will handle particular aspects of the project and set a timetable: "Assignments and schedule."
- Look for issues that build on each other. For example, suppose you're scheduling a meeting to decide on a final design for a new product.

As in the previous example, you'll want to make sure that you're giving the group all the information they need about the new project as well as hearing about any workload concerns before you discuss the timetable for the work.

- Break complex issues down into manageable parts. For example, if the purpose of a gathering is to make a decision about which new product idea to consider focusing on next, break the issue into parts, such as what focus group feedback must be considered, what the staffing implications of each choice would be, budget and time constraints, and so on.

- For a small meeting, your agenda can be relatively loose, but for a larger group, the more structure you provide, the more effective the meeting will be.

- During unusually long meetings (such as half-day workshops or full-day offsites), address the

most difficult issues at a time when participants are at their most focused. For example, attendees probably won't be at their best just before or after lunch or when they are just settling into a meeting early in the morning.

Assigning agenda items to participants

When you think about how each item on the agenda needs to be handled, prepare yourself to lead the discussion of that topic, or assign it to an appropriate attendee (and let the person know well in advance).

If you'll be the one leading the discussion on a particular item, spend some time thinking about what must be covered, whose opinions you should seek, or how you might encourage brainstorming about a particular topic. You don't have to do this as you plan the agenda, but you need to make sure to do it in advance of the meeting.

Figure 1 shows an example of an agenda. You can distribute this document both when you send the

FIGURE 1

Sample meeting agenda

Agenda item	Who	Time allowed
Opening—review importance of Special Revenue-Generating Project and key team members' roles on the project	Emily	5 minutes
Review of team members' current responsibilities	Lisa	5 minutes
Discussion of possible responsibilities to shift away from team members	Lisa	10 minutes
Discussion of potential approaches	Lisa	15 minutes
Decision on an approach	Jack	15 minutes
Next steps	Emily	5 minutes

Purpose: Special Revenue-Generating Project: Reprioritizing Workloads

Objective: To develop plan for shifting other responsibilities of key team members

Attendees: Emily, Lisa, Jack, Chris, Angela, and Steve

Location: 5th floor conference room

Date and time: 2:00–2:55 p.m., January 20

invitation—to let participants know what is coming—and again as you begin the meeting so participants have it in front of them as you proceed.

Identifying the right participants

It may be easy to default to inviting a crowd of people to a meeting—that way, you don't really have to identify the most critical participants, you'll avoid any ruffled feathers, you'll have everyone involved on hand for a decision, and you won't have to repeat your communications separately afterward. Or maybe your tendency is to want to keep things small: You may be tempted to invite just a small group of people whose opinions you most value.

But for a meeting to be useful, you have to have the right people—and only the right people—in the room. With too many attendees, you may have trouble focusing everyone's time and attention and accomplishing anything; with too few, you might not have the

right decision makers or information providers in the room.

As you plan your attendee list, consider who will help you to accomplish your meeting's goal and those who will be most affected by its outcome. Most likely this is a combination of people who will offer a variety of perspectives. Take the time to methodically list the individuals in each of these categories to make sure you include the right people:

- The key decision makers for the issues involved
- The ones with information and knowledge about the topics under discussion
- People who have a commitment to or a stake in the issues
- Those who need to know about the information you have to report in order to do their jobs
- Anyone who will be required to implement any decisions made

Feel free to consult with other stakeholders to make sure you've made the right list. Often another key stakeholder can remind you of a perspective you forgot to bring into the room.

The right number of attendees

Just because someone's name is on your list, however, doesn't mean he or she must be at the meeting. How many people should you actually invite? There are no hard and fast rules, but in principle, a small meeting is best to actually decide or accomplish something; a medium-sized meeting is ideal for brainstorming; and for communicating and rallying, you can go large! Some people use what's known as the *8-18-1800 rule* as a rough guideline:

- If you have to solve a problem or make a decision, invite no more than 8 people. If you have more participants, you may receive so much conflicting input that it's

difficult to deal with the problem or make the decision at hand.

- If you want to brainstorm, then you can go as high as 18 people.
- If the purpose of the meeting is for you to provide updates, invite however many people need to receive the updates. However, if everyone attending the meeting will be providing updates, limit the number of participants to no more than 18.
- If the purpose of the meeting is for you to rally the troops, go for 1,800—or more!

If you decide *not* to invite individuals you listed as likely to be affected by the meeting's outcome, have a plan to communicate the substance of the meeting to them afterward.

Assign roles

Consider giving specific participants an active role to play in the meeting as one way to be sure that they're engaged, feel that they have a voice in the conversation—and that they attend! You are the leader: Your job is to clarify the gathering's purpose, objectives, constraints, and scope of authority. You must take responsibility for follow-up. But there are other essential roles you can assign:

- *Facilitator.* Guides the group through the discussion, problem-solving, and decision-making phases of the meeting. May be responsible for pre- and post-meeting logistics. This is a good role for someone who wants more leadership experience but isn't ready yet to be the leader. It's a prominent position, but one that requires a person to play a more neutral role throughout the meeting. (It's also a good way of diffusing potential critics in advance. Let them know that

you are asking them to be a facilitator, which means making sure all sides of an issue are raised. Most people will rise to that leadership challenge and lead a fair and balanced conversation rather than trying to steamroll their own perspective through. This isn't meant to stifle important input, however—just the opposite.)

- *Scribe.* Captures the key points, ideas, and decisions that result from the meeting; may also draft the post-meeting notes. You don't need detailed minutes, unless they are a legal requirement; few people have the time or inclination to read full minutes. Still, identify someone to take notes on any key findings for you to use in preparing a follow-up note. This is a great assignment for someone who is shy in public meetings but wants to participate.
- *Contributor.* Participates actively by offering ideas and helping to keep the discussion on

track. Make it clear to the individuals whom you're asking to play this role that you're counting on them to keep the discussion lively and to contribute information regarding certain issues. ("Katherine, I know you've done a lot of thinking about the new website. Can you make sure our discussion addresses all of the key issues?")

- *Expert.* Shares knowledge on particular issues as requested. One advantage: You can ask an expert to attend just part of the meeting, keeping his or her contribution focused. For example, if you are discussing how people can work from home more effectively, you might ask the IT lead in your group to drop in for 10 minutes as you consider the implications for your teleconferencing vendor.

- *Timekeeper.* Tracks time spent on each agenda item and moves the discussion along to the next

agenda item. You don't need to have someone sounding a phone alarm every five minutes, but you might, for example, ask this person to remind you when you have 15 minutes left to ensure you get to all the items on your agenda, or to let you know if you have spent more than 10 minutes on any one item.

One individual can fill several roles in a meeting; for example, if it's your meeting, you'll probably wear both the leader and the facilitator hats. Not every meeting needs the full cast of roles filled—it would be silly to assign a "scribe" to an informal get-together with three or four people, for example.

Remember to state everyone's expected roles in the agenda and double-check that they know their responsibilities well in advance of the meeting.

Making the invitation

It may seem simple, but where and when the meeting takes place and how participants are invited can bear heavily on the success of your gathering.

Selecting a setting

When you schedule your meeting, pick a room that will be conducive to the tone you want to set. Do you want your meeting to be informal and intimate? Pick a small room, perhaps setting the chairs in a circle so everyone can easily see each other. Formal and rigorous? A conference room may work best. Make sure the room has enough space for your group but isn't so cavernous that it is a distraction.

Are some people attending virtually? Make sure you have a good speakerphone and good acoustics for someone who won't have the benefit of being physically present with the rest of the team. If someone is

attending via video conferencing, does the room allow that person to see many or most of the participants from where the computer camera will be set up? Consider how the meeting will feel to each participant to make sure you select the right space.

Finding a time

Work with your participants to uncover not only what potential conflicts they have in their schedule but also what other more general commitments they may have that could pull them out of your meeting at the last minute.

If your organization has a lot of meetings, just finding a time that is open for everyone can be a challenge, especially if you have a larger number of attendees. However, if you can, try to optimize your choice by avoiding the following times:

- The only free half hour in an important attendee's packed day

- Friday afternoons, when people might be looking at the clock and thinking about their weekend
- A day right before a holiday or an attendee's vacation when people will be rushing to finish their to-do lists
- First thing in the morning before people have had a cup of coffee, or the end of the day, when people are likely to be more tired
- Lunch meetings—and if you do call one, be sure to provide food for your attendees

Think about when you are at your best—that's likely to be true for others, too.

Sending the invitation

Once you've determined who needs to be there and have chosen a time and place, it's time to send the invitation.

Consider inviting your attendees personally in addition to sending a calendar invitation, especially if you think there's a chance that the invitation will slip by unnoticed or that one of your attendees might be called into another meeting at the last minute. Make sure attendees know the purpose of the session—they'll be sure to take it more seriously if they see that you are.

Setting up a recurring meeting

You should give the first instance of a recurring meeting even more attention than a standard one-off discussion. The most important thing to consider is whether you really do need a standing meeting, since if you don't have something to accomplish each time, the meetings can quickly and dangerously lose their energy and focus. So if you do need to institute a recurring meeting, make sure you clearly define both its overall purpose and the purpose of each instance.

The first time you hold the meeting, take the time to invite everyone personally. Explain at that first meeting that it will be recurring, and how often. Because they know there will be another session soon, attendees tend to skip out on individual occurrences of a recurring meeting more casually than they would a one-off; at your first meeting ask for everyone's commitment to make the series a priority, explaining its purpose clearly.

You may want to consider making attendance optional for some people; in that case you'll need to give them specific information if they'll be needed in advance of a particular session so they'll know that they have to attend that time. By respecting your attendees' time, you'll encourage them to respect your meeting as well.

After the first session, put a recurring appointment in everyone's calendar, with reminders in advance. These are often difficult to schedule—it can be tough to find a slot that works regularly for the whole team.

Still, be sure to consider timing; standing meetings that occur in the middle of the day are likely to get overwhelmed by other commitments that arise. A standing meeting that is, say, every Wednesday at 9:00 a.m. is more likely to stay on everyone's calendar than one scheduled for 1:30 p.m. on a Tuesday, when lunch meetings can run over or the afternoon's to-do list looms large.

Finishing your preparations

Your work isn't done when the invitation is sent! You may need to make further arrangements given the meeting's logistics, and you'll want to follow up with attendees regarding any materials that they'll need to review before the session itself.

Prepare meeting logistics

Make arrangements to have a laptop in the room if someone will be calling in via video or to have tech support on hand if you are hosting a multiparty conference call. Turning up for your carefully prepared meeting and then having to scramble for the first ten minutes to get someone in the room to help you with the technology will mean you won't get to all of the items on your carefully planned agenda—and you'll also frustrate your waiting attendees. It's not a great way to start.

To avoid last-minute problems and embarrassments, be sure to confirm and check the space, and test any needed equipment ahead of time.

Distribute reading materials

If successful participation in your meeting relies on materials that need to be read or reviewed, send those

out in advance of the meeting. Waiting to hand them out until you gather can waste time, and you'll find your participants only half paying attention—to both the materials and the meeting.

When you send the materials is important as well. Don't, for example, send the preparation materials 10 minutes before the meeting's start time—get them to the attendees well enough in advance for them to have time for review, but not so far in advance that they put the materials in their "later" pile. A day or two should usually suffice. When you send the materials, make clear that you expect them to be read in advance.

In the meeting, briefly mention that you expect everyone has read the advance materials and proceed as if they have. Be aware, however, that unprepared participants can easily drift off into side conversations or distract others. (See "When Good Meetings Go Bad, and How to Fix Them" later in this book.)

Lead by example: Spend time preparing for your own agenda items and review all advance materials

so you're well briefed to help navigate the discussion without having to learn facts that you should already have at your disposal during the meeting. Remind others who are responsible for individual agenda items to do the same. You'll be able to lead a much better discussion if you can quickly recall relevant information that might confirm or challenge other participants' ideas.

Do you really need a meeting?

As you plan, keep asking yourself whether the meeting is really necessary. Let's face it, most people feel meeting-ed out these days! It's not that people don't like being in an energetic, productive meeting—for some people it's even a welcome social break in the day—but we tend to overload ourselves with them. So don't just add your meeting to the pile without thinking through whether there is another, better way to accomplish your goal.

It's better not to hold a meeting if:

- You don't have time to prepare for the meeting. This may seem obvious, but it's a rule often overlooked.

- Another method of communicating—email, phone, text message—would work as well or better. For instance, if you want to inform several peer managers and your superiors that your team just signed an important account, email them to let them know the good news rather than calling a meeting. After all, you want to send the news quickly, and it is concise and easy to address in a quick message.

- The subject isn't worth everyone's time. For example, you discover that a vendor has overcharged your unit on several recent orders. The overcharges are minor, and you can deal with the situation by simply calling the vendor and

letting it know about the errors. It's not worth everyone's time to sit down and discuss ways to solve this problem.

- Your group members are upset over a conflict or other problem and need time apart before being ready and able to address the situation.

- The subject is a personnel issue that's better handled one-on-one, such as gathering information from others about an employee's poor performance.

- You need to solicit a number of individuals' opinions. In that case, it is often better to conduct an electronic survey that gathers the data rather than ask for attendees to provide feedback during a meeting. As numerous studies have shown, when asked for feedback in a group setting, people suffer from "herd mentality," and the new, inspiring, challenging—and

often best—viewpoints are lost in the crowd because no one wants to deviate from the norm and upset the status quo.

Meeting preparation checklist

Have you covered all the important pre-meeting steps? See the following pages for a quick checklist to use as you plan.

If you've considered everything you can prepare in advance—for yourself and your attendees—then you've set the meeting up to succeed. Now you're ready to take on the leadership challenge as your first attendees arrive.

MEETING PREPARATION CHECKLIST

Have you . . .

- ☐ Identified the specific purpose of the meeting?
- ☐ Made sure you need a meeting at all?
- ☐ Developed a preliminary agenda?
- ☐ Selected the right participants and assigned roles?
- ☐ Decided where and when to hold the meeting and confirmed availability of the space?
- ☐ Sent the invitation, notifying participants when and where the meeting will be held?
- ☐ Sent the preliminary agenda to key participants and other key stakeholders?
- ☐ Sent any reports or items needing advance preparation to participants?

(*continued*)

(*continued*)

- ☐ Followed up with invitees in person, if appropriate?
- ☐ Identified, if appropriate, the decision-making process that will be used in the meeting?
- ☐ Identified, arranged for, and tested any required equipment?
- ☐ Finalized the agenda and distributed it to all participants?
- ☐ Verified that all key participants will attend and know their roles?
- ☐ Prepared yourself?

Leading Your Meeting

Leading Your Meeting

Even if you've prepared carefully, you can't just arrive on time to your meeting and assume that your excellent agenda will ensure all goes well. A skillful meeting leader needs to actively keep a gathering on track.

The best meeting leaders play a number of different roles throughout the gathering, all while maintaining their authority. You should expect to take on the roles of gatekeeper, devil's advocate, consensus builder, cheerleader, or even joker—whatever encourages people to contribute and keeps the team productive.

Starting the meeting

You are in a leadership position from the moment you walk into the room, so set the right tone from the start. Be clear in your comments and your bearing that this gathering will not be a waste of time: You're excited about it being focused, productive, and collaborative—and it might even be fun, too.

Begin the meeting on time

Even if a few participants are missing, start the meeting as though they were there. When they arrive and discover they have missed some important points, they'll know not to be late next time. Don't back up and start again or take time to fill in the latecomers—you'll only reaffirm their sense that it doesn't matter if they're late and frustrate those who were on time. If someone did miss some critical material, you can

catch up with them after the meeting, but don't take everyone else's time to do so.

Introduce the meeting

Hold a brief introductory discussion to make sure the group is clear about the agenda, objectives, and desired outcomes of the meeting—then make any necessary adjustments. If participants don't know one another, take some time for personal introductions. This should include their name, their department, and their role in the meeting or on the project. If some of them are unfamiliar with the project, explain the context of your gathering: what has happened already, and how what you hope to accomplish today fits into the overall project objectives.

Establish ground rules

You don't need to dwell on ground rules, but it's helpful to signal to participants that you intend to keep things moving efficiently.

- Reassert that you are committed to beginning and ending on time (and then really do it).
- Ask for everyone's participation and openness to new ideas.
- Agree to listen to each other and limit interruptions—and then enforce that rule as the leader.
- Clarify how decisions will be made. Let the group know right up front if this will be a group-decision meeting, a meeting that calls for participants' input, or a meeting that shares a decision that has already been made.

- Explain your policy on multitasking and device use (see "Managing Multitaskers," later in this chapter, for more details).

You may also need to establish ground rules for specific agenda items:

- Clarify constraints that exist for any issue that will be under discussion—for example, upper-management decisions or policy or budget restrictions that may limit the group's range of options.
- Identify the final decision maker for each item—especially if it's not someone in the meeting (such as the CEO or department manager).

Remember that the ground rules for your meeting should make sense given your time constraints, the size of your group, and your meeting's intentions and goals; you shouldn't feel a need to make them rigid and overly formal.

Executing the agenda

You've put all that prep work in on the agenda and on making sure the meeting will be a success, so once you're actually rolling, don't be drawn off track to non-agenda topics. By staying on your planned path, you'll keep the meeting focused and your attendees happy, and ensure that you'll address all of your agenda items. It's a careful balance, however, since at the same time you want to make sure that you hear all points of view from your attendees—after all, that's why you've invited each of them.

Keep the meeting moving

When you're in the midst of the discussion, keep an eye on the agenda and the time—or assign a timekeeper. You can be informal (it can be as simple as asking someone to raise a hand when one topic has gone on longer than 10 minutes, for example) or even

make it a little bit funny. One company created red, yellow, and green circles out of construction paper and glued them to popsicle sticks. If a speaker was unsure how he or she was doing on time, he could look to the timekeeper, who would flash the appropriate color—green indicated plenty of time; yellow, five minutes left; and red, wrap it up now! People laughed about the method, but it worked extremely well to keep the meeting moving.

As you go, summarize and review the progress of the meeting frequently and explicitly. Record the ideas expressed about the most important topics on a flip chart or other tool (see the box "Using a Whiteboard"). When a group has come to agreement on a topic, acknowledge the fact explicitly and then move on. Highlight the transitions from one agenda item or objective to the next, and pause periodically to tell the group where you are in the meeting's agenda. This record of agreed-upon points reinforces what the group has in common and prevents the group from reverting to issues that have already been settled.

USING A WHITEBOARD

You can use a number of tools to capture the dynamic energy and ideas of a collaborative meeting. The old standards are flip charts or whiteboards, which work well if everyone is in the same room. Newer technology also offers helpful ways to capture real-time contributions in a format visible to virtual attendees. For example, inviting everyone to share an Evernote notebook or a Google Doc allows participants to jot down their notes or ideas for the full group to see as each issue is being discussed. Such tools can demonstrate to group members in real time that their input is captured and valued, especially if they are virtual, and helps you keep track of mutually agreed-upon key points and decisions in a format that is easy to save and refer to later.

Some suggestions:

- Keep the comments you've recorded visible for the entire meeting, and share them afterward.

Use your smartphone to take a picture of the whiteboard or flip chart; either send that picture to the group or have someone transcribe and edit it for clarity before distributing.

- As you go, keep the whiteboard neat: Make it possible for someone to scan the board after the meeting and get a quick read on what was discussed.
- During a brainstorming session, capture every contribution first. Then number, star, circle, or otherwise mark up the pages as the group evaluates, prioritizes, and makes decisions about the ideas generated.
- Keep a visible list—a "parking lot"—of issues to be dealt with after the meeting. This is an effective way to capture critics' concerns or questions without letting them derail a meeting.

Make sure all points of view are heard

As the meeting leader, you'll want everyone to share their thoughts, even if your gathering is intended merely to keep people in the loop. That means you'll have all potentially crucial feedback available as you're making a decision or advancing a plan—and you'll avoid angry participants after the meeting who will grumble that their opinion didn't matter. So encourage feedback regularly, at each natural break in the session, or at least after each agenda item.

There are a number of ways to stimulate feedback from everyone:

- Ask a general question, such as "Have we forgotten anything?"
- Don't allow louder, more vocal attendees to dominate. ("Thanks for those comments, Ed. Now let's hear from someone who hasn't had a chance yet.") Let the quiet ones have a chance

to speak up. Or call on them directly. ("Susan, we haven't heard from you yet. Are we missing any big issues here?" "Tom, what would your biggest concern about this approach be here?") Some people might turn red, but at least you will get their opinion.

- Say that you'd love any feedback people think of after the meeting, too, once they've had more time to reflect.
- Make sure your virtual participants are heard. For the first five minutes of a virtual meeting, initiate some casual chit-chat with the group, particularly the remote participants. Ask about the weather, or comment on a sports or entertainment event to help break the ice and set the right mood for those individuals to contribute throughout the call.
- Provide vocal cues for virtual attendees that they'd get visually if they were present. It can be

difficult for virtual meeting attendees to speak up, interrupt, or chime in when they disagree with a colleague or want to add a different point of view, since they can't see how others are reacting. Make a point of asking the virtual attendees for feedback at crucial moments to make sure they know it's a good time to speak. (Refer also to the "Running Specific Types of Meetings" chapter, which discusses how to run virtual meetings in more detail.)

- If your meeting has a dozen or more participants, break the group down into pairs or trios, and have each small group report back about a particular agenda item. You might ask them to identify the top two issues that need to be addressed, for example, or how they would recommend priorities be set. This ensures that even those quieter voices who don't want to speak in front of a larger group can be heard.

- Ask someone to play devil's advocate to bring different points of view to the fore—or do it yourself. Make sure that your participants see that you are open-minded about others' input. But don't let a participant attack another member's contributions; remind them, for example, that you're "using brainstorming rules—no ideas are dumb ideas today. We want to encourage creativity."

- When you sense you've hit upon an issue of particular interest, watch for body language that indicates someone's eager to speak. Acknowledge such people with eye contact or a nod, signaling you see them and you'll call on them in a minute. It will allow them to focus on what's being said, rather than on whether they'll get to speak.

- Give the group a little time to think things over. Don't be in a rush to vote or reach a decision

after you've discussed an issue. Someone may have an idea later in the meeting that they will want to contribute. Say you'll come back to the decision later and move on to your next topic.

- Remember the golden rule of management: Praise in public, criticize in private.

Managing multitaskers

Discourage your attendees, whether they are in the room or on the phone at another location, from engaging in other communications during the meeting. This means no checking emails, surfing the web, checking sports scores, or sending or replying to texts. A participant who isn't paying attention may miss an important moment in the meeting—and watching someone try to sneak in other tasks during a meeting can also drain the energy and focus of the whole team.

Emphasize the fact that your ability to finish the meeting on time depends on attendees giving you

their full attention. And you, the leader, shouldn't be hypocritical. No matter how tempting, don't allow yourself to peek at your smartphone notifications, even briefly.

If multitasking is an endemic issue, consider instituting a penalty for offenders, but remember that a touch of humor can go a long way in setting the right mood. At one company, a spinner determines a person's punishment, with the needle ending up on anything from small monetary fines to a chore such as cleaning the office coffee pot for a week.

The no-multitasking rule has become more difficult to enforce as the use of laptops and other devices as legitimate digital note-taking tools has become more common. Sometimes a participant does genuinely have something to do on his or her device that relates to the meeting—making a note of a follow-up item or looking up data that pertains to the discussion at hand. You will need to use your judgment as to whether a participant is being helpful or rude.

Remember: You called the meeting and you thought carefully about who should be attending. Everyone whom you invited belongs in the meeting for a reason, so it's entirely fair to make sure that they give you the benefit of their full attention and perspective.

Closing the meeting

The closing phase of the meeting doesn't have to be long, but it does need to set up what happens afterward. You'll want to set the right tone—so participants are motivated to follow through on their action items and feel excited about the project as a whole—and you'll want to make it clear what those action items are so that they know what they need to accomplish.

Begin by summarizing the session. Either the leader or a participant you appoint can perform this function.

Then be sure to reiterate key points, decisions, and next steps, along with who is responsible for what

task. Consult whoever took notes to make sure you haven't missed anything. This process brings together loose ends and clarifies any misunderstandings.

Finally, give a brief motivational message: "Great discussion today. Thanks so much. We got a lot done!" If the meeting was contentious, that's all the more reason to remind people about what went right.

Then pat yourself on the back—you've done it! Running a meeting gets easier as you become more experienced, and you now have the building blocks.

The Day After: Making Your Meeting Stick

The Day After: Making Your Meeting Stick

Your job as leader of the meeting doesn't end with the conclusion of your gathering, however. You need to convert the meeting's conversation and decisions into action afterward.

The follow-up note

When you finish a successful meeting, you should then create a follow-up note to reinforce to participants what you accomplished, alert all stakeholders to key decisions, and ensure that all have heard the

same message or information. Management guru Peter Drucker once noted that famed General Motors CEO Alfred P. Sloan became an outstanding executive in part through his succinct, clear, and powerful meeting follow-up memos.

What goes into an effective follow-up note? Detail what was accomplished, based on the points recorded on the flip chart or whiteboard and the notes you or the scribe took during the meeting. The memo should be written so that anyone who wasn't there can easily understand what occurred.

A good follow-up memo covers three basic elements—what, who, and when:

- *What* specific decisions and outcomes resulted from the meeting, and what tasks need to be done as a result of the meeting? If you are recapping a meeting in which a critical decision was made, include more details for people who need to understand how your thinking evolved.

For example, the memo might include more specific information, such as the following:

- The definition of the problem
- The method of analysis
- The alternatives discussed
- The criteria for deciding
- The decision
- Tasks that need to be done
- The expected outcome

- *Who* has responsibility for the tasks that need to be done? If meeting participants have voluntarily committed to undertake specific actions during the meeting in front of other participants, it's more likely they will complete those tasks. However, you can still use the time after the gathering to assign tasks even if those

assignments weren't discussed during your time together.

- *When* must the tasks be completed? Keeping participants realistic about the schedules they commit to ensures that tasks actually get carried out. Include the date of the next meeting or follow-up actions. Mark those due dates on your calendar—and remind individuals in advance of the deadline that you're expecting something from them. People will make time to take care of their assignment only if they know you're tracking that it's done and done well. And tuck in a thank-you to the participants: They should understand that you appreciate their hard work.

Ask yourself these questions and then formulate the note itself. It shouldn't be long: The whole point is that it's a succinct summary of key decisions and of who needs to do what to put them into action. If at all possible, the plan should fit on one page.

In terms of structure, if your note needs to ensure that next steps are taken, provide a brief summary of the meeting and then list, person by person, who has what follow-up responsibilities and their due dates, before you detail other notes from the meeting. Figure 2 shows a sample follow-up note.

Send the note to all meeting participants and also to people who were not at the meeting but need to be kept informed. Informally make the rounds of key individuals in the days ahead to follow up and make sure they've seen your memo and are aware of any critical highlights.

Also provide the participants with the resources they'll need to accomplish their individual post-meeting tasks. Most important, do what *you* said you were going to do. Make things happen! Don't let things slow down and get lost. Act on the decisions made and keep the spirit of the meeting going.

FIGURE 2

Sample follow-up note

Special Revenue-Generating Project: Reprioritizing Workloads

1/20 Follow-up notes
Attendees: Emily, Lisa, Jack, Chris, Angela, and Steve
Meeting objective: To develop plan for shifting other responsibilities of key team members.

In this meeting we discussed approaches to lightening Chris's and Angela's workloads. We have determined that the best approach will be to ask Steve's direct report Sarah to take on several of their responsibilities.

Next steps:

- Steve will discuss this change with Sarah by next Wednesday and confirm that she has the bandwidth to do the extra work.
- Once Sarah is made aware of her added responsibilities, Lisa will send an email to the full group, and Emily will send a note to the Special Revenue-Generating Project team, updating them about the changes.
- Jack will inform the group about no longer sending out sales reports.
- Chris and Angela will set up individual meetings with Sarah to train her on their responsibilities.

What	How	Who	When
Opening	• Importance of Special Revenue-Generating Project		
	• Role of key team members on the project		
Team members' current responsibilities	• Compiling and sending out weekly sales reports; making sure marketing has information they need about upcoming products; main point of communication with two key sales accounts	Chris	

What	How	Who	When
	• Investigating sales leads for a critical product line; sales specialist for that product line; main point of communication with two other key sales accounts	Angela	
Possible responsibilities to shift away from team members	• Can't move key accounts responsibilities—these are long-standing relationships		
Potential solutions and approaches	• Sarah has been asking for more responsibility—could give her Angela's role on the other product line		
	• Could stop sending out sales reports since they are all available on corporate intranet now—need to advise group	Jack	Next Friday
Decision on an approach	• Steve is concerned about adding all of this to Sarah's plate—need to talk to her	Steve	Next Wednesday
	• Team decides that this is still the right approach; Jack approves		
Next steps	• Send email notifying sales team and Special Revenue-Generating Project team of changes	Lisa, Emily	After Sarah is notified
	• Set up training for Sarah	Chris, Angela	Within two weeks

How did you do?

The big follow-up question for you is, *Was your meeting effective?* By reflecting on the success of your leadership, you can continue to grow. If you identify problem areas, you can also address any issues that they caused.

- *Judge by the results.* Did you accomplish your objective? Were the right people invited—and did they show up? Did most people participate? Did the group work effectively together? Did you get positive feedback after the meeting?
- *Seek out the critics.* Make sure to meet privately and informally after the meeting with those who seemed dissatisfied or who didn't contribute as much as others. You may learn something important to your project that they weren't willing to contribute in the session, or you may get helpful feedback about the meet-

ing process, agenda topics, objectives, and action plans. And you will also probably soothe unhappy colleagues and improve overall group relations. They will appreciate your attention and know that their point of view is being taken seriously.

- *What could you do better next time?* Every meeting is an opportunity to sharpen your skills. If your meeting didn't go perfectly, there's always next time. Make notes about what you could do differently—and remember to refer to them before your next gathering.

Meeting follow-up checklist

If you've gotten as far as having a successful meeting, don't waste all your hard work by neglecting to keep momentum after the gathering. Here's a quick reminder checklist of everything you need to be sure to do.

MEETING FOLLOW-UP CHECKLIST

Have you . . .

- ☐ Written a succinct follow-up note, including what, who, and when?
- ☐ Distributed the note to all participants?
- ☐ Recorded any task due dates in your calendar so you can follow up to make sure they are completed?
- ☐ Distributed the note to all other relevant stakeholders?
- ☐ Followed up with key stakeholders in person to make sure they are aware of meeting highlights?
- ☐ Assessed yourself as leader?
- ☐ Assessed the outcome of the meeting?
- ☐ Met with critics?
- ☐ Thought through what you could do better next time?

Running Specific Types of Meetings

Running Specific Types of Meetings

There are lots of good reasons to have a meeting, and although the advice in this book applies to most of them, specific types of meetings may call for different or additional strategies. Are you trying to solve a problem? Do you need to make a decision? Do you need to include individuals who are scattered around the globe? We'll cover each of these types below.

Solving a problem

A meeting can be the most efficient way to get all key stakeholders in a room to focus on solving a problem, especially if there is a sensitive issue that involves a large number of people in your group. Having this conversation in real time and in person means that everyone involved will have bought into the solution and emotions can be defused because everyone's voice has been heard. If your team is being asked to cut costs, for example, you could gather the entire group affected, identify possible solutions, and then work through, with everyone's input, which solutions are viable, which are not, and which might be best.

When using a meeting to solve a problem:

1. Find out what the participants' perceptions of the problem are.
2. Get agreement on the definition of the problem.

3. Discuss how long the problem has been going on and what is happening now.
4. Determine what the group thinks are the causes of this problem.
5. Outline the future consequences of the problem if it is not solved.
6. Brainstorm options for solving the problem. Clarify the advantages and disadvantages of each option.
7. Choose the most effective method for selecting an option. Consider the key factors, such as time, resources, financials, values, and so forth, involved in the choice.
8. Gain full agreement—or at least a consensus—on an option for problem resolution or management.

Some problems are too complex or sensitive to be solved in a single live meeting ("We need to figure out

how to cut 25% of our personnel costs in the next two years . . ."), but you can at least advance your thinking and brainstorm options with the group. After the meeting, you can assign the best options to individual meeting participants so they can research the proposed solutions further and present their thoughts at a future gathering.

Making a decision

Decision-making meetings can be tricky since there's a fine line between encouraging people to feel that a decision-making meeting is a collaborative wielding of authority and actually making a final choice that may or may not have been the most popular option. By virtue of having a meeting about making a decision, you are implicitly signaling to your team that their opinion and buy-in is important. So you can't hold such a meeting that in reality feels like it's just for information gathering or to encourage participants to

rubber-stamp something you have already made your mind up about. That will defeat the purpose.

Instead you need to be very clear—to yourself and to the group—how you intend to make the decision, your role as leader, and how much you want the group to take ownership of the decision. If you take time before the meeting to follow these steps, the meeting itself will flow, if not more smoothly, then at least more predictably.

- Make it clear to all participants that the purpose of the meeting is to make a decision. That will help ensure that everyone attends (since the stakes are high) and that they have a vested interest in preparing for and participating in the meeting.

- Explain to them exactly what decision-making process will be used. ("This will be a majority vote meeting" or "I'm going to make the decision at the end of the meeting, but I want your input," for example.)

- Give everyone the right facts in advance. When you have teed up a meeting to make a decision, it's critical that you make the decision with all relevant background information and expert opinion; otherwise, you risk making a bad decision and either having to revisit it later or living with the consequences.

Making a decision in the meeting

If your goal is to leave the meeting with a decision made, there are three different approaches you can take; each approach has benefits and drawbacks, as discussed in table 1.

Virtual meetings

In today's global, flexible workplace, phone and video conference calls are increasingly common. As the

TABLE 1

Choosing a decision method

Decision method	Advantages	Disadvantages	When appropriate
Decide by majority vote	• Generally allows for a decision in a relatively short period of time • Widely perceived to be a fair way to decide things	• Creates public "winners" and "losers" • "Losers" feel their voices have not been heard • May not end with complete buy-in	If the decision will affect a large group of people and is not critical to the daily operations of your business (such as budgets or a key client). For example, you might be deciding how to best organize vacation priorities (who gets to pick their vacation weeks first?).
Decide through group consensus Group consensus means reaching a decision that *everyone* understands, can support, and is willing to help implement. Individual members may still feel that other options are preferable, but *genuine consensus* is established when all members come together around a particular course of action.	• Usually results in complete understanding of the decision and its implications by all participants • Greater chance of buy-in from all parties	• Often more difficult to reach, particularly if the group is unfamiliar with the process • Usually takes more time than other decision-making approaches • If no consensus can be reached, effectively stops progress toward a decision	Consensus decisions are advisable when: • The necessary change requires complete understanding and buy-in from all parties. • The decision requires the expertise of an entire group to design or implement it. • The group itself is well versed in the art of consensus decision making. For example, if you need your team to agree to dramatically overhaul the way projects get done to be able to respond to client demands more quickly, everyone on the team needs to believe that the new workflow will actually work, even taking into account the challenges, and that they, personally, can make their piece of the workflow chain work. If someone doesn't think the new plan is realistic or do-able, for example, you don't have a real consensus and are likely setting up the new plan to fail.

(*continued*)

Decision method	Advantages	Disadvantages	When appropriate
The leader decides	• The fastest approach to decision making; when time is short or there is a crisis, this may be the best approach. • Participants will end up respecting the leader and the decision if they understand why the decision has been made.	• Participants may feel that their views have been ignored, particularly if they haven't been given the chance to state their ideas. • Buy-in of participants is less likely than with the other decision-making approaches.	One of the key jobs of a leader is knowing when and how to make tough decisions. Sometimes a group simply can't agree on a plan forward, either by majority or consensus. That's when it's critical for a leader to be willing to make a decision and then enforce it. If you've run your meeting effectively, your team will feel as if their opinions were heard and considered and will support your decision in the end, even if they might have chosen a different path. For example, when extra work comes down the pike for people in your group and everyone's already feeling overtaxed, it's unlikely that they'll agree by consensus which is the logical group of people or individuals to have to work extra hours to get things done. You might, as the leader, need to hear each team member's workload and perspective and then make a decision as to who can really best handle the extra demands.

leader of a virtual meeting, you will have to anticipate specific challenges that come with remote attendees, and welcome those attendees so they don't feel excluded or feel that they have to make a show of being there and dominate the meeting without getting a sense of the room.

It's possible to run a great meeting virtually, even when *all* the participants are in far-flung locations. It's an efficient use of time, and can actually build a sense of teamwork and camaraderie for colleagues who don't see each other every day. Technology can enhance collaboration: You can take advantage of tools that allow you to create a virtual whiteboard, vote anonymously, run a chat room for side discussions, and so on.

But virtual doesn't mean casual. Because of the challenges associated with a virtual meeting, you actually have to plan your meeting even more carefully.

Here are some tips to make your virtual meeting as productive as possible:

- *Use video.* If remote attendees are just casually listening in on speaker phone, they may not participate as fully. Their intentions might be good, but it's pretty easy to only half pay attention in a meeting if you don't think anyone is watching what you do, and you are likely to feel one step removed from the conversation if you know your colleagues hear you as just a disembodied voice. So insist, whenever possible, on using video. Not only does it bust the half-attention crowd, but also it allows everyone to read each other's reactions and moods. There's nothing worse than responding seriously to a joke you didn't realize was a joke, or vice versa. You can gauge how people are feeling by seeing their faces and body language.

- *Ban the "mute" function.* A surefire way to kill the flow of any virtual meeting is with the dead silence that follows a joke because people have

their audio on mute. Perhaps more importantly, the mute mode discourages spontaneous discussion. Of course, if someone is in a noisy environment like an airport terminal, the mute function can help prevent disruptions to the meeting, but remind your attendees at the start of the meeting that those instances should be more the exception than the rule.

- *Don't have talkers and listeners.* Moderating the conversation to involve everyone is even more important in virtual meetings. Make liberal use of the suggestions about incorporating all points of view in "Leading Your Meeting" earlier in this book. Don't let those who are there in person do all the talking or take the only responsibilities during the meeting. You can assign different people different tasks for any given meeting in advance, such as whiteboard manager (which can be done

electronically), Q&A timetable manager, scribe, and so on. Rotate the functions at meetings to keep everyone engaged.

- *Make a partially virtual meeting entirely virtual.* The dynamic of a virtual meeting can be thrown off if some people are actually physically gathered and can see and talk to one another offline. If one person is separated from the rest, consider asking everyone to call in from their desks: This means no one unduly benefits from side conversations or facial expressions.

When virtual won't cut it

Not every topic is appropriate for a virtual meeting. If you're talking about an event that may affect people's jobs, for example, it's better to have one-on-one meetings, even via phone, than to deliver bad news virtually. Nobody wants to be one of many people listening

in to a conversation that will profoundly affect them. It's too impersonal.

If you're informing staff of layoffs elsewhere in the company, it's okay to do this as a group, but try to have everyone in the room with you. (Again, don't inform staff that *they* are being laid off in a group meeting—that has to be done one-on-one. But you can update them on layoffs within the company.) If someone can't attend the meeting in person, plan to reach out to them via phone or video call immediately after the meeting.

Sometimes, the energy required for brainstorming or blue-sky thinking is just better with people in a room together. That might mean convening a special offsite meeting or asking people to travel to the office (with some notice) if possible. Think through what you can accomplish virtually—and what you can't—before choosing the right format for your meeting.

When Good Meetings Go Bad, and How to Fix Them

When Good Meetings Go Bad, and How to Fix Them

Unfortunately, even if you've followed all the guidelines for conducting an effective meeting, things can still go wrong. You're dealing with human beings, after all! They can derail even the most carefully thought-out agenda.

The best way to handle problems is to prepare for them as much as possible ahead of time by thinking about the attendees you've invited who tend to cause problems. A windbag? Consider asking him in advance of the meeting to focus his comments on a particular aspect for which you value his opinion. A constant critic? Follow up your meeting invitation with a

suggestion that she lead the discussion on a particular aspect of your decision.

What to do if . . .

The following intervention techniques can serve as first-aid measures to help you get your group—or an individual who is part of your group—back on track in the midst of your meeting.

Participants arrive late or leave early

- Consistently begin and end meetings on time. People will come to respect your time limits and boundaries.
- Give participants (especially those who have a habit of being late) a job to do during the session. No one with an assigned responsibility

wants to come in late to a meeting and scramble to get it done.

- At the beginning of the meeting, ask the group if everyone can stay until the designated end time. If not, consider adjusting the length of the meeting. Preempt early departures.
- After the meeting and in private, ask the person why he or she missed part of the meeting. Find out what the underlying causes for the behavior may be, if possible.

One participant dominates the discussion

- If you are standing, walk closer and closer to the person. This tends to draw group attention *to* you and *away* from the speaker.
- Thank him for his input, and call on some one else.

- If she finishes other people's sentences, encourage her to let other people speak for themselves.
- Ask the group to change roles so that the quiet people speak up and those who have been talking remain silent for a while.
- For chronic interrupters, during a break, ask them to jot down their thoughts and wait until there is a pause to contribute them instead of just shouting them out.

The group keeps repeating points already made

- Keep track of ideas on a flip chart or whiteboard.
- Confirm your understanding of the ideas presented by "active listening." That means restating ideas by saying something like "What I hear you saying is . . ." and repeating back to

the participant a fair and accurate summary of what he or she said.

- When someone begins to repeat an already-listed idea, point to the chart or board and ask something like "It looks as though we've already covered that point. Is there something new you want to add?"
- If people still keep coming back to the point, you can seek resolution on the spot, saying something like "Well, this is obviously important to the group, so let's deal with it right now."

Participants disturb the meeting

- Explain the ground rules for participant behavior at the beginning.
- Try asking a question, including the transgressors among the people you'd like to hear from.

- Try asking for a single focus, saying something such as "Our purpose today was to shape our innovation strategy for the year. Can we please focus on that again?"

- Make fresh connections. If you've agreed on what to discuss and someone still seems off-track, ask her to explain how the topics are related. You might learn of a correlation that you hadn't considered; if so, let the team decide whether to explore the idea now or, if it's unrelated but still important, at a future meeting.

- Call for a break if the problem continues. Then, during the break, ask people individually what's going on. Get at the reasons for the disturbance and, if necessary, directly request the offending parties to stop. Tell them you'll address any legitimate concerns after the meeting.

The group gets stuck or confused

- Ask the group what's going on or if there is something they don't understand or don't have enough information about.
- Remind the group what the agenda item is and what the specific objectives of that item are. Ask the group if there is a key point or issue that has not been raised and needs to be.
- Suggest a short break. Then return to the topic at hand or move it to a later position on the agenda or to a later meeting.
- If all else fails, remove the item from the agenda. You don't need to be a superhero—your goal is to make your meeting effective. If something isn't ripe for a good discussion, take it off the agenda and rethink how to better address the issue after the meeting.

The group falls silent

- Allow silence for a full minute. The group may need time to reflect on an idea or their own reactions to an issue, so wait before giving them a suggestion. While you may want them to respond right away, consider that thoughtful comments come from participants who take time to organize and articulate their reactions. Don't be afraid of the silence.
- Ask the group directly, "I notice that you've fallen silent. Can someone say what's happening here?"
- Ask people if they would like you to clarify something.
- Ask them if you are unaware of a key point or issue or if you have caused some confusion.
- Think about whether *your* behavior might be the problem. Ask yourself if you came on

too strongly in an opinion or a preconceived solution.

- Ask the group if there is something everyone's avoiding discussing that's important.
- Take a short break to refocus and find new energy—but be clear that when the break is over, you expect to focus and finish. And don't take a long break—five minutes is fine; with more than that, people tend to get sucked up into other tasks or to disconnect.
- If the group just seems worn out, consider ending the meeting and rescheduling.

There's an elephant in the room

The group may avoid an issue or attempt to focus on one issue to the exclusion of others because members are afraid to bring up a particular subject. If you don't realize there's such an issue in advance of the meeting,

you are likely to have some clues in the room: participants staring intently down at their notebooks and refusing to make eye contact with you, exchanging furtive glances with each other, or starting to speak and then censoring themselves. The problem could be a topic that seems too difficult to tackle, too taboo to raise, or that, if discussed, would create more work for the team. For example, if participants know that firing a subpar vendor would solve a problem but would mean they would need to start from scratch with a new vendor, they may not want to bring it up. Or they may be concerned about an impending round of layoffs, so they won't be at their best in a group meeting—even if the meeting topic is unrelated.

If you know or suspect that something emotionally fraught lies behind the team's malaise, it may be best to address the problem in more private, one-on-one settings, in which an individual is free to express emotions or personal questions related to the decision. But if it's not something as sensitive as that, you

need to move the group along within the meeting. Here's how:

- If you realize what the issue is, raise it yourself to get the group moving again. Then ask the group to explain in detail the nature of the problem, issue, or opportunity. Find out how long it has existed, who is involved, and what the consequences are. Remember to thank a participant if he or she brings up a controversial or different viewpoint. That way, you'll reinforce the idea that constructive debate is often a good way to find solutions.
- Let the group know how important it is to bring up all options, concerns, and issues, even if they are difficult. Let them know you won't kill the messenger. It's a common human urge to blame the bearer of bad news, but it's wrong, so don't do it. Even better, thank the person brave enough to be the messenger.

If real, angry conflict arises:

- Call an immediate halt to any bickering.
- If necessary, take a break and speak to the contenders individually.
- Let all members know that it's fine to be passionate, but ask people who are unable to control their tempers to deal with their issues outside the meeting room.
- Reaffirm the ground rules and norms for behavior that you established at the beginning of the meeting.
- Encourage members to keep their comments positive and constructive and to try to see all sides of a contentious issue.
- Focus on the substance of ideas or opinions—not on the contributor's personal style or status in the organization.

- Keep members from evaluating or judging each other's ideas too quickly. For example, if it seems like every idea that the team suggests is getting attacked by other team members, you can say, "Now there's an idea. Let's not evaluate it just yet. Just let me write it down now, and we'll get reactions to it later."

- Use probing questions to steer members away from entrenched positions and to help uncover the underlying issues. "Work through this thought with me: What would happen if your group did agree to take on these new responsibilities?"

- As a last resort, ask the most contentious individuals to leave the meeting and then catch up with them later on.

You have a responsibility, as the meeting leader, to make sure you haven't wasted your own or your

participants' time by letting a good meeting go bad. Be prepared for problems and challenges to come up, but stay calm and remind yourself—and your team—that your goal is to make it a productive session and that you want to keep everyone focused on having a healthy conversation.

Learn More

Quick hits

Ashkenas, Ron. "Why We Secretly Love Meetings: The Status and Social Drive Beyond the Agenda." *Harvard Business Review Blog Network*, October 5, 2010.

We often focus on the negative aspects of meetings. Ashkenas reminds us of the dirty little secret that we actually *like* meetings and explains why they are valuable from a social perspective.

Silverman, David. "The 50-Minute Meeting." *Harvard Business Review Blog Network*, August 6, 2009.

If students have a moment to catch their breath between classes, why not so adults with their meetings? Silverman's suggestion to include "travel time" when booking your meetings is easy to grasp—and it's complemented by a series of reader comments that provide even more timing tips.

Trapani, Gina. "Extreme Ways to Shorten and Reduce Meetings." *Harvard Business Review Blog Network*, July 20, 2009.

Sometimes standard guidelines don't provide enough help when it comes to keeping things short and simple. Trapani suggests some more aggressive tactics to keep things moving during the meeting—and for picking the right meeting length to begin with.

Books

Dunne, Patrick. *Running Board Meetings (3rd Edition): How to Get the Most from Them*. London: Kogan Page Ltd., 2005.

Specific meeting advice for board directors on how to make the board's time together more efficient and effective.

Hass, Kathleen B., and Alice Zavala. *The Art and Power of Facilitation: Running Powerful Meetings (Business Analysis Essential Library)*. Vienna, VA: Management Concepts, Inc., 2007.

More specific meeting advice for business analysts who need to facilitate requirements-gathering meetings.

Pittampalli, Al. *Read This Before Our Next Meeting: The Modern Meeting Standard for Successful Organizations*. Do You Zoom, Inc./The Domino Project Powered by Amazon, 2011.

Pittampalli is impatient with the way meetings are handled in today's otherwise fast-paced world, and so he throws down a set of rules for the "modern meeting"—for example, they must always start and end on time; they reject the unprepared; and they should not be used to make decisions.

Classics

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Notes

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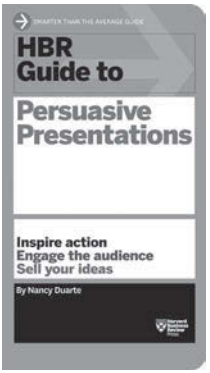

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Preview

Nurturing a productive, mutually beneficial relationship with your manager starts with *you*, the direct report. That may seem daunting, but the art of "managing up" is one you can learn. This book walks you through the basics:

- Understanding your manager's priorities and pressures.
- Communicating your own needs and goals clearly and diplomatically.
- Building on common ground.
- Setting a positive tone for the relationship.
- Managing your boss's expectations—and your own.

- Navigating negotiations and disagreements.
- Strengthening your connection over time.
- Assessing the relationship and making adjustments.

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Managing Up

What Is Managing Up?

What Is Managing Up?

When you ask a friend how her job is going, she says, "Once I started managing up, things got a lot better." You cringe, thinking "managing up" smacks of political maneuvering, cozying up to the boss, or even outright manipulation.

Fortunately, when it's done right, managing up isn't any of those things. It can be a delicate business, no doubt. But it needn't involve power plays on the one hand or kowtowing on the other. Managing up is simply a conscious approach to working with your supervisor toward goals you both care about. The aim is to achieve a mutually beneficial relationship. This book gives you tips on how to do that.

What managing up involves

Even though you're not the person in charge, you'll need to set a positive, productive tone for your relationship with your boss. And that requires certain skills:

- Knowing yourself and your manager well
- Managing expectations on both sides
- Listening with a keen ear
- Communicating in a clear, authentic voice
- Negotiating with diplomacy
- Monitoring the relationship as it progresses
- Making necessary refinements

You may be thinking, "Why not sit back and let my boss handle all this? Isn't the *manager* supposed to be the one who *manages*?"

But standing high and mighty on that principle doesn't help anyone. Besides, you'll miss out on the benefits of managing up, which you'll read about next.

Why managing up is useful

Managing up helps you obtain the resources and buy-in you need to do your best work for your boss and your company. You, your manager, and your organization are interdependent: Only by recognizing that fact can you cultivate a strong, trusting relationship that allows you to get things done. You and your manager will then feel secure as you work together to solve problems rather than just talking about them, ignoring them, or sweeping them under the rug. And you will both feel more satisfied at work. Consider this example:

> *Sam, a new director with a formal work style, replaced someone who had a looser, more intuitive approach. Carla, one of his direct reports, knew the*

importance of managing up. When she asked Sam how he preferred to receive information and updates, he said he liked reviewing reports before discussing them because it kept meetings structured and brief. So before her meetings with Sam, she sent him background data and discussion agendas. The result: highly productive meetings and innovative problem solving that improved the entire team's performance. Sam's transition was smooth, and he and Carla quickly developed a friendly, efficient working relationship.

Contrast Carla's experience with that of Larry, another of Sam's direct reports:

Larry found Sam's style too controlling. He was not especially interested in managing up or learning what Sam valued, so he didn't ask for direction. He seldom provided background information before meetings and often felt blindsided by Sam's questions when they sat down to talk. Consequently,

Sam's meetings with Larry lasted longer—and accomplished less—than those with Carla. Sam found them frustrating, and he attributed delays on projects to Larry's inefficiency. So Sam gave Larry negative performance reviews and didn't put him forward for promotions.

Carla's efforts at managing up clearly benefited everyone involved: Sam, her team, and herself. But failing to manage up means more than simply missing out on benefits. It can be a risky proposition, as Larry's case illustrates. Refusing to learn about and accommodate your manager's preferences can lead to misunderstandings about your skills and your dedication to your work.

"Tuning in" to your manager, however, is only part of what it takes to avoid problems like Larry's and reap rewards like Carla's. You must also know yourself and navigate the differences between the two of you—that's what we'll cover next.

Knowing Your Manager—and Yourself

Knowing Your Manager—and Yourself

Managing up is a constant process. It takes keen observation and a willingness to adjust your behavior on a daily basis. But once you and your boss have built a trusting relationship on a solid foundation, cultivating it becomes easier and less time-intensive. The first step in getting to that happy place is identifying where you and your boss stand, both professionally and personally.

Roles

Beyond your obligations to each other, you and your manager have specific roles to play and people to whom you're accountable. In short, you each have a web of complex relationships to maintain and responsibilities to fulfill. Acknowledging those realities can help you see the world from your boss's point of view.

It's also essential to understand your manager's priorities and pressures—and to map them against your own. Locate points of overlap and those of potential conflict, perhaps by marking them on an organizational chart. The visual evidence can expose hidden risks and opportunities in collaborating with your manager.

For example, look for chances to support your boss in work she's doing for her own manager. Ask how you can help—and suggest ideas of your own. Suppose, for instance, she could use an extra set of hands on an exciting project with a tight deadline. Propose

taking on certain tasks that complement your skills and interests. You'll get to participate in higher-level work, your boss will get more done, and throughout the project you'll be showing—not just telling—her that your goals and hers go hand-in-hand.

Of course, differences in power can make some subordinates, especially those who are themselves managers, react in unhealthy ways. Management experts John Gabarro and John Kotter highlight two problematic responses to a boss's authority:

- *Counterdependency:* when you unconsciously resent your boss, perhaps even see her as an institutional enemy. Counterdependent subordinates may start arguments (especially with authoritarian bosses) just for the sake of fighting.

- *Dependency:* when you swallow objections—or anger—and comply even when your boss makes a poor decision. Dependent subordinates stew rather than express honest opinions.

If you recognize a bit of yourself in either of these profiles, consider how your natural reaction to authority in general may be damaging your relationship with your boss. Then think about ways to respond more constructively, as in the previous example, where offering to help your boss leads to a more efficient division of labor and the chance to contribute to a desirable project.

Strengths and weaknesses

Once you know your manager's strengths, you can find ways of working together that bring out the best in both of you. You can also appreciate how she's using those strengths to support team and company goals—and tactfully promote those accomplishments to others in the organization. Bosses appreciate, and often reciprocate, that kind of advocacy.

Though you may have a pretty clear idea of what makes you a good employee, pinpointing your man-

ager's strengths can be tougher to do. You'll certainly want to observe her as she pursues objectives and interacts with others. You can also get valuable insights by talking with coworkers who know your boss better than you do, especially if you've just started reporting to her.

Having done that bit of informal research, list your manager's strengths alongside your own and note the similarities and differences. Points of overlap—say, you're both analytical and data driven—can spark camaraderie and strengthen your relationship. Differences needn't be seen as problems—they can signal opportunities to complement your manager.

You may, at times, bemoan your boss's shortcomings or even feel thwarted by them. But that's a prescription for frustration. Instead, think of recognizing her weaknesses as an important step toward achieving your common goals. Figure out where your manager needs assistance, and step up to offer it.

For example, if your manager has a tough time meeting deadlines, identify the obstacles that typically

stand in the way. Offer to tackle those tasks for her if they're in your purview—or to perform a supporting role if they're not. Even a friendly reminder a week or so ahead of a deadline can go a long way. A collegial, in-person nudge is more likely to prompt action than a sterile ping on an electronic calendar.

Zero in on your own weaknesses, as well. To develop an effective partnership, you need to know when to lean on your manager, not just when she can lean on you. If your weaknesses and hers overlap in some areas, those may be points of "friendly commiseration" on an emotional level. On a practical level, they may reveal where the two of you need outside support.

Work styles

As Carla did in our earlier example, ask your manager how she likes—and does not like—to operate. It's im-

portant to know her general preferences ("Stop by my office rather than sending me e-mail") and to scope out specifics ("Updates on this project should come to me every Thursday by noon").

Your boss may not think to articulate her overall style or her day-to-day approach to getting things done, assuming they're obvious. But chances are, she also won't mind answering a few thoughtful questions about how she likes to work. Table 1 lists some questions you might try and related actions you can take. The fact that you're asking demonstrates your interest in efficiency, your capacity for foresight, and your attentiveness as a direct report.

As presumptuous as it may seem, it's also important to clarify your own work style with your manager in the interest of practicality and transparency. But don't forget the power difference discussed earlier: Show a willingness to modify your own approach to arrive at a mutually suitable style of interaction with your boss. In leading by example, you may find that

TABLE 1

Work style questions and actions

Questions to ask	Sample actions to take
Do you prefer formal or informal delivery of information?	• If your manager favors formal delivery—reports, spreadsheets, and so on—prepare agendas for your meetings with her and give her relevant documents in advance. Also send frequent, regular updates on your assigned projects. • If she likes informal sharing, avoid burdening her with documents before you chat. Update her on projects only at crucial junctures or when you need specific guidance.
How do you like to process information?	• If she wants to study it by herself before discussing, supply it in written form. • If she prefers to react and ask questions on the spot, present the information in person.
How would you describe your management style?	• If she likes to have a hand in day-to-day operations and decision making, touch base with her often. • If she prefers to delegate, keep her abreast of essential developments, but handle most of the details on your own.
How do you address problems and conflicts?	• If she prefers open debate, be prepared for lively, spontaneous exchanges, bearing in mind that her goal is to air ideas, not to express anger or disapproval. • If she favors a more reflective approach, show that you have analyzed the situation by stating your observations plainly. Give her the chance to do the same before you both decide on a course of action.

Source: Adapted from Liz Simpson, "Why Managing Up Matters," *Harvard Management Update*, August 2002, 4.

your manager extends the accommodation in the other direction, adjusting her practices a bit to suit what matters most to you.

Motivators

At every employee's core, from entry-level worker to CEO, are the things that drive her to do good work. Identifying what motivates your boss is a key component of managing up.

Sometimes it's easy. For example, if your manager is driven by a desire to trim costs, she has probably shared that publicly. You might support that aim by streamlining redundancies in processes or systems that you oversee.

But some motivators run deeper. Perhaps your manager is a "big picture" person, inspired by vision, and prefers to leave details to team members like you. In that case, don't dive into minutiae when you give

her updates; briefly sum up what you've done and explicitly state how it supports her overall goals. By contrast, if your manager craves specifics, you might choose an illustrative example as a cross-section of your work. You'll engage her with the intricacy of what you're doing rather than boring her with the broad spectrum of your tasks.

Similarly, during check-ins with your manager, talk about what motivates you. That equips her to make engaging assignments and connect you with people in her network who will inspire you. Report back to your manager when you find a specific project exciting—make it easy for her to give you the kind of work that makes you tick.

Managing Expectations

Managing Expectations

Setting clear expectations is essential to building a productive relationship with anyone, and your boss is no exception. Though it's a two-way street, give your manager's priorities top consideration—after all, she's in charge. Identify what she wants from you and do your best to deliver it.

Know what your manager expects

Your boss will want you to fulfill your key responsibilities, meet her standards for performance, and achieve objective measures of success. But you can't do any of

that until you understand how she defines those responsibilities and standards and which metrics she'll use to gauge your progress.

Ask her to describe what she's looking for in your work. If she doesn't articulate her expectations clearly, try writing them up and sharing that informal document with her to make sure you've captured them accurately. Then schedule a follow-up conversation or ask for written feedback—whichever your manager prefers. You'll want to revisit those expectations periodically, in case they change.

Every job—and every manager-subordinate relationship—is different. But most managers expect some combination of these behaviors from their direct reports:

- *Offer ideas.* Make creative suggestions for innovation or improvement. If you have an idea, err on the side of sharing it rather than squelching it.

- *Manage your own direct reports competently.* Coordinate their efforts, foster camaraderie, write useful and specific performance reviews, support their professional development, step in when one of them falls behind, and manage crises with skill and patience. When your boss needs to hear bad news about one of your direct reports, deliver that news yourself.

- *Collaborate with peers.* Work collegially with others toward your manager's goals. Overcome differences with coworkers, even if you dislike one another, with the aim of getting the job done.

- *Lead initiatives.* Raise your hand for cross-functional projects, particularly those that involve implementing new ideas. Make clear how your involvement is consistent with your manager's expectations of you.

- *Stay current.* Keep abreast of industry trends, marketplace developments, advances in technology, and other events outside the company that may affect its success. Bring your insights to bear on your work.

- *Drive your own growth.* Seek out professional development opportunities. This can mean taking classes or pursuing a degree—but it doesn't have to. You might simply expose yourself to new ideas and people or accept challenging assignments that enhance the value you add to your team and your company.

- *Be a player for all seasons.* Stay positive even during hard times. That will inspire and motivate your direct reports, your peers, and your manager.

Managers differ in how much value they place on each of these behaviors. Tailor your emphasis according to your boss's expectations and work style.

Set your own expectations

To meet your manager's expectations, you must set your own sights ambitiously yet realistically. That means identifying and sharing your—and your direct reports'—needs for direction and resources, as well as respecting your manager's limits in fulfilling your requests.

Discuss all this in a face-to-face meeting, and ask for feedback. By being explicit, you'll clarify your mission, stake out the boundaries of what's feasible, and show your manager that you are deliberate in your approach. If your expectations don't match your manager's, try to negotiate an agreement that works for both of you. (See "Negotiating with Your Manager" later in this book.)

You must also set realistic expectations for those who can help you meet your boss's goals: your direct reports, managers in other departments, customers, suppliers, independent contractors, and others inside or outside the organization.

When collaborating with others in your sphere of influence, ask yourself these questions:

- How do they perceive my manager and the work I'm doing for her?
- Which of my manager's goals can they help me meet?
- What's the most effective way to communicate those goals to them?
- How can I best persuade them to help?
- What problems can I help *them* solve in return?

You won't have formal authority over most people around you, just as you don't have authority over your manager. So you can use some of the same techniques to manage *out* that you've used to manage *up*: offering ideas and solutions, providing feedback, and sharing reactions and perspectives.

Meeting your boss's goals and expectations may require you to relinquish control and empower others.

That may involve delegating tasks—even those that come with significant responsibility—to direct reports. It may also mean coming up with creative ways to share responsibilities with superiors, subordinates, and peers.

In managing up, you're doing that kind of deft interpersonal coordination all the time—and constantly getting better at it. But, as you'll see next, there are limits in how far that skill will take you.

Understand the limits of managing up

No matter how clearly you and your manager set mutual expectations, you won't be able to control every outcome. And when you can't find common ground, more often than not, you will be the one who has to give. The better you get at managing up, the more often you'll agree with your boss and the less vexing compromises will seem when you don't. As the relationship gets stronger, the need for effort diminishes,

but it doesn't disappear. Nor does the power difference between you.

Keep these basic limitations in mind:

- I can influence my manager, but ultimately I am not in charge.
- My own goals are important, but my boss's take precedence.
- My manager sets more expectations for me than I do for her.
- I have more to prove to my boss than she has to prove to me.

Reading that list may make you sigh, but two things should comfort you. First, the list is short, so the possibilities far exceed the limits. Second, you can greatly expand the possibilities by skillfully managing up.

Communicating with Your Manager

Communicating with Your Manager

Effective communication takes a deft touch when you're managing up. If your attempts to persuade are too obvious, they may not succeed. Yet you need to be deliberate in your approach. This chapter helps you walk that fine line.

How to listen and observe

As you engage with your boss in everyday activities, try to identify the messages behind her speech and behavior. The words and deeds matter, of course, but

the values that underlie them often mean more. Listening with a keen ear and observing with a sharp eye can make all the difference in understanding, not just labeling, your manager's communication style.

Consider the statement "My door is always open," which many bosses make to their direct reports. That seemingly transparent sentence can have a variety of meanings. Here are three examples:

Rebecca:
When she says, "My door is always open," Rebecca means it literally. To foster honesty and camaraderie, she wants people to feel free to approach her in person at any time. It invigorates her when a direct report has an idea and spontaneously pops into her office to share it. When a problem arises, she wants to hear about it immediately, because it reassures her that everyone is working as a team. She bristles when people who come in to speak to her close the door behind them. Indeed, she worries that colleagues will see a shut door as evidence of hypocrisy. If Rebecca must

talk with someone in complete privacy, she reserves a meeting room.

Raul:
Raul's open-door policy is one that he expects people to observe in spirit, not in absolute terms. The door to his office is open 90% of the time, but when a deadline is imminent, he shuts it so he can concentrate, especially if he is writing. He wants people to see him as easy to approach and "always available," but he views e-mail and team meetings as legitimate ways for people to reach him. If someone considered him a hypocrite for shutting his door once in a while, Raul would think that the person lacked common sense.

Janice:
Janice works in a cubicle with low walls, as do all of her direct reports, so she doesn't even have a door. To her, an "open door" is merely a metaphor for how colleagues work together. She doesn't want people to fear making mistakes, even in front of her. But she

also places a high premium on giving folks the mental space to do their work quietly and to consider proposals deliberately before acting on them. She wants her direct reports to share novel ideas but expects them to submit those in writing before asking other people to react. To Janice, an open door does not mean an "instant response," a phrase that she often uses when describing slipshod work.

As varied as these "open door" interpretations are, at least Rebecca, Raul, and Janice give their employees something to go on. Some managers don't even have an explicit policy about how—and how often—to communicate with them.

Whatever your manager's preferred style of interaction, you'll probably need to do a little investigating to figure it out. Start by asking yourself these questions:

- *Is my manager a listener or a reader?* Listeners want to hear information first and read about it later. Readers prefer to see a written report before discussing it with you.

- *Does she prefer detailed facts and figures or just an overview?* If she thrives on details, focus primarily on accuracy and completeness; if she prefers an overview, emphasize the clarity and crispness of the main idea.

- *How often does she want to receive information?* Your manager may always want to receive updates at specified junctures or she may have different thresholds for each project, such as daily reporting on critical endeavors and periodic updates on secondary initiatives.

Every exchange of information with your manager has implications for productivity. These tips will help you be more efficient:

- When discussing deadlines, use specific language. Pinpoint a certain date—even a specific hour, if appropriate. Avoid vague commitments like "sometime next week," "ASAP," or "as soon as we can get to it."

- Be honest about what you can and cannot handle. When you commit to an assignment, clearly identify what resources you need to get the job done.
- Explicitly identify your objectives each time you communicate with your manager.
- Ask questions to clarify what you don't understand. Inquire about opportunities for follow-up in case you think of other questions later.

How to present problems and opportunities

One of your manager's main jobs is responding to news, both bad and good. She must factor brand-new problems and opportunities into existing goals, plans, and work flows. You can help by following this process:

1. *Describe the impact in clear terms.* In discussing a problem, pinpoint how it affects your work and your organization's performance. In presenting an opportunity, outline the potential benefits. Explain exactly how solving this problem or seizing this opportunity will help you and your manager achieve your shared goals.

2. *Identify your solution or approach.* Recommend a specific plan, but also present other options. Outline the pros and cons of each possibility and explain why you favor the one you do.

3. *Flesh out the implications.* Do your best to identify everyone who has a stake in the matter. Give concrete examples of the risks and benefits for each stakeholder. If you have tested your solution or approach on a small scale, present the results and what you have learned from them.

4. *Fine-tune your plan.* Actively engage your manager in developing a final action plan to increase the likelihood of smooth implementation. Doing this will demonstrate your commitment to ensuring success.

How to disagree with your manager

When you communicate with your manager, you're looking for common ground. If you don't find it, however, it's important not to panic or retreat. You may think that disagreeing with her will make her perceive you negatively or trigger a defensive reaction. But managers want to make better-informed decisions, so they often seek other perspectives. Indeed, most of them report that they don't hear enough alternative points of view.

To disagree constructively with your manager, show respect and understanding for her point of view,

and demonstrate that you care about achieving the best result for the organization. Here are some ways to do that:

- *Link your idea directly with your manager's and your organization's goals.* This will show that you are motivated by a desire to collaborate and achieve shared aims, not to be contrary.

- *Provide suggestions that your manager can act on, not just objections.* You can say something like, "How about contacting others in the industry who have used this system to see if they're having the same problems? Would you like me to draw up a list of people to call and schedule some time with them?"

- *Explain how your idea can prevent pitfalls.* Identify those pitfalls in precise terms, and present supporting data to show that your proposal is fact-based rather than emotional.

- *Offer a range of options.* Binary choices ("Your way or my way") are likely to meet resistance. Suggesting a few possibilities signals your flexibility and invites your manager to respond in kind.

- *Give verbal and nonverbal feedback.* Use phrases such as "I see" or "I know what you mean." Nod or smile to indicate understanding.

- *Avoid "hot button" language.* If, for example, your boss always recoils when someone describes an approach as a "best practice" or "the next big thing," find another way to express yourself.

- *Reflect your manager's concerns as you speak.* For instance, "I understand that you're worried about how this new plan will work, and I was initially concerned about that, too. But when I did some research, I realized something important . . ."

Moments of disagreement are usually a bit uneasy, but a trusting relationship with a boss allows room for them. Indeed, navigating differences of opinion successfully and with maturity can make the relationship even stronger. And having a solid bond with your manager makes negotiating with her easier.

DEALING WITH A TOXIC BOSS

David is a high-performing project manager with a talent for creating dashboards. He likes his work but is frustrated by his repressive, micromanaging boss, Thaddeus. Thaddeus drones on about the high point of his own (now stalled) career, calls unnecessary last-minute meetings, and frequently tries to one-up his direct reports. Meanwhile, David has managed to impress Irving, an executive VP in the company's

(*continued*)

DEALING WITH A TOXIC BOSS

European division, enough to receive a job offer, but it's a lateral move with no increase in pay.

What should David do? Experts in managing up recommend three options:

1. *Stay Put.* Consultant and author Gini Graham Scott thinks that David should try to remain where he is for now. Taking the job that Irving offers would be the equivalent of announcing, "This is the level where I'm supposed to be." Plus, Thaddeus might see a lateral move within the organization as a personal slight, and the bad blood could trail David to his new position. To cope, David can form a supportive network of colleagues, explore interests outside work, and even attempt—subtly and nonconfrontationally—to get his boss to change some of his crazy-making behavior. For instance, David

might describe (in a memo or face-to-face meeting) what he thinks his boss wants from him and offer ideas on how to achieve it. That would place the focus on David's work, not on his boss's actions. If he can't tolerate working for Thaddeus any longer after trying to improve the dynamic, he should look for an opportunity outside the company.

2. *Make the lateral move.* Brad Gilbreath, an associate professor of management at Colorado State University-Pueblo and a former HR manager, says David should escape from Thaddeus and accept the job with Irving. Research shows that bad bosses' behavior can lead to high blood pressure, depression, and other health problems in their subordinates. Working for

(*continued*)

DEALING WITH A TOXIC BOSS

Thaddeus is clearly taking a toll on David's psychological well-being—and probably on his physical health as well.

3. *Create a new option*. Lauren Sontag, an executive coach and former head of development at JPMorgan Chase, says David should set clear and explicit boundaries with Thaddeus. David might dread the thought of discussing what's bothering him, but having that difficult conversation could dramatically improve Thaddeus's behavior. That said, staying with Thaddeus (whose career is stalled) might be more of a dead end than accepting Irving's lateral offer—because if your boss isn't moving up, you probably aren't either. So David should consider a third option: carving out a new role for himself that capitalizes on his expertise in creating

useful dashboards. He might even propose setting up a dashboard "center of excellence" to serve both Thaddeus and Irving, and adding a junior employee who would report to him. That way, he could meet both their needs *and* advance in his career.

Source: Adapted from David Silverman, Gini Graham, Brad Gilbreath, and Lauren Sontag, "Surviving the Boss from Hell," *Harvard Business Review* (September 2009).

Negotiating with Your Manager

Negotiating with Your Manager

Negotiating with your boss is an art. You're persuading someone in authority to see things from your perspective—and then to take action. Your negotiations may focus on tasks such as overseeing projects, securing resources, winning assignments, or getting buy-in or approval for new ideas. Or they may concern issues of personal satisfaction such as work/life balance or flexible scheduling. Either way, you'll need to:

- Establish your credibility
- Identify priorities
- Communicate strategically

Establish your credibility

Negotiation is most effective when the other party respects your judgment. If you can, lay the groundwork before negotiations begin so your reputation precedes you. But whether or not you have that opportunity, it's wise to gently but confidently establish your credibility by emphasizing your trustworthiness and expertise.

Here are some tips for earning your manager's trust in a negotiation:

- *Be sincere.* Express your conviction that your proposal is worth your boss's time and attention, and explicitly state your commitment to it. You might say, "I really believe in this, and here's why . . ."
- *Highlight your track record.* Remind your boss of commitments you've previously honored—and of the positive results that ensued.

- *Welcome suggestions.* Listen to your manager's concerns and consider how you might account for them in your proposed plan.
- *Put your boss's interests first.* When your manager knows that you care about her goals and needs, she'll be more likely to trust your ideas.
- *Be candid.* Own up to your proposal's limitations. By showing that you're aware of them, you'll demonstrate that you're realistic and thinking about how to avoid problems.

To establish your expertise:

- *Present your research.* Gather as much information as you can about the idea you're proposing, but summarize it succinctly. Back it up with your most compelling data. Lay out counterarguments to show that you've considered potential objections.
- *Gain firsthand experience.* Participate in pilot projects to deepen your knowledge; join cross-

functional teams to broaden it. Share what you've learned with your boss, either in writing or during check-ins.

- *Cite trusted sources.* Name the people you've spoken with about your ideas, recount their reactions and experiences, and refer your manager to them when that's feasible. Testimonials from folks your boss respects will go a long way.

- *Offer proof of concept.* Initiate your own tests, particularly if you're not able to gain firsthand experience in an existing forum. For example, you might run a mini-experiment with your own direct reports before suggesting that your manager try it with you and others who report to her.

With trust and expertise in your arsenal, you're more likely to succeed in any negotiation you undertake.

Identify priorities

Topics for negotiation with a manager cover a wide field, but a common one is how to prioritize your assignments: what tasks to accomplish, in what order, and when.

You should certainly manage your time as independently as you can (you may irritate your boss if you require a lot of oversight). But when you deviate from established routine—as problems arise, for example, or as you take on new responsibilities—you may have to renegotiate due dates, time allotments, and related details with your boss. Never wait until you're about to miss a deadline to reprioritize your tasks with your supervisor. Demonstrate foresight, and preempt problems by proposing alternatives, as discussed earlier.

In negotiating with your manager about work priorities:

- *Show that you are aware of* all *the projects for which you're responsible.* Even if part of your proposal is to delegate a particular task to someone else, don't speak about that task dismissively.

- *Specify clearly what you can and cannot do in the time you have.* Propose more than one option for reconfiguring what's on your plate. And be open to alternatives that your manager suggests.

- *Ask for help setting deadlines for new work to avoid slowing down other projects.* Put together simple charts that show where competing schedules overlap; they can be fabulous visual aids as you plot out the new trajectories.

- *Follow up with an e-mail to seal the deal.* Putting the results of your negotiation in writing

gives you and your manager a handy reference point as you implement changes.

Your manager understands the importance of priorities. After all, as a manager, she must reassess them all the time. Showing her that you, too, can think ahead will facilitate your negotiations because she'll see that you know where she's coming from.

Communicate strategically

In negotiations, persuasion is paramount. So the way you package your message is as important as the message itself. A few pointers can help:

- *Avoid "you"-centered language.* Use words like "I," "we," and "both" so you won't sound accusatory. For example, say "I'm not clear about this point" rather than "You didn't make that clear." Or "Can we can meet that schedule?" rather than "Do you think your schedule is feasible?"

- *Take a win-win approach.* Indicate how your ideas will benefit your manager and the organization, not just you. Zero in on performance. For instance, say "Delegating these reports will free me up to spend more time pitching to clients."

- *Collaborate.* Don't just "dump" a problem on your manager and ask her what to do about it. Offer to set up a meeting so you can think through it together: Pick her brain, and share ideas of your own.

When negotiating with your manager, don't think of it as arguing for something you want. Instead, view it as searching for a solution that works for both of you. The aim is not tit-for-tat compromise—it's mutual benefit.

Monitoring the Relationship

Monitoring the Relationship

No matter how well you and your manager work together, never take the relationship for granted. Like any significant connection between two people, it requires nurturing and periodic reflection. Assess the strengths and weaknesses of your relationship with your boss every few months by revisiting these 10 questions:

1. Have I taken the primary responsibility for managing my relationship with my boss?
2. Am I aware of my manager's expectations for me? Are they realistic?
3. Is my manager aware of what resources I need to meet those expectations?

4. How much does my boss know about what I've been doing for the past few months? If she doesn't know enough, how can I correct that?
5. Am I reliably meeting my commitments? If not, how can I rectify shortcomings?
6. How well do my manager and I get along on a daily basis? Do we need to address any conflicts?
7. Do our oral and written interactions occur with ease? If not, how can I make our communications more seamless?
8. Do we trust each other? What can I do to increase the level of trust?
9. Do I back up my boss when I talk to others about her and execute her goals?
10. What could I do to support my manager more effectively?

Obviously, ripples can surface in any relationship. When that happens, smooth them out as soon as you notice them. Periodic assessments using these 10 questions can reveal the not-so-obvious problems that fester when left neglected. You might even track progress by counting how many questions raise concerns each time you monitor the relationship. If the number increases over time, that may signal a systemic problem in the relationship. If the number decreases, your connection is probably getting stronger and more productive.

The point is simply to be vigilant without creating undue worry. Remaining attuned for signs of regression—and nipping them in the bud—will ultimately make progress more likely.

Learn More

Books

Harvard Business School Publishing. *HBR's 10 Must Reads on Communication*. Boston: Harvard Business Review Press (2013).

The best managers know how to communicate clearly and persuasively. How do you stack up? If you read nothing else on communicating effectively, read these 10 articles. We've combed through hundreds of articles in the *Harvard Business Review* archive and selected the most important ones to help you express your ideas with clarity and impact—no matter what the situation. Leading experts such as Deborah Tannen, Jay Conger, and Nick Morgan provide the insights and advice you need to: (1) pitch your ideas successfully, (2) connect with your audience, (3) establish credibility, (4) inspire others to carry out your vision, (5) adapt to stakeholders' decision-making styles, (6) frame goals around common interests, and (7) build consensus and win support.

Harvard Business School Publishing. *HBR Guide to Managing Up and Across*. Boston: Harvard Business Review Press (2013).

Are your working relationships working against you? To achieve your goals and get ahead, you need to rally people behind you and your ideas. But how do you do that when you lack formal authority? Or when you have a boss who gets in your way? Or when you're juggling others' needs at the expense of your own? By managing up, down, and across the organization. Your success depends on it, whether you're a young professional or an experienced leader. This book will help you: (1) advance your agenda—and your career—with smarter networking, (2) build relationships that bring targets and deadlines within reach, (3) persuade decision makers to champion your initiatives, (4) collaborate more effectively with colleagues, (5) deal with new, challenging, or incompetent bosses, and (6) navigate office politics.

Useem, Michael. *Leading Up: How to Lead Your Boss So You Both Win*. New York: Three Rivers Press, 2001.

When your supervisor is micromanaging you, lacks competence in a particular domain, or has no long-term vision, you're not powerless to improve the situation. You may be able to turn things around by "leading up" (another term for managing up). Useem draws on vivid examples to show how it's done—describing, for example, how a U.S. Marine Corps general reconciled his six bosses' conflicting priorities. Just as leading up yields many benefits, failing to do so can have

dire consequences, as Mount Everest mountaineers discovered during a dangerous climb.

Articles

Bossidy, Larry. "What Your Leader Expects of You." *Harvard Business Review*. April 2007 (product #R0704C).

The success of an executive team depends heavily on the relationships the boss has with his or her direct reports. Yet the leadership literature has had little to say about what is expected in those relationships—on either side. Larry Bossidy, formerly the chairman and CEO of Honeywell, shares what he calls "the CEO compact," detailing the behaviors a leader should look for in subordinates and what they should be able to expect in return. A CEO's best people, he says, know when a situation calls for them to get involved. They generate ideas, put the long-term good above short-term goals, develop leaders among their people, anticipate how world events may affect the company and its competition, expose themselves to new people and ideas, and accept demanding assignments to drive their own growth. On the other side of the compact, the boss should provide clear direction; give frequent, specific, and immediate feedback; be decisive and timely; demonstrate honesty and candor; and offer equitable compensation. Executives who aren't lucky enough to have such a boss can create a compact with their own subordinates, Bossidy says, and demonstrate by example. The result will be to improve

team and company performance and accelerate individual growth.

Field, Anne. "Truth or Consequences: Dealing with a Conflict-Averse Boss." *Harvard Management Communication Letter*. April 2005 (product #C0504A).

When a boss can't communicate directly about problems, the performance of her employees suffers. People routinely receive less-than-forthcoming performance appraisals and thus get little clear guidance on developing their strengths or overcoming their weaknesses. They find it difficult to get the resources they need to complete a project because the boss refuses to stick up for them. And their productivity decreases because they have to spend an inordinate amount of time and effort finding out what the boss really thinks of them. Learn some strategies for forcing needed discussions without making your boss feel she's being backed into a corner.

Gabarro, John J., and John P. Kotter. "Managing Your Boss." *Harvard Business Review*. January 2005 (product #R0501J).

In this classic HBR article, first published in 1980, the authors explain that the manager-boss relationship is one of mutual dependence. Bosses need cooperation, reliability, and honesty from their direct reports. Managers, for their part, rely on bosses for making connections with the rest of the company, setting priorities, and obtaining critical resources. It only makes sense to work at making the relationship operate as smoothly as possible. Successfully managing your relationship

with your boss requires that you have a good understanding of your supervisor and of yourself, particularly strengths, weaknesses, work styles, and needs. Once you are aware of what impedes or facilitates communication with your boss, you can take actions to improve your relationship. You can usually establish a way of working together that makes both of you more productive and effective.

Harvard Business School Publishing. "Five Questions About Interviewing Your Prospective Supervisor: With Rich Wellins." *Harvard Management Update*. October 2004 (product #U0401B).

Most hiring managers look at the personality fit between themselves and job candidates, but few prospective employees give it much thought, and many later discover that they and their supervisors are mismatched. Wellins describes how to initiate frank discussions with prospective supervisors—and how to get telltale glimpses into their personalities. This process is as relevant to considering a new internal assignment as it is to interviewing for a position at a different company.

Harvard Business School Publishing. "Narcissistic Leaders." *Harvard Management Communication Letter*. June 2000 (product #C0006E).

Many companies are discovering that "there is no substitute for narcissistic leaders in this age of innovation," as Michael Maccoby has pointed out in *Harvard Business Review*. Maccoby was referring to those brash and thoroughly egotistical

visionaries who so often head up companies. Learning how to communicate with such bosses is nothing short of a strategic management skill. This article offers some pointers for dealing with the raging narcissist in the corner suite.

Kanter, Rosabeth Moss. "The Cure for Horrible Bosses." *Harvard Business Review*. October 2011 (product #F1110E).

In her HBR column, Kanter argues that the best way to counter the effects of a horrible boss is to cultivate a strong network of colleagues.

Sasser, W. Earl, Jeffrey Pfeffer, and Paul Falcone. "Challenge the Boss or Stand Down?" *Harvard Business Review*. May 2011 (product #R1105M).

In this fictional case study, Tom Green, an aggressive young sales executive, has been promoted to senior marketing specialist by his division VP. The VP has warned him that he'll have to learn fast and work well with his new boss, Frank Davis. On the job, Tom finds himself at odds with Frank and challenges him openly at a well-attended meeting. Frank begins to formally document deficiencies in Tom's performance, and the division VP falls in line with Frank. With his back against the wall, Tom must carefully consider his next move. Harvard Business School professor W. Earl Sasser presents the case; Jeffrey Pfeffer, of Stanford University, and Paul Falcone, of Time Warner Cable, offer their expert commentary.

Podcast on HBR.org

Meister, Jeanne. "Manage Up and Across with Your Mentor." January 31, 2013.

Jeanne Meister, coauthor of *The 2020 Workplace: How Innovative Companies Attract, Develop, and Keep Tomorrow's Employees Today* and a partner at Future Workplace, which helps organizations redefine their corporate learning and talent management strategies, discusses how your mentor can help you manage up and across. From sharing deeper institutional knowledge with you to tips for understanding what's happening at your boss's level to figuring out which battles to fight and how to fight them, this podcast offers a host of ways your mentor can help you work more effectively across your organization.

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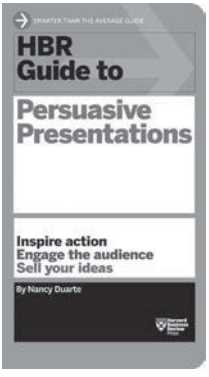

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Preview

Leading a virtual team presents a special set of challenges whether you have one team member abroad or several people working remotely. How do you ensure accountability when you don't see your people every day? How do you get them to communicate effectively when time zones, language barriers, and a host of complicated technologies conspire against your team? Distance poses difficulties, but you can overcome these problems and turn them into your advantage. Leading an effective virtual team is possible—and this book will give you quick tips and strategies for managing people productively, no matter where your team is scattered.

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- Ensuring you have the right mix of skills and abilities on your team for remote work
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- Clarifying the goals, processes, and norms you'll use to communicate and collaborate with your team from afar
- Regulating the myriad messages and media that enable your team members to work together apart
- Keeping your people motivated, engaged, and accountable despite the distance
- Surfacing and resolving conflict when you can't always see how people are working together

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Leading Virtual Teams

What Is a Virtual Team?

What Is a Virtual Team?

How do you get your people to work together when you can't even get them in the same city? How do you get past technology glitches to have a productive conversation? Can you help your staff trust teammates they've never laid eyes on? How do you maintain accountability with someone in a different time zone who's going to bed just as you're getting up? How do you replicate the small things that knit teams together: following the same sports teams, saying gesundheit when a sneezing fit erupts, sharing a look over a colleague's absent-minded humming, even holding elevator doors for each other? These are just a few of the challenges you face when you manage a team of remote workers.

You're a leader of a virtual team if you coordinate work around a shared goal—with team members who *don't* share a base of operations. You may be a sales director, managing people who perform the same tasks in different locations. Or perhaps you run a project with a team whose day-to-day responsibilities are as unique as their physical posts. Maybe you manage a handful of off-site employees who work with a core group at the home office. Even if you have one team member working remotely, you're managing a virtual team. And while leading any team involves a mix of people management, technical oversight, and project administration, virtual leaders must perform these functions with blunt communication tools and without face-to-face accountability.

Whether you're a veteran team leader or new to the role, coordinating the work of multiple people in multiple places will scramble your instincts and stretch your skills. But successful leaders make the most of these challenges by orchestrating technologies that meet their group's particular needs and establishing

strong norms for how all team members will work together in this virtual space.

Why use virtual teams?

The ubiquity of virtual teams tends to blind us to their usefulness. What are the benefits of this arrangement?

Virtual teams maximize limited resources. By hiring for the short term someone who happens to live in another part of the world, you can ramp up and maintain a steady pace of production for your busy season. Virtual teams help you save on the overhead costs of owning and maintaining a physical plant by partnering with a manufacturer. You can assemble the smarts, staff, and supplies you need to fit your budget and schedule.

They cast a wide net for expertise. Virtual teams allow you to look beyond the resources right in front

of you and tap into your organization's global capacities. You might find a technician with a rare skill set—for example, a translator fluent in an uncommon language—or consult a niche expert who can't make an in-person meeting. With virtual teams, you can put boots on the ground to host a client event or supervise a product rollout in a distant place where you do business.

They streamline collaboration. Integrating communication technologies allows the team to interact in whatever way makes the most sense for the individual and the task. When you're face to face with colleagues every day, you don't always think about the most appropriate way to work together—you schedule an hour-long meeting to launch a project, because that's what you've always done. But when your team is dispersed, you're forced to consider the best way for doing what you need to accomplish. If brainstorming sessions in conference calls tend to unravel into

people talking over one another, you can initiate a discussion thread on chat and everyone gets a chance to weigh in. And if a complex discussion is bogging down over e-mail, you can set up a video call.

What are the key challenges?

Every team leader struggles to manage personalities while keeping technical work on track. But the virtual environment magnifies the most difficult aspects of running a team. So what challenges do you need to overcome in managing a virtual team to reap the benefits?

Team composition. Some people simply don't thrive in a virtual work environment. If you've inherited an existing team, then you may have some ill-adapted members—people who go MIA when they miss a deadline or who never figure out how to politely jump

in on a conference call. Even if you've handpicked your direct reports, you may not know whether someone's a good fit until that person is in the thick of an assignment. Talking to everyone ahead of time about *how* they work—not just what they do—will help you pick the right people and engineer the group norms that will help them succeed.

Isolation. Working remotely can alienate team members from your mission and their peers. Without face time, colleagues struggle to develop trust, and everyone (you, too!) is more vulnerable to loneliness and loss of motivation. A good virtual team leader finds opportunities for team-building in every aspect of the work, making people feel included and that they're working together toward a shared goal.

Technology. Picking the right technology is about removing barriers to the work. Your technology choices will govern how your team communicates and how you share, store, and iterate content. So if your

tools are unreliable or otherwise difficult to use—or just don't meet the group's needs—you'll waste time, slow down work, demotivate your team, create confusion and redundancy, and generally make all of you look unprofessional. Gathering input from your partners and team members will help you get your team up and running and working smoothly—with fewer interruptions.

Communication. Without the physical cues that enrich in-person interactions, virtual teams need clear communication norms—which are hard to establish across so many technologies (phone, e-mail, video, chat, and the like). Technology fractures our shared behavioral patterns—what works in person doesn't work on the phone, and vice versa. And colleagues can go days or even weeks without speaking to each other. Meanwhile, when there are no impromptu in-person updates, the sheer volume of messages you receive can be overwhelming. In general, face-to-face communication is always best, followed by video and

phone, which are better at capturing emotional information than a written format. But no matter which tool you're using, you'll save time and build goodwill by helping your people find the right channels and develop a shared etiquette for using them.

. . .

This book will walk you through solutions to each of these challenges, so that you can manage your remote team more effectively. The following pages offer step-by-step advice for everything from putting together your team and your technology, to coordinating work and building trust through screens, to mastering communication across multiple technology platforms. And you'll find tips for countering some of the most common problems you're likely to face, such as delivering constructive feedback over the phone.

How you use all these ideas depends on the people you're leading and the work they need to do. So let's start with the fundamentals: making sure you've got the right people on your virtual team.

Get the Right People on the Team

Get the Right People on the Team

Working on a virtual team is not for everyone. While some people embrace the flexibility and independence, others will flounder amid the isolation and technological challenges. Through personal circumstances, management directives, or a simple lack of information, many people who are not well suited to remote work end up doing it. You may or may not be able to move these people off your team.

You might have the luxury of building a team from scratch, or you might be constrained by the personnel decisions you've inherited by taking over an existing

team. But whatever the circumstances, you'll want to figure out how to exert the most control over who's in your group, within the boundaries you've been given.

What's important on a virtual team?

All teams need a blend of skills and group rapport, but the technical and personal challenges of remote work demand a special set of traits.

Communication. Strong communication skills are a must. Good virtual team members know how to be precise *and* concise in multiple media, and they err on the side of overcommunication. These skills matter most in core team members, while satellite collaborators and people in niche roles have a lower bar to clear.

Collaboration style. Virtual teamwork requires self-discipline and self-motivation, since team mem-

bers must stay on schedule and ask for help when necessary. Remote work is not ideal for people who need a lot of supervision.

Temperament. Building productive relationships without the benefit of face-to-face contact requires high emotional intelligence. Look for people who will be generous negotiating conflict in a low-information environment and resilient working alone under pressure. If your team is global, place a premium on cultural sensitivity.

Technology. You want people who are open-minded to new technology and competent in the tools you must use. Evaluate what the team members can teach each other as well as what they have to learn—and what they *can* learn.

Size. When it comes to the number of folks on your team, aim low. Research shows that smaller teams are more effective and more motivated and that virtual

teams become particularly unwieldy with more than 10 members. As the numbers rise, communications become too complicated and there are diminishing opportunities to build personal relationships on a team that's distributed across the globe.

Tweak an existing team

You've been given the reins to a team that someone else assembled. Maybe your people have been working together for years under different leadership and have already developed processes for bridging the distance between them. Or perhaps they're as new to each other as they are to you. Either way, before you dive into the work, you'll want to spend time thinking about how your team's members work together.

Evaluate the team members' skills and personal qualities. Paying special attention to the ideal attri-

butes identified earlier, debrief the last leader or consult someone else who knows the team well: a senior member, a supervisor, perhaps even a customer. Track down any written documentation of the team's work, such as an after-action review. Interview team members directly (see the sidebar "Team Survey"). Look for patterns: Which elements of the team are working really well? Where are the obvious pain points?

Identify gaps, and make a plan to fill them. Since you can't directly observe people in action, use the team survey and any other available documentation to make your best assessment. Does anyone require outside training? Can one team member coach another? Do any team roles need to be redefined or reassigned? If the issue isn't too sensitive or if you have good relationships with the rest of the team, run parts of your plan past the team members in one-on-one meetings or by e-mail.

TEAM SURVEY

Choose the questions that are most relevant to your work, and distribute them via e-mail or an online survey tool such as SurveyMonkey, with a due date. Ask for brief, bullet-point answers.

General

- What is your role on this team?
- What skills are most important to your role? Which skills are critical to your success as a virtual collaborator?
- How is your role affected by working remotely? What are the benefits and challenges?
- What do you wish you were better at doing? Which of your talents need to be developed further?

- What are the overall strengths and weaknesses of the team right now, especially with respect to virtual collaboration?
- In an ideal world, how would you adjust your role to add value to the team? Which virtual aspects of your role would you change?
- Ideally, to make your job easier or better, how would you change the way the team works? Which virtual aspects of your collaboration would you change?

Communication

- Which communication tools do you use, and how do you use them?
- Which tools do you feel most comfortable with? What's not working out?

(*continued*)

TEAM SURVEY

- How easy do you find it to communicate your personal style to your colleagues with the tools available to you? How easy do you find it to get a sense of the personal style of your colleagues?
- What does it look like when an interaction goes well for you? Have you noticed any patterns when interactions go badly?
- How are you coping with time zone differences, language or cultural barriers, or different technology platforms?

Collaboration style

- Which tasks or parts of virtual collaboration are you best at?
- What do you most like to do on the team? What do you most dislike doing?

- What's working for you about how this team works together? What's still hard?
- Overall, would you say you like working remotely?

Temperament

- With whom on the team do you work most closely? How would you describe those relationships, and how has the social distance of remote work affected them?
- Do you have a sense of the temperaments of your colleagues? How did that develop, and what do you think you could do to develop that knowledge further?
- In general, what sorts of people bring out the best in you? The worst? What qualities

(*continued*)

TEAM SURVEY

are most important for you in a virtual collaborator?

- Think about a conflict you've had on this team. How did you handle it? How did the virtual nature of the team play into the way things unfolded?

Technology

- Which internet provider do you use, and what results do you get from an internet speed test?
- What technology do you use to do your work? How would you rate your comfort level with each item or tool you listed?
- Which tools aren't working for you right now? Why?

If you want more detailed input from the team, use the templates in the sidebars "Solicit Group Feedback" and "Ratings Exercise," both near the end of the book, to conduct a holistic preevaluation.

Clearly communicate your plans to the individuals involved and, when relevant, to the whole team. If this discussion happens on a phone call or video chat, document an explanation of the change, and make it available somewhere that's accessible to everyone on the team as a reference going forward.

Confirm your team. Whether you reassign, cut, or add personnel, make sure everyone on the team has roles that are clearly defined and mutually understood. Share a document with a final description of everyone's roles, and if the document incorporates significant changes, schedule a meeting to review it. Encourage people to clarify any uncertainty over their roles by bringing questions to you and any other relevant team members.

Assemble a new team

Sometimes, you're tapped to develop a product, improve a process, or solve a problem. And you're able to cherry-pick folks to do the work. Let's look at how to assemble the right virtual team.

Determine the skills and personal qualities you need. Consult colleagues, supervisors, and direct reports with experience on virtual teams like yours to draw up a list. Use a modified version of the team survey to guide a phone conversation, or send it out via e-mail or an online poll.

Identify people with those skills and qualities. Use your network to look both within and outside your organization. Although team members will be working remotely, location may still matter—for example, your team may need to be in the same time zone or meet certain requirements for internet access.

Recruit your virtual team. You'll approach most people directly, but consider going through a shared contact such as a supervisor or colleague if you're adding someone in your organization: "I'd like to bring Alex on board for this project—since I know you just finished that redesign project together, could you introduce us?" For people you haven't worked with before, make this initial contact as personable as possible—a phone call instead of an e-mail.

Your people are the team's most important resource by far. But whether they succeed in their mission will depend in large part on the technologies you give them to do their work.

Manage the Technology

Manage the Technology

Technology makes it possible for your team to communicate, coordinate, and build successful working relationships. If you're not a technologist, it's tempting to give this work short shrift: "I'm in advertising, not IT!" But on a virtual team, you *are* IT. In fact, you're the department head. If you work for a small company, no one else is going to solve your connectivity problems or set up your file-sharing software—and you have to be prepared to help your team members do these things, too. If you're part of a larger organization with more technology resources, you'll still play an important role as your people's chief advocate, lobbying IT for support and projects. Establishing the right environment at

the beginning of a project will make these tasks easier later on. But it takes time, money, and resources up front.

Assess needs and resources

Your first step is to figure out what your team needs, what resources are presently available to you, and the security policies and restrictions of your company. Evaluating existing resources involves looking not only at what your team members have in place on their end, but also at the tools your organization brings to the table.

Technology touches every element of work on a virtual team, so work through these questions methodically and thoroughly. The sidebar "Assess Your Team's Technology Needs and Resources" structures this process. For each technology domain (such as creating content), list the technologies you *need* and

the resources you *have*. Run through the bulleted questions to make sure you haven't skipped over any critical factors.

At the end of this exercise, you'll have detailed notes for each domain. As you make your final selections, keep three principles in mind. First, be cautious about adopting new technology. Using familiar technology will generally save time, keep costs low, and shorten the start-up time for the rest of the team—although some options, especially cloud-based solutions, may save time and money even if they're new to the team. Second, ensure compatibility where it matters. For example, team members working on a written report need compatible word-processing software but don't necessarily have to use the same e-mail service. And third, don't be afraid to make the conservative choice. Simplicity, reliability, and accessibility are often more important than complex functionality.

ASSESS YOUR TEAM'S TECHNOLOGY NEEDS AND RESOURCES

Communicating

- What will be your primary means of communication?
- How will you conduct meetings? By phone? Video?
- What level of internet access will your team members need for communication?
- What capacities will you need on a team site (for example, a wiki page or documentation for ramping up a new hire)?
- Will the team members need to share the same e-mail domain (such as @globalcorp.com)?
- What hardware (such as headsets or web-cams) will the team members need for communication?

- What capacities do the team members need to have on their phones? Do your people need to be on the same mobile operating system (Android versus iOS)?
- Will the team members be required to have a landline?
- How secure will the various channels need to be?

Creating Content

- Which file types will you use?
- What software compatibility will you require?
- Will you need scanning technology?
- Will you need access to any databases?

(*continued*)

ASSESS YOUR TEAM'S TECHNOLOGY NEEDS AND RESOURCES

- What quality of internet access will your team members need for content creation?
- Which security features will the team need?

Sharing and Storing Content

- How much storage capacity will you need? (The back-of-the-envelope math for storage is as follows: Take the typical file size, multiply it by the number of documents you'll need to hang on to, and the result is your storage requirements.) Should the capacity be scalable?
- Will you store content on hard drives, company servers, or in the cloud (such as Dropbox or Google Drive)?
- Will you synchronize content—updating files automatically across the whole team?

- Will you need versioned documents, that is, the ability to track who made changes?
- Will you need read-only files? Will you need different access levels and permissions for files?
- Will you need compression programs?
- What quality of internet access will your team members need for content sharing and storage?
- What are your group's security concerns, risks, and rules?

Scheduling

- Will you need to share or synchronize calendars?
- Will you need project-management or issue-tracking software (such as Asana, Smartsheet,

(*continued*)

ASSESS YOUR TEAM'S TECHNOLOGY NEEDS AND RESOURCES

SharePoint, JIRA, Microsoft Project, or Basecamp)?

- What quality of internet access will your team members need for scheduling?

Costs

- What is your budget for all your technology—for its purchase, installation, storage, and maintenance?
- How will you distribute that money across the different technology domains?
- What capital expenses do you have to plan for, versus operational expenses?
- What costs will the organization bear, and what will individual team members pay for?

Seek input

Ultimately, you want technology that capitalizes on what your team already knows how to use. The best way to do this is to talk to your team members directly about their personal needs and resources. You'll get useful technical insights and demonstrate respect and concern for their experiences. So as you assess your team's technology needs and resources, seek feedback from your team members or other key players who will be involved in your work. The team survey will give you some initial information to get started with, but follow up individually with your people to get a better picture. Use their answers from the technology section of the survey, and listen for enthusiasm, confidence, fear, or skepticism: Which of the tools you're considering have they used before? What were their experiences? How open are they to learning something new? How long might it take to

get them up to speed? What are they more or less flexible about?

Technology facilitates work not only within a team, but also outside it. Make a list of individuals and organizations your team will interact with and the technology requirements for each relationship. Reaching out to partners is a smart choice for a few reasons:

- You'll find out what technology your partners are already using, so you can pick a compatible tool. "What tool/service/platform do you use for this?"

- You want their advice about a specific selection. "Have you used tools A, B, or C in the past? What was your experience? Do you have a recommendation?"

- You want to inform your partners about a selection you've made that's relevant to them. "We've decided to go with X for file sharing. What's your capacity for this tool right now? Do you

need any resources or support from us to set things up? Do you need any training?"

Set up a team site

Whatever other technologies you choose, your team needs a shared digital workspace. It can take many forms—a full-blown website, a file storage service (such as a folder on Google Drive or Dropbox), a messaging and archival system (such as Slack or HipChat), a version-tracking system (such as GitHub), or a combination of tools—but it must cover a few basic functions. Team members need to be able to upload and download shared files as identifiable, individual users on the system (not a shared account with an unsafe password); post key team documents, schedules, and updates; share contact information; and participate in some sort of online discussion threads.

The shared digital workspace isn't just a repository for text that no one wants to read—it should be a vital

space where important work gets done. Enforce this boundary by redirecting technical digressions during meetings to the site and by relocating task-related conversations from e-mail and chat whenever possible. When you need input from the team, post your request to the discussion board. If you use it, other people will have to follow suit. And the more integral the site becomes to your collaboration, the more everyone will use it without prodding.

Establish rules for technology use

Once you've selected your team's technologies, lay out a clear set of norms about how they'll be used. Doing so will keep people accountable and help new members assimilate quickly. As you develop protocols for managing content, keep these topics in mind:

- *Naming and organizing files.* How will you make content easily navigable?

- *File types.* Do you need file-type conventions? When should files be read-only?
- *Version control.* How will you ensure that team members are working without redundancy or inefficiency?
- *Access rights.* Who on the team will have access to the various tools, platforms, services, and databases you'll be using?
- *Sensitive material.* How will you safely share and store sensitive or proprietary material?
- *Synchronization.* What materials or tools need to be synchronized?
- *User support.* Who will manage end user issues, and how will the team members escalate an issue?

When it comes to communication technologies, there's even more to think about. Good communication across multiple platforms requires discipline and

a common etiquette. Is it acceptable to call colleagues without an appointment to ask on-the-fly questions, or should you e-mail them first? When will team members be available? Who's responsible for setting up conference calls? Whatever you decide, keep these and the following issues in mind as you create protocols for communicating with the team:

- *Venue.* What kind of conversation belongs in an e-mail, as compared with a phone call, a text message, or an online one-on-one or group chat?
- *Audience.* How will you decide which team members need to participate in a phone call or be copied on an e-mail?
- *Availability.* How responsive will you be by e-mail, by phone, or by other channels?
- *Language.* What shorthand will you use to help each other prioritize communications? For example, your group could preface every

e-mail subject heading with the name of the project in brackets, so recipients know at a glance what the message is about and can easily organize messages.

- *Coordination.* Who will schedule group meetings such as conference calls or video chats? Who is responsible for maintaining shared calendars?

- *Politeness.* What are the norms of courteous communication, in writing or in real time? For example, is it OK to use BCC in a team e-mail? Are side conversations or interruptions ever acceptable on the phone or on a video chat? What are the rules about emoji?

- *Documentation.* How will you capture meeting minutes and action items? Google Docs? Audio recording? JIRA tickets? Wiki team page?

You don't need to itemize rules for each of these topics—pick the ones that matter the most to you and

your team. Be specific about the behaviors you care about, and don't burden the team with rules that are vague or low-impact. (Everyone knows not to send all-cap e-mails.) Write up the protocols in a communications charter that you post to the team site, but let everyone know it's just a first draft: With the help of the whole team, you'll be able to iterate and refine this living document to make it even more useful to your work.

What to do when technology fails

Technology failures are inevitable and can have serious consequences. The trick is to never find yourself caught unawares.

Prepare, test, and practice. Conduct a premortem to catalog major risk points and to play out the worst-case scenario; ask your team members to do

one also. Do this at the start of a project or before big meetings or presentations. Brainstorm your contingency plans—your plan Bs—for each pain point: What's your backup video chat service? Your file storage alternative? Do a trial run to make sure these plans are viable.

For basic internet connectivity problems, ask your team to figure out what it can try in the moment. Do all team members know to reboot their computers when all else fails, and do they know how to recover lost files? Ask each person to have a *crisis card* close at hand with information such as their account number with their internet service provider and the contact information for a local, in-home IT service (and find out from your company whether your people need to vet these services ahead of time).

Communicate. Collate and distribute a document with teamwide plan Bs, help links, contact information, and other resources. Make the document

generally accessible, and instruct the team to keep the protocol printed out and handy offline. This is one area of virtual work in which a physical artifact is indispensable.

Becoming a self-taught IT department probably isn't why you got into your line of work. But once this work is done, it's time to start in on the part that you really care about.

Get to Work

Get to Work

Now that you've found the people and resources your team needs, put them to work. In this chapter, you'll learn how to bring your team together around a mission and devise rules and routines to keep people collaborating effectively—even when you're not there.

Launch the team

Every team needs a launch meeting, whether it's a brand-new group or you're just the brand-new leader. Get everyone together physically, just this once, if

you can swing it. Face-to-face communication is still better than virtual when it comes to beginning relationships and developing trust. Eye contact and body language help kindle a sense of affinity and trust that will allow a group of strangers to work together before long-term bonds form. You'll also have the chance to assess team dynamics and start setting some behavioral guidelines.

If you can't arrange an in-person meeting, hold a virtual launch. Schedule a generous amount of time, and invite the team to introduce themselves (see the section "Build Rapport and Trust" later in this chapter). Even if you're the only new person on the team, a launch is an opportunity for team members to reestablish their own bonds of friendship and perhaps learn something about each other.

Depending on the available time and the size of the team, consider assigning members to breakout chats to discuss specific aspects of the project or the culture and processes of the team itself. Then bring

everyone back into a group chat to report on their discussions. This arrangement puts some structure on a meeting that can all too easily spiral into pointlessness, and it counteracts a natural tendency for everyone to assume the position of an audience member on group chats.

Create a shared vision

Group and breakout conversations during a launch meeting are also a great opportunity to work on the team's sense of purpose. The development of the team's purpose shouldn't be a didactic presentation, but rather a collaborative conversation. So you'll want to work with your team members to describe the purpose of your team in clear, compelling language. Even if your team is working toward a deliverable that has been well defined from the outside, it still has the opportunity to name its mission (Why are we doing

this project?) and outline the particulars of the work (What are the details that will make it a success?). These answers matter for every team, but they're especially important to remote workers, who must stave off isolation and stay motivated.

Build your shared vision with a conversation around a few key questions:

- What issue will this project address?
- What's the desired outcome? What benefits will we realize?
- How will the virtual nature of our team allow us to accomplish these goals?
- What are this project's high-level deliverables?
- What lies outside the scope of this project?
- What resources—financial, human, or otherwise—are at our disposal? How will we use these resources to support remote workers?

- What goals and constraints govern the project schedule? What virtual effects do we need to plan for (time zones, team member travel, and so forth)?
- What are the project's key milestones?
- What major threats and opportunities must the project team plan for?
- What special issues does the geographic dispersion of the team present?

These conversations work best in person or on video chat, but you can use the same format in a discussion thread on your team site. Document or bookmark the discussion, and post to the team site a statement of the group's final consensus. As the work progresses and distance chips away at the team's cohesion, revisiting this document will bring everyone back to common ground.

Define common expectations

What does it look like to be a good team member in your group? How much can a team member do on their own before "taking the initiative" becomes "taking over the project"? How long can someone delay answering an e-mail before it starts to impede progress on the work? Is it ever acceptable to swear on a conference call?

Coordinating roles and responsibilities, not to mention plain old-fashioned etiquette, is challenging when your team isn't colocated. The geographical and social distance provides much room for misunderstandings and mistrust to grow—which means, in turn, that your team is extra reliant on the details of task design and work processes to keep things running smoothly.

Start by simplifying the work as much as possible, ideally so that tasks are assigned to subgroups of two

or three team members. For each task, clarify the work processes you'll use to accomplish it: Who exactly does what, and when? If your work is cyclical or proceeds in clear phases, periodically conduct an after-action review both to evaluate how things are going and to identify process adjustments and training needs.

You'll also set some ground rules for professional behavior. With a team working in branch offices, basements, and hotel lobbies, people may harbor wildly different ideas about what's expected of them. Table 1 outlines some of the major topics you'll want to cover (for tips about involving your team in this process, see the sidebar "What Input Should Your Team Have on Virtual Norms?").

Align priorities

Your team fits into each member's life in a different way. For ad hoc projects, you're probably adding more

TABLE 1

Setting ground rules

Issue	Question
General terms	• What kind of latitude and independence can team members expect? • What resources will be available to them to complete their work? • How much will team members be expected to travel?
Hours	• How many hours each day or week will team members work? • What times of day are members expected to be available? • If your team includes people in different time zones, how will you schedule meetings to accommodate each member? • What should members do if they find their responsibilities require them to work overtime or outside their scheduled hours?
Authority and delegation	• Who will be responsible for making what types of decisions? • Who has the authority to assign work to specific team members?
Etiquette	• What are the team members' assumptions about appropriate content and language?

Issue	Question
	• What kind of confidentiality or privacy can team members expect from each other, especially since informal communication takes place in the written word more often than on colocated teams? • What steps should team members take to redirect e-mails or phone calls when they're away from the office or when their regular hours change?
The unexpected	• How will you plan for periods when you'll have to deviate from these rules? For example, how will you handle a crunch period when the team will need to work overtime?

work to a full plate. With freelancers, you're competing for time with any number of other clients. Even stable teams with full-time members must balance different professional goals and personal commitments. Remote work makes all these dynamics more obscure, so before a project starts, meet one-on-one with your team members to learn about their current priorities and to discuss how these priorities align with the team's shared vision and goals.

WHAT INPUT SHOULD YOUR TEAM HAVE ON VIRTUAL NORMS?

All workplaces need rules, but remote work requires a lot of them. So, who gets to set them? Long distance makes democratic processes more complicated, so be thoughtful about starting an open discussion on norms. A good rule of thumb is to ask for input only when you're genuinely open to using it. That means issues governed by outside constraints, such as budget, are off the table. Soliciting input is time-consuming, so ask questions whose answers are likely to be either brief or extremely important to the success of the project. These dos and don'ts will help you facilitate a productive conversation either way.

Dos

- Have an agenda. Make it clear at the beginning precisely what you're seeking input on.
- Set expectations about how you'll use their responses.

- Present limited choices (“Should we do A or B?”).
- Create a document, such as meeting notes or a brainstorming list, that serves as a reference (for you) and a deliverable (for them).
- Follow up with an outcome—even if it’s not a popular one.

Don’ts

- Don’t ask open-ended questions (“What should we do?”).
- Don’t initiate conversations you aren’t prepared to moderate, in person or online. For example, your discussion board will quickly succumb to distraction or petty bickering if no one is minding the store.

TABLE 2

Suggested scripts for talking about priorities with your team

Topic	Question
Professional goals	• "What are you looking to get out of this experience?" • "How do you think your work could support our team and organizational goals?" • "What professional goals are you working toward right now? How do you see this project fitting in?" • "In an ideal world, how would this work further your own professional growth?"
Availability	• "What else is on your plate right now?" • "Do you have any deadlines or planned time out of the office coming up that will affect your availability?" • "In an ideal world, how would the schedule for this project look for you?"
Personal commitments	• "Do you need any personal accommodations to do your best work?" • "In an ideal world, how would this work further your own personal development?"

The kind of questions you ask will depend on your relationship with that person. For example, you can ask someone you directly supervise to show you how they allocate their time each week, but with a freelancer, you can't be so inquisitive. Table 2 suggests questions you might ask your team members to elicit the details you need.

Ambition is a deeply personal thing, and you can't persuade someone to adopt a new career goal to suit your team's needs. Likewise, the boundaries your direct reports have set between their personal and professional lives may be nonnegotiable. For example, if someone gets chronic headaches when working overtime, they may always prioritize their health over your team's schedule. So what can you do to align priorities?

- Can you redefine the team member's role to better fit any professional goals or personal commitments?

- Can you redistribute tasks to better match the person's availability?
- Can you pair the member with collaborators who will balance out any weaknesses?
- Can you rearrange the schedule to avoid panic periods or to take advantage of any synergies across work streams?
- If the person is assigned to multiple teams, can you work with their other supervisors to harmonize your directives?

The earlier you start these conversations, the more flexibility you'll have to tie your people's success and well-being to the work you share.

Build rapport and trust

On traditional teams, the sense of connectedness develops naturally in the interstices of office life—over

lunch, in the elevator, during break time, or in pre-meeting chats. But virtual teams lack these casual encounters, so you must make a concerted effort to build rapport and trust.

Fostering team spirit doesn't have to be a big production: Clarify norms, adopt a small set of routines, and stick to them. Use the following checklist as a menu of options, and be realistic in your selections. It's better to do one or two things reliably than start half a dozen you can't keep up with.

- ❑ *Hold video tours.* Ask new hires to show each other around their workspaces. This practice allows colleagues to form mental images of one another when they're communicating later by e-mail, phone, or text message.

- ❑ *Share highlights and lowlights.* At the beginning or end of a meeting, ask each team member to talk about one highlight and one lowlight from their workweek.

- ❑ *Institute personal or professional check-ins.* Invite your team members to give a quick update about themselves at the beginning of each team meeting. Gently enforce the norm that these updates should be brief, but don't discourage personal remarks. If, for example, someone is struggling with an illness in the family, that's good for the team to know.

- ❑ *Gather for Friday afternoon congrats calls.* This is not very productive for many people anyway, so use it to celebrate the week's accomplishments. Bonus if everyone coordinates consuming a snack or drink during this time.

- ❑ *Establish "water cooler" chats.* Schedule regular five-minute check-ins a couple times a week, just to catch up. Set up a forum devoted to this sort of casual chat on your team site or any other shared communication channel.

- ❑ *Ban multitasking.* Set a clear expectation that everyone should be mentally present and engaged during meetings, and follow up by frequently calling on people to share their thoughts. If you're conducting meetings over the phone or by group chat, try switching to video chats. If you know that someone is multitasking—you're getting e-mails from them during a conference call—gently and humorously call them out.

- ❑ *Curb mute-button usage.* Background noise brings humanity into an otherwise sterile conversation—let the barking dog or crying baby be a moment of shared humor or sympathy for your team.

- ❑ *Appoint someone the team's truth teller.* Add a bit of levity to meetings by turning to the Yoda of the day at critical points during the meeting and ask, "So, what's going on here that nobody's talking about?"

- ❑ *Reward naysayers.* Pushing back against consensus is hard to do over video or on the phone, so give warm, generous praise to team members who aren't afraid to speak their minds. When everyone appears to be in agreement on an issue, listen for whoever is *not* talking, and solicit this member as a devil's advocate.

Keep people engaged

Your virtual water-cooler chats created beautiful and trusting relationships across the team. But how can you mobilize those social bonds to keep people engaged in, and motivated about, the work at hand?

Foster shared leadership. Assign special projects that team members can share during a meeting, or invite them to run a virtual team-building exercise, such as the weekly highlight-lowlight routine de-

scribed earlier. As part of your plan to get the right people on the team, ask members to coach one another in their areas of expertise (refer back to your completed team surveys).

Recognize and praise collaborative behavior when you see it. If several people worked together to solve a problem, send an e-mail to the entire team expressing your appreciation and explaining how the work has helped the team overall.

Encourage people to acknowledge each other's work. Praise people for calling out each other's successes. Let them know that recognizing collaboration in others makes them look good, too. Develop norms for how members communicate that they "see" each other's work, and give feedback wherever possible. Even a bland "Thanks," "Nice," or "I'm using this right now" goes a long way. Sharing genuine praise and appreciation is a prerequisite to offering comments

that might be more critical: Research suggests the right balance is 10 to 1. Foster candor by supplying team members with the language for criticism, such as "I might suggest . . . " or "Think about this."

Play games. Games provide a low-stakes, fun environment in which team members practice pooling knowledge and coordinating for a common goal. This approach also helps members learn how other members think and act in an accelerated time frame and helps people iterate strategies for working together. For long-standing teams with a gamer culture, consider online role-playing games (RPGs) such as *World of Warcraft*, where team members talk as they play. If RPGs don't fit your team culture, look at mobile multiplayer games such as online *Scrabble*. Even sharing music or book recommendations gives people a chance to explore each other's thinking and connect on a personal level. Team-building activities can feel cheesy—it's the nature of the beast—so

encourage people to have a sense of humor about them: "It's East Coast versus West Coast in *Scrabble* this week!"

Build a team with rhythm. Work in a physical office has a natural tempo: You see colleagues in predictable places at predictable times, you do certain kinds of work at the same time every day, you attend meetings with familiar people in familiar rooms. When some or all the members of a team are working remotely, it's all too easy to feel disconnected without these patterns. One antidote is to be disciplined in creating and enforcing routines in virtual team work. Hold regular meetings, ideally on the same day and at the same time each week, starting and finishing on time. Make the meeting agendas routine where possible, and share them ahead of time. Good meeting practice matters more when you have a dispersed team, because following the rules helps create those shared expectations and experiences. Establish regular check-ins

by e-mail or group message: an end-of-week e-mail update, or a two p.m. “How’s it going?” text.

These practices depend on having a nimble and well-adapted communications strategy. Next, we’ll explore the major challenges in this realm.

Communicate Effectively

Communicate Effectively

Communicating with your team involves a trade-off between two mandates. On the one hand, you're compensating for the information loss that happens when a team doesn't work in the same physical space. On the other hand, you need to limit the amount of time the team spends on the apparatus of virtual work—sending and receiving e-mails, participating in video chats, and so on.

The general rule is to overcommunicate when you're working remotely: Document everything, share freely, keep everyone informed. But what does this practice look like at the decision-making level? Where's the line between sharing the right amount

of context and asking your team to scroll through lengthy missives? This chapter outlines strategies for walking that line and for troubleshooting when you find yourself offside.

Pick the right channel

With a large (and proliferating) range of communication options at your disposal, you have to live by the rules you've set for how your team communicates. As team leader, you have an outsized influence on your group's dynamic: You send more messages to more people, about more topics, than does anyone else on the team. If you have any bad habits, they will be felt and possibly adopted by more people.

Being articulate goes a long way, of course, but on a virtual team, good communication depends largely on the format you choose. To some extent, this is common sense: Most people know not to leave detailed,

nuanced instructions in a voicemail or to send a colleague a text with game-changing bad news. But many circumstances are not as clear-cut, and when you send dozens of e-mails a day, it's easy to lose sight of the impact each message has on your people's workflow.

Ultimately, you want your team to develop an instinct about which communications tool is appropriate in a given situation. That means thinking through the purpose of a message and its likely effect on the recipient. Everyone on the team can use the five questions in table 3 to build good habits.

Work around time zones and linguistic and cultural barriers

The global reach of a virtual team is one of its best features, but it can wreak havoc on communications when there's no recognizable workday. To keep things

TABLE 3

Find the right channel for your message

Question	Answer	Channel
How important is my message?	I need or want to document the exchange.	E-mail, text, instant message (IM), or team site
	It's pretty disposable.	Phone call, voicemail, or video chat
How complicated is my message?	I can say it in a sentence or two.	E-mail, voicemail, text, or IM
	It's fairly detailed, and it will probably require explanation and clarification with my team.	Phone call, video chat, shared document (such as a Google doc), or e-mail with attachment
How urgent is my message?	I need an immediate response.	E-mail with a flag or a clear subject line ("URGENT: quick call this afternoon?"), phone call, voicemail, text, or IM—whichever you think the person will be most responsive to
	It can wait; I don't want to disrupt the team's work.	E-mail, a scheduled phone call or video chat, or team site
What input do I need?	Some, maybe from several team members.	Phone call or video chat; team site, if input doesn't need to be simultaneous
	None, this is a one-way message.	E-mail, voicemail, text, IM, or team site
What emotional impact will my message have?	None; it's pretty banal.	E-mail, voicemail, text, IM, or team site
	I expect a strong reaction, positive or negative.	Phone call or video chat

moving across multiple time zones, schedule face time with team members who aren't in your time zone, even if it means making video calls at times that are inconvenient for you. For teams with some overlap, agree on a window of time when everyone—no matter what their location is—will be at work and reachable.

For teams with no overlap, orchestrate an information handoff. What does each group need to know about the previous shift? Consider sending short teamwide e-mails in a standard format, in addition to person-to-person connections between key players.

Remote work also magnifies linguistic and cultural barriers. With relatively few contextual clues (no body language or facial expressions), misunderstandings can be even more common. And because so much communication is opt-in—choosing to log into chat, for example, compared with running into someone in the hallway—it's easy to sweep those misunderstandings under the rug. Your people may be reluctant to expose themselves on conference calls or video chats with awkward questions or to push back

against someone they don't know well. It's so easy to just keep quiet.

The most effective solution to these problems, of course, is to build trust within your team. While you work on that, you can help everyone perform their best by paying attention to how they choose to communicate.

Talk individually to your team members about their preferences. What formats are they most comfortable using? What do they expect in terms of accessibility and responsiveness?

Tailor communication formats to each person's language abilities. Find what works best for your people, and use it. For example, don't conduct detailed conversations over e-mail or group chat if someone prefers speech to reading and writing.

Build on existing relationships or affinities. You don't need to create perfect harmony across the whole team. Instead, encourage team members to find allies

who can help them navigate what's unfamiliar and to develop new networks.

Avoid communication fatigue

Remote work generates a lot of traffic, and staying on top of it can be exhausting and divert attention from priority projects. Help your team find the right balance by promoting communication that builds motivation. Live communication such as phone and video calls takes a high level of mental and emotional engagement, and with so many other, low-touch options available, phone or video is often the last resort. But e-mail and the like can't match the emotional connection and intellectual engagement that real-time interaction supplies. So convenience and efficiency shouldn't always trump more personal methods of communication. Encourage collaborators to schedule regular meetings with each other to provide this vital experience.

At the same time, reduce communication that saps motivation. Some conversations are necessary but boring—ask anyone who has sat on a co-op board. By its nature, remote work makes these experiences worse. Because information can't circulate informally as it does in an office, it's pushed out in wave after wave of agendas, updates, and reports. If you don't like participating in these conversations live, you'll loathe having to follow them through endless e-mail chains and discussion board threads.

Limit the amount of energy you're asking your team to put toward these demotivating conversations. Designate specific times and places as "receptacles" for this kind of exchange, and keep them out of normal communication channels as much as you're able. Try the following strategies as well.

Segment conversations about process. These discussions can become quite freewheeling, but breaking them up across different communication platforms

can save time and heartache for everyone. Start by soliciting input on a discussion board or a shared document: What's working? What are the pain points? What changes would people like to see? Then draw up a draft process, and share it with the team before your next group meeting. Gather feedback over the phone or a video chat, and iterate the whole sequence as needed.

Routinize updates. Move your team toward brief status reports or bulletins—give them a template. Post these to a dedicated spot on the team site.

Institute virtual office hours. Make yourself available to the whole team for a few hours each week, when people can talk to you about whatever is on their mind. Keep the time consistent, if you can, and let everyone know how to get in touch with you (text and group chat are a good choice, since they're instantaneous but not intrusive). Show people how to use

this time by redirecting off-topic or random remarks to it: "Good question, Peter. I'd like to save it for office hours this week. OK, back to the agenda . . ."

Clarify emotions. It's easy to misinterpret a message when you can't read facial expressions or body language, and whether you're angry, hurt, or just confused, you're wasting energy and time. Regardless of context, turning emotional subtext into plain text will help the team avoid the kind of passive-aggressive exchanges everyone loathes: "Paul, you seem adamant about this point. Are you frustrated with how the issue was handled last time around?"

Find the right balance

You may get feedback that your communication style isn't working for everyone on your team. Maybe your people feel smothered (they can shrug off overanxious calls from a colleague, but not from you), or maybe

they're desperate to get more than terse texts about tomorrow's big meeting. Either way, your habits are harming their productivity.

If you find you're *overcommunicating*, ask yourself these questions:

- *Are you compensating for a perceived skill gap somewhere?* If so, evaluate whether that perception is apt, and make a plan to fill the gap.
- *Do you not trust the rest of the team to communicate with each other?* Back off for a couple days to see how things function without your extra effort. Where you see problems, solve them by helping team members build the skills and habits they need to make it work independently.

If you find you're *undercommunicating*, ask yourself the following questions:

- *Does everyone on the team see the big picture?* They may need less contextual information

from you on a day-to-day basis if they share a common vision and understand, at a high level, how the team is going to execute that vision.

- *Are you overscheduled?* Delegating will open up more time in your schedule to do the necessary work of sending e-mails, fielding calls, and so on.

Mastering how to communicate with a virtual team takes time, and of course, things won't always go smoothly. In the next chapter, you'll learn practical tips for coping with some of the common problems that you'll face.

Cope with Common Problems

Cope with Common Problems

Missed deadlines. Sloppy work. Infighting. These problems plague all teams, but when you supervise remote workers, too often you don't know that something is wrong until it's really wrong. So much of what's happening—such as poor time management and passive-aggressive e-mails between colleagues—is invisible to you. And because your view into how your people work is so limited, your team members may feel more pressure to appear in control. They might hide problems because they don't want you to see how the sausage gets made or because they think something is their fault

when it's truly a larger issue affecting the whole team, such as a software malfunction.

To push past the virtual veil, you'll need to develop proactive habits and an eye for trouble. In this chapter, you'll learn best practices for evaluating performance, maintaining accountability, and managing conflict in ways that help you counsel team members when they falter, and get your whole team to thrive.

Evaluate performance from a distance

In traditional offices, there's a bias to base performance assessments on the presence of the employee around the office. Do they come in early and leave late? When you walk by their desk, do they look busy? Obviously these cues aren't available on a virtual team. Instead of watching *how* people work, you're seeing *what* they produce—the number of sales they've made, the code they've written, the video they've produced. But this

information can be misleading, too. Sure, the video looks great, but did your team member collaborate well with the sound engineers? Did they appropriately credit others' contributions? Good work can't come at the cost of unprofessional or even illicit actions.

The main challenge for you, then, is to find ways of observing behavior you can't actually see. What strategies will work best?

Take notes. Because team meetings carry so much weight in a virtual environment, it's difficult to pay attention to performance unless something remarkable happens. But because these are the most information-rich interactions you'll have with your team, you need to capture what happens. When you take meeting notes, write down each team member's name on a notepad to keep track of the comments, questions, and suggestions that stand out to you. (If it's too distracting to take detailed notes during a meeting, write down your observations immediately

afterward, when they're still fresh in your mind.) If someone is stubbornly making the same point over and over again, make a note. If someone brings up a problem no one else has thought of, make a note. If someone gives a coworker credit for doing good work, make a note. You're creating a detailed performance record and raising your own awareness around group dynamics.

If you're using other communications technologies that create a written record, treat the team's interactions there the same way you would a meeting. Check in on group chats or discussion boards periodically to see who's giving useful feedback or mediating conflict—and write it down. Because you *will* forget, and without a written record, bias can easily overpower experience.

Limit self-evaluations. Without regular feedback from others, your team members have only their own perceptions of their work to go on. We all tend to over-

rate our abilities and take credit for good results while denying the bad—tendencies that you, as a leader, can't correct for when so much of the work process is invisible to you. So even if the home office includes written self-evaluations as part of its performance assessment process, evaluate whether they're right for your team's situation, and dial them back accordingly.

Get group feedback. Team members know a lot about each other's work—information that you don't know, especially in an environment with no opportunity for you to casually observe collaborations. If your team members know and trust each other, solicit their feedback as a group exercise over a phone or video chat, and invite colleagues to speak directly to one another (see the sidebar "Solicit Group Feedback"). If the team isn't close enough to pull that off, ask for their input through e-mail, a closed chat, or an anonymous poll. In either scenario, be clear with the whole team about the process, and administer it across the board.

SOLICIT GROUP FEEDBACK

Ask your team members to respond to these questions with respect to one another's overall performance:

- How did this person contribute?
- What do you want this person to stop doing?
- What do you want them to start doing?
- What do you want them to continue doing?
- What are their strengths as a virtual collaborator? Their weaknesses?

That way individuals won't feel blindsided or picked on by the group.

The questions should be fairly open-ended. For more detailed answers around a standard set of metrics, ask the team to rate one another (see the sidebar "Ratings Exercise"). Administer it privately by e-mail, a closed folder on the team site, or a private poll.

RATINGS EXERCISE

Instruct your team members to evaluate one another using the following criteria on a scale of 1 to 10 (weakest to best). Ask them to explain their thinking for each response and to share any suggestions about how the colleague could improve or how the team could be better organized to mitigate performance problems.

This team member . . .

_____ Adhered to team rules, including those about how we collaborate virtually

_____ Fully contributed to our shared vision and team culture, making their presence felt, no matter where they were

_____ Completed tasks on time and with care

_____ Was self-motivated and able to keep things moving even when we weren't in the same place

(*continued*)

RATINGS EXERCISE

_____ Engaged in and supported team decisions

_____ Used collaborative technologies appropriately and with skill

_____ Communicated well across a variety of platforms

_____ Gave and received feedback appropriately in multiple media

_____ Negotiated conflicts and promoted harmony, online and in person

_____ Made an effort to build productive relationships with colleagues despite the distance

Maintain accountability from afar

Like all work, virtual collaboration includes its share of missed deadlines, poor results, and interpersonal conflict. What's different for virtual team leaders is the impersonal context in which these performance issues take place. To hold people to their commitments when other assignments or bad habits get in the way, you'll use the same strategies you would if you worked in the same location: documenting shared expectations, agreeing on accountability processes, giving regular feedback, and following up on an explicit improvement plan if it becomes necessary. But managing a troubled team member is an intimate process, requiring copious time, attention, and empathy—all resources that are best spent face to face, where physical proximity strengthens the relationship. So you'll need to compensate for the lack of these cues at each step.

Follow up on anomalies. If someone is struggling or behind, there are probably some other behavioral cues: They're uncharacteristically quiet on a team call, they increase or decrease the frequency with which they communicate, or they seem especially anxious, frustrated, or checked-out. You may also become aware of what they're *not* doing: Are they strangely relaxed before a major deadline? Are they booking light hours in crunch time, when everyone else is slammed? When something seems off, don't wait. Pick up the phone.

Check in. Light-touch communication tools such as texting and instant messaging (IM) carry lower emotional stakes than a face-to-face conversation does, so use them to follow up more assiduously than might feel acceptable in person. If you call someone into your office to ask them how they're doing with challenging new software, they might feel put on the spot. But a brief text ("How'd it go using the new system?") lets you touch base without intimidating them.

Beware, however. For this technique to work, you need to be relentlessly positive in your framing. A harried employee will read "Are you on track for Friday's deadline?" as aggressive and maybe even mistrustful, but "Looking forward to seeing the product demo on Friday! Anything you need from me?" communicates enthusiasm and a team mind-set.

Talk to other members of the team—tactfully. Colleagues will have a different vantage point on what's happening, but approach them circumspectly. In addition to any specific questions you have about the problem at hand, try to get some general context by asking open-ended questions.

- "How is the project with Akhil going overall?"
- "How are you finding him as a collaborator?"
- "Akhil has been doing a great job generally, but recently I've wondered if there's more I can do to support his engagement. Have you observed

anything that might help me? I'll keep whatever you say confidential."

- "You mentioned that Akhil has been less engaged in the work recently. When did that issue start? What do you think is going on there?"

This kind of conversation works best by phone or video chat, not the least because coworkers may not want to leave a written record of their complaints and speculations.

Meet with your team members to talk about the problem. Just as you do with team members who work with you in the same office, you must address performance issues with remote workers with sensitivity. Broaching the topic might have unexpected emotional fallout, so set up a meeting in person—if possible—or over video or phone. Getting face to face will give you more information about what the team

member is thinking and feeling and allows you to project the emotions you want the person to perceive—empathy, trust, concern, firmness, and so on.

Prepare as you would for any other feedback conversation: Focus on behaviors, practice your language ahead of time, probe for root causes, and close the conversation by agreeing on an improvement plan. Document what happened in a follow-up e-mail or private chat.

Manage conflict on a virtual team

Like teams in any other workplace, virtual teams experience conflict, but arguments play out differently when people don't have face-to-face relationships. That can be good, because it limits the opportunity to engage in office politics. But because online communication disinhibits antisocial behavior, task-related disagreements—simple arguments about how to do

something—are more likely to devolve into interpersonal conflict. And while conflicts about tasks are usually easy to resolve and may ultimately be good for the work, interpersonal conflicts are tenacious and toxic. Following are some ways to surface and solve task conflicts before they sour work relationships.

Maintain an online discussion board. Create a place to hold active discussions about disagreements, so that team members have the chance to address important issues as they arise. These conversations simulate what happens casually when everyone is physically in the same office. Boards can also take advantage of online disinhibition, since people are more willing to voice pushback behind the safety of a screen. Think of it as preventative medicine: Transparency builds trust when issues are discussed openly and resolved according to their technical merits.

Mediate interpersonal conflicts in person, if possible. Sometimes, individuals can't work it out on

their own, and then the fix is simple but hard: mediation, either by you, another supervisor, or someone with conflict-resolution experience. Again, in-person mediation is ideal, or you can try video or phone if the parties can't meet in the same place. In face-to-face meetings, arrange the seating at evenly spaced intervals to avoid an us-versus-them physical setup. And if you can't meet face to face, establish clear rules of engagement. Without eye contact, participants are likely to interrupt each other. Moreover, a slow internet connection can exacerbate the problem. So set expectations that you'll actively moderate the call and will make sure that each person gets equal time by calling on folks directly, or by sending a detailed agenda that shows how each party will get equal airtime.

Practice active listening. Active listening is a set of techniques that promote full, honest, and transparent discussions, and in the low-information interactions of virtual work, it's especially useful. The general principle is to iteratively check your understanding

by reflecting back what you see and hear. This is especially useful in drawing people out if you're not face to face. Here are some examples:

"You seem worried about . . ."

"If I understand, your idea is . . . Did I get the essence of it? If not, please tell me more."

"It sounds like your main concern is . . ."

"These seem to be your main points: . . . Is that right?"

Use these phrases in written communications, too. It's also helpful to summarize phone and video discussions on an electronic whiteboard, live chat, or shared document. Periodically restating basic ideas gives other people a chance to clarify misunderstandings. And acknowledging the emotions that are driving a disagreement allows people to express concerns they might otherwise withhold.

Separate people who just can't get along. Not all conflicts are solvable. If people with intractable problems must collaborate, insulate their work from each other as much as possible, and find a communications option that works best for them. If the presence of other team members lessens the tension, encourage them to communicate via the team website or during weekly conference calls. If they struggle with real-time conversation, ask them to e-mail instead of trying to text or IM.

. . .

Success with leading a virtual team, like so much of leadership, is a matter of experimentation. With new skills and a nimble mind-set, you'll continue to push your abilities in every direction, learning from your remote partners and the individuals on your team. You can't prepare for every snafu that leading a virtual team will present, but with the right tools and the right people by your side, you'll reap the benefits of a close team—no matter how physically remote the members may be.

Learn More

Quick hits

Dixon, Nancy. "Combining Virtual and Face-to-Face Work." HBR.org, July 1, 2015. https://hbr.org/2015/07/combining-virtual-and-face-to-face-work.

Even if you mostly work with your team remotely, chances are that you *can* convene in person—at important milestones, for example, or to conduct a field trip. Dixon, whose research helped pioneer the field of knowledge management, shows you how to get the most out of each type of interaction by "oscillating" strategically between virtual and in-person meetings.

Ferrazzi, Keith. "How to Build Trust on Your Virtual Team." HBR.org Video, July 14, 2015. https://hbr.org/video/2363593491001/how-to-build-trust-on-your-virtual-team.

Virtual collaboration disrupts the team-building patterns you're used to seeing in a traditional office: You can't organize a team lunch, for example, or seat two key collaborators next to each other at a meeting and watch them hit it off. Ferrazzi, a strategic consultant who focuses on professional relationship

development, zeroes in on this challenge and outlines four research-based tips for fostering trust between people in faraway places.

Samuel, Alexandra. "Things to Buy, Download, or Do When Working Remotely." HBR.org, February 4, 2015. https://hbr.org/2015/02/things-to-buy-download-or-do-when-working-remotely.

If you or your team members are working outside the office—at home, at an alternate worksite, or on the road—you'll want social media expert Alexandra Samuel's practical tech tips for staying connected and focused away from your base. Remember all the little things that can make or break your day on the go, from putting that extra charger in your car to setting up an emergency communication channel for SOS messages from your team members.

Books

Harvard Business School Publishing. *Giving Effective Feedback* (20-Minute Manager Series). Boston: Harvard Business Review Press, 2014.

Talking about performance issues is one of the hardest parts of any team leader's job, and the social distance that technology introduces into these conversations doesn't help. This book walks you through the basics of giving good feedback no matter what the environment is. You'll learn how to pick your mo-

ment, engage your employee in a two-way dialogue, respond to negative reactions, and follow up on next steps.

Samuel, Alexandra. *Work Smarter, Rule Your Email*. Boston: Harvard Business Review Press, 2014.

You and your team probably spend more time each day using e-mail than any other tool. Samuel details how to get the most out of this experience. She shows how you can reengineer your settings to see important e-mails first and to make attacking the backlog of unread and unanswered mail a manageable task. Once your team members have cleaned up their inboxes, they can stay on top of incoming messages by developing habits for incorporating e-mail–related tasks into the rest of their workdays.

Saunders, Elizabeth Grace. *How to Invest Your Time Like Money*. Boston: Harvard Business Review Press, 2015.

Managing the communications apparatus of a virtual team can become a bottomless time sink. If you or one of your team members struggles with this, Saunders can help. Learn to impose discipline on communication and other work activities, so that you consistently put your greatest effort on where it can do the most good. Use the proven techniques and principles of personal finance to figure out how you're wasting time now, what a more productive schedule would look like, and how to improve your time management.

Articles

Ferrazzi, Keith. "Getting Virtual Teams Right." *Harvard Business Review*, December 2014 (product #R1412J).

This comprehensive article combines research-based insight (Ferrazzi surveyed over 1,700 knowledge workers for this piece) with a deep understanding of the human relationships that underlie all teamwork. Ferrazzi highlights communication and transparency as key themes for the virtual leader, and you'll learn how to maximize these quantities at every point in your team's life cycle, from staging a kickoff to welcoming a new member onboard.

Johns, Tammy and Linda Gratton. "The Third Wave of Virtual Work." *Harvard Business Review*, January 2013 (product #R1301D).

It's a good idea to pull back for a broader view of the economic and organizational trends that created the virtual team you're leading today. Johns and Gratton look at how virtual work has evolved, and they outline how companies should arrange their space, talent, and workflows to make the most of these changes. While this article takes a higher-level perspective on virtual work, you'll gain concrete insight into the dynamics governing your colleagues' day-to-day experiences.

Majchrzak, Ann, Arvind Malhotra, Jeffrey Stamps, and Jessica Lipnack. "Can Absence Make a Team Grow Stronger?" *Harvard Business Review*, May 2004 (product #R0405J).

Most advice on leading virtual teams focuses on how you can replicate the dynamics that make face-to-face collaborations so successful. But sometimes difference is good. Majchrzak and her coauthors show that by pushing tools that allow your people to hold ongoing, threaded discussions, you can bypass inefficient meetings and foster creativity and initiative in trusted colleagues. Your team becomes even more productive apart than it could ever be if all the members were in the same place.

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Preview

More of us are working more often in a location that's different from our colleagues and business partners. Maybe you log in from your home office daily or work every now and then in the quiet car of a train, or some combination of sites. Regardless of where you park your laptop, you need to work well with others to meet your professional and organizational goals. But how do you build relationships through a computer screen? What if your boss suspects that "remote work" really means no work? What do you do when your computer dies in the middle of a sensitive-feedback video chat? How do you cope with the isolation that can build when you're working on your own? This book will help you build productive relationships with colleagues while you foster your own sense of initiative—no matter where you are.

Virtual Collaboration walks you through these important basics:

- Working productively from any location
- Picking the right tools for wherever you're working, at home or on the road
- Clarifying the roles, tasks, and processes that will govern your collaboration
- Communicating effectively over a variety of media
- Getting and keeping your colleagues' attention when you're not in the same place
- Setting—and sticking to—a schedule that works for both you and your dispersed collaborators
- Keeping isolation at bay by connecting with your coworkers

- Staying motivated when the only one to administer an in-person pep talk is you
- Navigating common challenges, such as technology glitches and conflicts, over the ether

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Virtual Collaboration

What Is Virtual Collaboration?

What Is Virtual Collaboration?

Few of us work every day, all day, in a traditional office anymore. We log in from clients' offices. We participate in conference calls on our commutes. We work more and more frequently with people perched at faraway desks, whom we've never met.

Virtual collaboration is the new norm. For the purpose of this book, *virtual collaboration* means all the work we do with others when we don't see them face to face. You're a virtual collaborator if you:

- Work outside an office regularly, full or part time
- Work from home in a pinch, because of bad weather or to wait for a contractor, care

for a sick child, change your scenery, or get more done

- Travel regularly, but need to stay in touch with your team back home
- Are on a short-term assignment away from your usual workplace

The "virtual" part of these arrangements arises in how you interact with the people with whom you work. Brainstorming over video chat, updating each other on projects by text, sharing files over e-mail: In each scenario, the communication tool you're using functions as a simulated space where you meet to work together. Making this space work well poses a unique set of communication, scheduling, and motivational challenges.

What's *not* virtual, of course, is the person on the other end. The pixelated, jerky figures on your screen are flesh and blood, and your interactions with them are subject to the same dynamics as any other

professional encounter. You need to build rapport and trust, communicate effectively, and be productive. But these goals can be harder to achieve in a virtual setting, when communication becomes muddled, scheduling grows more complicated, and isolation and distractions prey on your ability to stay focused and motivated.

This book shows you how to solve the technological and administrative puzzles of virtual collaboration; it presents solutions such as finding and using the right tools, routinizing communication, and tracking progress. And it gives you tips for managing the social and emotional experience, too, as you strive to deepen professional connections while working in isolation.

The challenges of virtual collaboration

Just because we're all working remotely at some point in our careers doesn't mean that we're good at it. The habits that helped you in an office won't always make

sense when you're working remotely. Which changes are hardest to adapt to?

You must set and manage expectations more proactively. One of the great things about virtual work is that each person can tailor the arrangement to their own needs—and this means that everyone does it differently. There's no standard workday, no common conventions for writing text messages. And no one knows when it's their turn to speak on a conference call.

You are your own IT department. If you're in an office, you can rely on IT specialists to address your technology issues. But if you're off-site, you need to get up and running—and stay there—even if it's not your area of expertise.

You spend more time building and maintaining relationships. When there are fewer chance encounters, you must purposefully and proactively reach

out to colleagues. Because every interaction requires some planning, it carries a higher tax—more e-mails to answer, more calendar notifications to sort. Yet the social distance between you and your colleagues is harder to close—some days you feel so lonely you wind up talking the ear off the delivery person.

You're communicating with blunt tools. Without face-to-face interaction, you spend more time sussing out unspoken expectations, trying to interpret incomplete messages, or sifting through pages of project updates.

Other people can't "see" your work. How do you let colleagues know you're not binge-viewing the latest hit series? How can you manage people's perceptions of you with such limited opportunities for meaningful interaction?

To meet these challenges, you'll need great communication skills and a sense of initiative. You'll develop new instincts for how to express courtesy, enthusiasm,

or dissent in digital communication. You'll become more self-reliant as solving technological glitches becomes routine, and more self-motivated as you develop rhythms with both your work and your partners to get your job done. You'll also learn to tolerate the ambiguity inherent in this work—to find the humor and spirit in a coworker's terse e-mails or to make a decision on your own when your colleagues aren't around for consultation.

For you, the payoff is a kind of flexibility that's hard to come by in a traditional office. Virtual collaboration gives you more control over your day-to-day experience and frees you to do work in the time, place, and manner that best suits your needs. And flexibility for *you* can actually mean a closer working relationship with each of your colleagues, whether they're a onetime collaborator in another city or a regular coworker who sits next to you in the office four days out of five. You'll stay in touch even when normal, side-by-side routines don't bind you together, and you'll

keep assignments moving along so that everyone stays productive.

This level of productivity, of course, requires some up-front investment in relationship basics. You'll start at the ground level by setting expectations with your collaborators about how you'll work together.

Clarify Expectations for Your Work

Clarify Expectations for Your Work

You and a colleague across the country have agreed: You'll draft the proposal that's due Monday, and they'll edit it. But as you start your work, you realize that there are details you're not sure about. Will you run an outline by them before you start writing? Does editing mean they'll insert commas and remove typos, or does it involve substantive changes to content and language? Will they input the edits directly onto the draft or deliver comments over the phone? If they text you at nine p.m. on Sunday with a question, are you supposed to answer right away? Most of these questions are easily reconciled

if you're working in close proximity—you can ask for clarification in passing or have your colleague look at something odd on your screen.

But the flexibility of remote work means that you and your colleagues might be operating under vastly different circumstances—even in different time zones. What's convenient or natural for you might not be the same for them. If you're working from home in a pinch and don't set expectations with your colleagues in the office, they may forget, for example, that you're off-site and unable to keep physical design sketches circulating. In this chapter, you'll learn how to establish the scope of your collaboration and institute rules that will help you succeed.

Define the work

Whether you're completing a onetime project for a client or collaborating on a monthly corporate update,

delineating the work is one of the most important conversations you'll have with your virtual partners. How will you describe your common goals? What milestones will you set for the work? What form will your deliverables take? Getting alignment on these questions smooths the way for your work together and makes all of you mutually responsible.

Start by initiating a discussion with your colleagues with the explicit goal of talking about how you'll collaborate effectively. To avoid having a long conversation about process over e-mail or phone, for bigger projects draft a collaboration charter—a shared document that everyone in the group can access and edit. (See the sidebar "Virtual Collaboration Charter.") Ask the person leading the project to circulate this template. Or if there's no designated leader or the work is ongoing and not related to a singular project, create your own template and invite others to edit it. Push your collaborators to contribute to the charter from their own areas of expertise—for example, the person

responsible for each milestone should help set target dates. Then schedule a call to review the document together, resolving disagreements and answering questions.

At the end of the call, ask everyone to verbally sign off, and keep a copy in an accessible location—your Dropbox folder, for example—so that people can refer to the document thereafter. With this collaboration charter, everyone has a common reference they can turn to for basic questions while they're out in the field ("Is this client request in scope?") or simply out of touch ("Am I supposed to have this assignment ready on the fifth or the fifteenth?"). And if the communication hurdles of your arrangement lead to misunderstandings down the line, you'll use this document to resolve disagreements and maintain accountability.

If you can't orchestrate a conversation such as this with the whole team, or if you're not part of one, create a charter for yourself. Schedule a one-on-one phone or video conversation with your boss, or set

VIRTUAL COLLABORATION CHARTER

Include the following elements in your collaboration charter:

- *Goals*. What is the desired outcome of our work together? For example: "We'll deliver a global marketing plan for a new product to our client."
- *Scope*. What are our high-level deliverables or performance targets? What lies outside our scope? For example, "Deliverables are a written plan (20 pages) and slide presentation over video chat (one hour). Design content is outside the scope."
- *Resources*. What resources—financial, human, and so on—do we have to work with? For long-term or ongoing collaborations, how do we expect our resources to evolve? For example,

(*continued*)

VIRTUAL COLLABORATION CHARTER

"The client has sent a PDF with market research from the developers and has made its R&D staff available. Our teams in India, Japan, and London will contribute input from their markets."

- *Schedule boundaries*. What are the major constraints on our schedule? Do we need to plan for time-zone differences? For example, "The client is planning a campaign launch on August 1. In June, we're ramping up a new project with another client in a different city."
- *Milestones*. How will we benchmark our progress? For example, "Approved design by March 1. Contract with vendor signed by March 15. Prototype from vendor by April 15."

aside a quiet hour for the work. Take notes, and share the document with the people you work with most frequently: It will come in handy if confusion or conflict develops later on.

For short-term gigs, where a formal charter doesn't make sense, run through these questions in an informal conversation with the colleagues who might be affected by your absence. If you're working from home for a week while the office moves, for example, talk to your supervisor before you leave. The following types of questions help clarify the work:

- "What are our goals for this work over the next week? Here's what I have planned . . ."
- "What deliverables would you like to see by the time we're back? What can wait? So far I'm thinking . . ."
- "What resources will I have while I'm out of the office? I need . . ."

- "Are there any schedule issues I should plan for? I already know about . . ."
- "What milestones should we set over the next week? By Wednesday, I'd like to have done . . ."

Agree on roles, tasks, and processes

Now that you're clear about what work needs to be done, who will complete which tasks? Coordinating roles and responsibilities is inherently more challenging when you're not in the same physical location. If you don't check in frequently, your colleague in Cape Town will lose track of what your teammate in Miami is doing. But sending multiple messages to multiple recipients on multiple channels can create confusion and make it hard to track progress. To organize who does what, take the following steps:

- *Simplify the work.* Streamline things as much as you can, and agree on who ultimately owns

each task. If you aren't in a position to influence these decisions, talk one-on-one with the people you'll be working with most directly to make sure that you're all on the same page. If necessary, press your boss for more direction—and suggest the changes you'd like to see.

- *Have each person share a "role card."* Itemize important information such as the person's title, general responsibilities, work schedule, close collaborators, and the key tasks, decisions, deliverables, and milestones the individual is attached to. These "cards" could be individual documents, e-mails, or entries on a shared wiki or message board. Review the info briefly during a meeting to clear up any misunderstandings.

- *Agree on protocols.* Guidelines are needed for important activities such as group decisions, tracking progress, and sharing updates. Consider these questions: "Who in the group needs

to be involved in each of these activities?" and "Which communication technologies will you use for each of these activities?" If you lack the authority to lead this conversation, pose these questions to your supervisor with respect to yourself: "What activities do *I* need to be involved in? I'm thinking . . ." or "How should I share updates during a meeting? I'd like to . . ."

Establish a code of conduct

When you're out of the office, you're free to structure your time to suit your own particular habits and needs. But the routines that work for you also need to work for your colleagues. Set healthy boundaries, and establish a code of conduct to which you can hold yourself accountable. And if you're out of the office just for the short term, managing your colleague's expectations matters even more, since they're

TABLE 1

Planning for professionalism: establishing a code of conduct with your colleagues

Here are some questions to spark a discussion with your colleagues about how you'll work together. Asking close collaborators these questions, and supplying your answers for others, will help you avoid confusion. There are additional questions to pose to your boss, to gain clarity for their expectations of you.

Topic	Question
For everyone	
Hours	• How many hours each day or week will you work when you're not in the office? What times of the day are you expected to be available? • If you're in different time zones, how will you schedule meetings to accommodate one another? • Will you have visibility into each other's schedules (perhaps through an e-mail client such as Outlook) or create a shared team schedule (such as a Google calendar)?
Delegation and cooperation	• Do you have the authority to assign work to colleagues, and vice versa? • What responsibility do you have to accept a coworker's request for help? What freedom do you have to politely refuse? • What kind of help is each collaborator willing and eager to give? What is out of bounds? • How much lead time should you give a colleague when you make a request?

(*continued*)

TABLE 1 (*continued*)

Topic	Question
For everyone	
Etiquette	• What kind of confidentiality or privacy will your communications be subject to? • What steps should you take to redirect e-mails or phone calls when you're on vacation or when your regular hours change?
The unexpected	• Can you plan for times when you'll have to deviate from these rules (for example, holidays, busy seasons, maternity leave)? • Can anyone cover for you in case of emergency?
For your boss	
General	• How much independence will I have? • What resources will be available to me to complete my work? • How much will I be expected to travel?
Delegation and cooperation	• Do I have the authority to assign work to colleagues, and vice versa? • What responsibility do I have to accept a coworker's request for help? What freedom do I have to politely refuse?

used to your regular schedule and routine. Flagging a situation that's out of the ordinary ("Working from home on Wednesday; back in the office on Thursday") will allow your work to continue without interruption.

If you're part of a team, ask your leader to clarify the terms of engagement. If you're an independent contributor, initiate this conversation yourself with your colleagues. Table 1 outlines the topics to cover in each conversation.

Shared expectations go a long way toward easing the frictions that exist in every working relationship. But whether you can meet these expectations as a remote partner largely depends not on your good intentions or memory, but on your technology. In the next chapter, you'll learn how to find and use the tools you need to be a reliable contributor.

Manage Your Technology

Manage Your Technology

When you work outside a traditional office, connectivity is everything. If your internet fails in the middle of a meeting, you can waste precious minutes on hold with customer support while your window of overlap with a colleague closes.

It's frustrating to spend time problem-solving issues that don't fall within your area of expertise, but the stakes are high. Missed deadlines, canceled appointments, botched handoffs: Technical glitches can scuttle your work and create frustration among your peers. At some point, "technical difficulties" start looking like old-fashioned irresponsibility. So how

do you anticipate and resolve your technical problems before they become problems for your colleagues, too?

Your responsibilities will depend on the nature of your collaboration. If you're a full-time employee with a regular or permanent remote-work gig, your IT department will help you select and set up tools and even troubleshoot problems. But if you don't have the benefit of IT support, these guidelines will help you get your technology up and running on your own.

Assess your needs

What tools do you need to get your work done? Which will help you collaborate most effectively with others? The answers to these questions aren't always the same. For example, you might prefer legacy software that other people don't know how to use. Or maybe your colleague likes working through problems on Slack, but you'd rather talk than type your

way through complicated issues. To determine which technologies will make the relationship work best from *both* ends, take an inventory of your own needs and those of your collaborator.

You'll start, of course, with a lightweight laptop or tablet. But what else? Do you trade large audio or video files with each other? Do you prefer instant messaging (IM) to long-form e-mails? Use the following questions to organize your thoughts:

- What's your primary way of communicating—phone, e-mail, or some other channel?
- Do you hold meetings? If so, how?
- Do you need any specialized software or hardware?
- Do you need to access any databases?
- How do you store and synchronize content? How important is it to your work that you see

and share real-time updates to files, data, and the like?

- How much storage capacity do you need?
- What precautions do you take to secure information?
- What activities do you need to do on your mobile phone?
- Do you share or synchronize calendars?
- Do you need project-management or issue-tracking software (such as Asana, Smartsheet, SharePoint, JIRA, Microsoft Project, or Basecamp)?
- What compatibilities must you plan for—for example, Apple versus Android?

You don't have to answer these questions on your own: Talk about them with your colleagues, too. As

you're making your final selections, consider these additional questions:

- If you work for a company, what technology does it provide?
- Do you have access to an IT department? If not, can your coworkers recommend a private consulting service?
- What's your budget for all technology—purchase, installation, and maintenance? Will your company pay for any of this?
- What assistance can your company provide? For example, does it offer free copies of software or virtual training?
- Are the tools you plan to use easy to install, learn, and use? Are they reliable?
- Do the tools require you to acquire any new components?

Select your hardware and software

With the information you've gathered from your boss and your colleagues, you're ready to choose your tools. Sometimes these decisions, at least the big ones, will be made by a team leader or by IT; in other cases, it's up to you.

Hardware

When it comes to hardware, determining what you need, beyond your mobile phone and laptop or tablet, depends on where you work. Are you putting together a home office? Are you packing a bag for a work trip? Do you need materials you can travel with every day to a coworking space or a client site? Focus on the items that matter most to your setup, including the following:

- *A good internet provider.* For everything from communicating to uploading and downloading

files. Pay attention to the results of your internet speed tests: For most types of work, 25 to 50 Mbps download speed and 10 Mbps upload speed should be sufficient.

- *A landline.* For high-quality audio during a conversation. Consider installing one in a home office, and plan for access when you travel.
- *Your own hotspot.* For supplying a backup Wi-Fi connection anywhere. Look for tools that are super portable, such as a USB stick from your wireless provider or your mobile phone.
- *A headset.* For lengthy, hands-free conversations. Look for a wired version that you won't have to charge or pair wirelessly with your phone or computer.
- *A mini power strip.* For securing a power supply when you're out and about, especially in a crowded café or at a convention. If all the

outlets are taken, ask one claimant to plug into your strip instead. Look for a compact, cordless model.

- *Extra cables.* For moving your work easily, without the rigmarole of unplugging every component.
- *Cable case.* For organizing and transporting cables. Look for something with compartments, for tangle-free cords and easy sorting of adapters.
- *Battery and car adapter.* For charging your devices on the go. Look for an inverter (it changes DC to AC) so that you can charge your laptop in your car.
- *Labels and tags.* For keeping track of your stuff so that your laptop, tablet, charger, headset, and so on, don't get mixed up with someone else's—even in your own home. Look for colorful cable IDs, stickers, or asset tags.

Software

With software, what's right for you depends on the kind of work you'll be doing. Are you collaborating on a process or creating separate components for a final product? Do you work primarily with words, images, or audio? Focus on the items that matter most to the tasks you'll be completing, such as the following:

- *Document collaboration.* Look for tools that let you edit in real time and share files that are too large for e-mail. Examples: Google Drive, Dropbox.

- *Note sharing.* Look for tools that collect all your notes and clippings in one place, sync across devices, and allow you to share content with colleagues. Examples: Evernote, Simplenote, Google Docs.

- *Scheduling.* Look for tools that let you manage joint calendars with colleagues, and set up in

your own calendar various appointment slots that others can sign up for. Examples: Google Calendar, Calendly.

- *Screen sharing.* Look for tools that let you share with multiple users at the same time. Prioritize speed and reliability over complicated features. Examples: join.me, Skype, WebEx, Google Hangouts.

- *Instant messaging.* Look for tools that you can connect to your phone, laptop, and tablet. Example: Slack, Google Chat, HipChat.

Don't be afraid of trying out new tools, but the conservative choice is often the best. Pick items that are simple, reliable, and easy to use, maintain, and replace. So much the better if you already own them: Using familiar technology will save you time and keep your costs low.

Put your tools to work

If you're part of a team, ideally your team leader will coordinate a conversation around how you'll use the tools that you've identified. If you're working in a looser arrangement, it probably doesn't make sense to work out detailed rules, but you can still take the lead to clarify a few key items:

- ❑ *Venue.* Which interactions belong on the phone, in e-mail, and so on?
- ❑ *Availability.* How responsive will you be on each of these tools? How will you get in touch if something's truly urgent?
- ❑ *Meetings.* Who will set up and lead conference calls or host video chats? How will you get the call-in number and handouts in advance? If you're the only person calling in, who will

introduce you? If the whole meeting is virtual, how will all of you identify yourselves when you speak?

- ❑ *Version control.* How will you make sure that you and your colleagues are working efficiently and without redundancy? When something goes wrong, who will be responsible for fixing the problem?

- ❑ *Coordination.* Which materials or tools do you need to synchronize? Who will set up and manage shared technologies?

- ❑ *Sensitive material.* How will you safely share and store sensitive or proprietary material?

- ❑ *Politeness and privacy.* What does good behavior look like with each of these technologies? For example, can you call a colleague without an appointment? How will you avoid interrupting each other on a video chat if there's a delay?

You don't need a hard-and-fast rule for everything: Pick the issues that matter most to your work experience or that seem to be troublesome for your coworkers. Bring up the topic in a respectful, upbeat way, and focus on a short list of specific behaviors. If your colleagues aren't responsive to your suggestions, or if you feel uncomfortable talking to them about it, focus on disciplining your own tech use. Can you ask for handouts before a meeting? Redirect coworkers to your preferred communication tool? Update your IM status to let people know you're too busy to answer calls right now? Be proactive and consistent, and others may follow your lead.

What to do when technology fails

Technology failures are confusing and embarrassing. But you can reduce their impact by accepting that they'll happen sooner or later and by planning for them.

Prepare, test, and practice. Master critical troubleshooting moves before you need them. For example, know how to recover lost files and remember rebooting your computer sometimes resolves issues. When you're first setting up your remote work tools—before a big conference call—conduct a premortem to catalog potential risks and to play out worst-case scenarios. Brainstorm plan Bs (for example, what should you do if you're kicked off the call?), and do a few trial runs to make sure they're viable. Keep a physical copy of a *crisis card* close at hand with information such as your account number with an internet service provider and the contact information for a local, in-home IT service (see the sidebar "Technology Crisis Card").

Use the buddy system. A designated colleague can help you solve tech problems on the fly and act as a liaison for you with the rest of the team while your system is down. You can text them while your machine reboots, or e-mail them as you dial in again

TECHNOLOGY CRISIS CARD

Keep this basic information on hand (in hard copy) for when things go wrong:

- Name of your internet service provider and a help-line phone number
- Name of the account holder and your account number
- Account information for your most important tools (the e-mail address or name that the tool is registered under, password hints, security questions, purchase information)
- Name and version of your computer's current operating system
- Name and phone number of an in-home IT service

after a dropped call. Don't wait for disaster to strike before you establish this relationship: Ask a collaborator ahead of time, and agree on the communication channels you'll use.

Learn from others. Augment your own know-how with tips from your coworkers. If you're part of a virtual team, ask your leader to circulate a memo with recommended plan Bs, resources, help links, and contact information. Or reach out informally on your own to colleagues: "What backup plans do you have in place if your tech setup fails? Any advice for me?" Consider creating a shared document where people can post their suggestions, or start a dedicated thread in a group discussion board or another forum. If you get good feedback, print it out and keep it handy offline.

Managing your own technology will sometimes feel like a strange addendum to your "real" job. But your professional reputation depends on your

competence in this realm. If your colleagues can count on you to upload files correctly, they're much more likely to trust you with the bigger things. In the next chapter, you'll learn additional best practices for creating trusting, productive relationships with your coworkers.

Build Productive Relationships

Build Productive Relationships

All the shared documents in the world won't help you if your coworkers don't trust you. Maybe they don't think you'll be available if they need to reach you, or they don't lobby for your name to be thrown out for consideration when a team is forming to work on a new product. Perhaps they're constantly nagging you: "Any update since the last time I asked (thirty minutes ago)?"

The success of your collaboration comes down to the relationships you've created—relationships that exist, in part or in total, on phone lines and through satellite signals. In this chapter, you'll learn to establish and maintain rapport, credibility, and true mutual respect from a distance.

"Meet" your colleagues

If you're working remotely for the short term, you probably know all your collaborators. But if you haven't met everyone in person, begin with a little background research. Google, LinkedIn, Facebook, and Twitter are obvious starting points, but think about your personal contacts, too. Do you know anyone who's worked with this person or could speak to their reputation? Ask around, in a positive way: "I'm excited to start working with Nita! What was your experience with her?"

Ideally, you'd meet any new coworker face to face, but that's not always possible. So imitate an in-person meeting as closely as you can: Video chat is best, followed by phone as a distant second. E-mail is your last resort. The more information available to you (facial expressions, gestures, vocal tone), the better you can interpret communications from this person later on.

Initiate a get-to-know-you conversation in person or online. Pose these questions to any colleague, but focus on the people you expect to work with most closely:

- Where are they based? Are they also navigating remote work?
- What's their professional background? Their current role?
- How are they approaching your joint work, and what information do they have that you don't—about the project, the client, your organization?
- What prospects for the work excite them?
- What risks are they worried about?
- What are their expectations about how you'll collaborate?

- Which communication tools do they like to use, and which do they dislike?
- Do they have any major constraints you should know about, such as a deadline for another project?
- What percentage of their time are they devoting to this project?
- If they work for a different organization, how would they describe its collaborative culture?

At the end of the conversation, schedule your next interaction. Follow up on a particular issue, or make a plan to chat again (set a specific time).

Establish trust

As in face-to-face relationships, trust in a virtual context requires transparency—about what you know,

what you want, and what you're able to do. But these signals are harder to read, because of the social distance that virtual communication technologies create. So they need a boost. Let's look at how to help establish trust with your colleagues.

Make the most of "swift trust." Genuine rapport develops slowly, but people usually feel a surge of friendliness and goodwill when a group first forms. Reinforce perceptions of your credibility by beating deadlines, and be generous with praise or gratitude, especially in writing.

Be predictable. Keep regular hours, and schedule check-in calls at the same time every day or week. Respond to e-mails, texts, calls, and the like, in a routine way, even if only to say you'll answer later. If you only work out of the office occasionally, try to establish a set day that you do so. If you can't predict which day you'll be out, communicate the time

as soon as you know, and be explicit about when and how folks should get in touch with you. Setting accurate expectations is more important than sending the message that you're always open for business.

Be persistent. Don't assume that because interacting online feels awkward at first, the relationship is doomed to fail. Keep smiling, and keep looking for opportunities to make a personal connection with your coworkers. What starts out as stilted ("You had a peanut butter sandwich for lunch? So did I.") might turn into a genuine exchange or at least a humorous point of reference.

Manage conflict

Conflict that erupts over screens is not much different from in-person fights: It centers on tasks ("I don't agree with you about how to do the work") or

interpersonal relationships ("I don't like you"), and without quick intervention, the one can quickly turn into the other. But because communicating online is confusing to begin with, and because it disinhibits antisocial behavior, you'll want to be especially proactive in confronting disagreements before they turn bad. The following dos and don'ts can help you have more productive interactions.

Do

- Discuss interpersonal conflicts in person, if possible. If you can't, use video chat or a phone call, and ask a supervisor to mediate.
- Pursue task-related arguments. If you don't agree with a plan of action or if you have a problem with someone's work, speak up.
- Take your problems to a dedicated problem-solving venue, such as a troubleshooting thread

on a discussion board, a one-on-one call, or an "ongoing issues" agenda item during a meeting.

- Switch venues—from e-mail to phone, for example—when you can't resolve a disagreement easily.
- Practice active listening. Since communication technologies limit visual and vocal cues, check your understanding by reflecting back what you see and hear. See the sidebar "Scripts for Conflict" for more tips on how to conduct these conversations.

Don't

- Don't try to resolve complicated or personal disagreements over e-mail.
- Don't wait for task-related arguments to turn personal.

- Don't blindside people or embarrass them in front of their peers. If someone thinks you aren't treating them fairly, they won't react well.
- Don't be afraid to ask for a reassignment. If you're involved in an intractable conflict, look for ways to redistribute tasks so that your interpersonal problems don't affect the work.

Building strong relationships with colleagues whom you don't see every day requires persistence, empathy, and a genuine interest in the person behind the machine. To express these traits successfully, you'll need something else, too: strong communication skills across a variety of platforms.

SCRIPTS FOR CONFLICT

When you confront a colleague about a problem at work, you'll often discover motivations and interests that differ from yours. These conversations require a lot of back-and-forth, so schedule a phone call or video chat. Let them know ahead of time what you want to discuss, so they can prepare, too. Take notes while you talk, in Google Docs or some other place you both can see and edit. Then dive in with some of these questions:

Understanding your differences

- "I'm sensing a gap in how we think about ____. What's going on there?"
- "You seem concerned about ____. Can you help me understand what's driving that?"
- "I'm concerned about ____, but you don't seem to be. Can you help me understand why not?"

- "How does our shared work fit in with your other priorities right now?"
- "I see the main purpose of this work as _____. What about you?"
- "The outcome I'm most excited about from this work is _____. What about you?"
- "The _____ aspect of this work is the most challenging for me right now [or is taking the most time]. What about you?"

Reconciling your differences

- "In an ideal world, how would you like this to go?"
- "In an ideal world, I'd like _____ to happen. Is that possible?"

(*continued*)

SCRIPTS FOR CONFLICT

- "I would most like to see you take ____ action. Can you do that? If not, what do you propose?"
- "What action would you most like to see from me?"
- "I think we have a lot of common ground around ____ [name the goal, task, problem, or outcome]. Let's start by figuring out how we want that to go."
- "I'm really glad to learn about ____ [motivation, goal, or problem] that you have. I think I can contribute there . . . "
- "I see ____ [motivation, goal, or problem] that you have as being connected to ____ priority that I have. How can we build on that?"
- "It sounds like ____ [task] is more relevant to you, and ____ [task] to me—want to trade?"

Specificity is the key to this kind of conversation. Isolate the behaviors you'd like them to change, and keep the list short, say, one to three items. Propose only things you think are important and doable, and look for opportunities for reciprocity.

Communicate Effectively

Communicate Effectively

Communicating with virtual colleagues can feel like screaming into the wind. It takes much effort, but you're still not sure you're being heard. Because you're not face to face, you won't see the glints of recognition in their eyes when your idea lands, or catch the skeptical looks on their faces. You could spend all day replying to e-mails, and still miss a coworker's SOS if you're not also regularly checking texts, calls, IMs, and all the rest of the dozen other channels you use to communicate. How are you supposed to get any work done when just staying in touch requires so much time?

In this chapter, you'll learn how to get the most out of your technology, capture your colleagues' attention, and limit the total amount of time you spend on it.

Pick the right channel

You've spent two weeks trying to get a video call on the calendar with a busy colleague, but when the moment comes, you realize with embarrassment that the only thing you really have to ask is a simple yes-or-no question. Five minutes into the call, your colleague asks you in a disbelieving tone, "So . . . that's it?"

Anyone who's made this mistake knows how important it is to match the mode of communication with the content. If the fit is off, you'll waste time and goodwill on fruitless or confusing interactions. Written formats strip emotional context and inhibit back-and-forth on complicated or extended points. Audio and video can be intrusive and often require advance

planning. With too many participants in any one of these, it can also be difficult to follow the thread of who says what.

How can you make an exchange as effective and efficient as possible? To decide which mode to use, ask yourself two questions. First, what do you want the recipient to do after you convey your message? If you think they'll have a lot of questions or will need to craft a detailed reply, phone or video is best. If you just need a quick answer, try e-mail, text, or another IM service.

Second, how do you think the recipient will react after you convey your message? If you think they're likely to be confused or upset or to have any other heightened emotional response, go for video or phone, where you can project and read feelings more accurately.

There are other considerations, too. If the message is urgent, tools that let you reach people instantly—like text, IM, or phone—are best. If it's complex, then

BRIDGE TIME ZONES

Try these tips for communicating with colleagues in different places:

- Get some real-time face time, even with colleagues in different time zones. Don't let the logistics put you off: If you can't find a mutually convenient hour, be the one to compromise.
- Find a shared window of time in your working days, and make sure you're regularly available during that period.
- If you don't have any available hours in common, talk explicitly about how you'll manage trading any necessary information to keep things moving. What do each of you need from the other to get your work done?

phone, video, or a shared document is best. You also need to think about the audience: to get input from multiple people, use phone, video, or a group messaging service such as Slack; for one-on-one or unidirectional communications, e-mail and text are OK. For tips on handling time zones and language barriers across these platforms, see the sidebars "Bridge Time Zones" and "Surmount Language and Cultural Barriers."

As you get a feel for what works best with your particular colleagues, remember that you can always switch between channels. Just because a conversation starts on e-mail doesn't mean it has to stay there. If you feel as if the discussion is becoming unproductive, consider whether a change in venue could help: "It's hard to answer that question over text—can I call you?"

SURMOUNT LANGUAGE AND CULTURAL BARRIERS

If you're working with people in different countries or cultures, you can close the gaps in several ways:

- *Ask them how they prefer to communicate.* You'd do this with any colleague, but put extra thought into it when you and your coworkers aren't fluent in the same languages. Are they more comfortable with written or oral communications? Does the topic make a difference in how they like to communicate—for example, a highly technical point versus a general status update? Consider how cultural norms might interact with the technologies you choose, too, especially when you need to work through a disagreement or discuss a sensitive issue.
- *Build on common ground.* However different your and your colleague's past experiences,

you do share something right now: this work. Are you both sticklers about punctuality? Do you geek out about the same things? Are both of you having trouble getting a certain tool to function properly?

- *Do your own research.* If you're working with more than one person who lives in a different country or if you will be collaborating with someone for a long time, read up about the area. Learn about their cultures and traditions. Occasionally check in with the main source of news for that area, or find related and reliable sources to follow on Twitter. Express your interest in learning more, and ask your colleagues directly for their recommendations.

Get—and keep—your colleagues' attention over e-mail

Whether you're scheduling a meeting, sharing information, or making a request, most interactions with your virtual collaborators begin with an e-mail. When colleagues see your name in their inbox, you want them to think, "I'd better see what that's about!" Frame your message for maximum impact by following several practices.

Craft your subject line carefully. Clarity and brevity rule. Use the project name, or set expectations ("Quick question" or "Project update: reply by COB [close of business]").

Lead with what you want. Don't make them skim to the bottom of an e-mail or suffer through a meandering voicemail to find out what you're asking. Start with a clear request: "I'd like your help organizing the

permissions for our upcoming showcase. I've drafted a timeline—can you review it and let me know by the end of the week?"

Provide context. What do they need to know for this request to click? How does it connect to their bigger picture? Are there recent events that help explain what you're asking for—complications, setbacks, errors?

Spell out your request. What specific actions do you want the recipient to take? If you need a response immediately, don't assume they'll get back to you in a timely manner. And if you want an update later on how things are going, make that explicit, too.

Make it memorable. Use powerful, vivid language. Avoid exaggerations or rhetorical flights of fancy: Short sentences with forceful, simple verbs make a strong impression.

Curb emoji usage. Emoji can effectively convey emotion, but they can also make you look immature or out of touch. Do you have a relationship with the recipient that will help them interpret the signal correctly?

Say thank you. It's common sense, but not always common practice: Gratitude oils the gears of all working relationships. Don't ask "Please?" without saying thank you.

End with a call to action. Refocus their attention on your central objective: the task you want them to perform, attached to a specific timeline. "Today I need last quarter's numbers for the Bhattacharya account, and tomorrow I'll follow up about the Meyer and Abbott accounts."

Hold people accountable

Maintaining accountability with virtual collaborators requires empathy and ingenuity. As in other parts of real life, it's a good idea to start by reflecting on where a recalcitrant colleague is coming from. What are their motivations, interests, and constraints? If both of you are part of a team, take into account the other person's role on the team and the chain of command. Who are they responsible to, and how does your collaborative work align with their role?

If you're working together in a looser arrangement, pose this question more broadly: What's at stake for them here? How can you connect your issue to the things they already care about? Once you have a handle on the answers to these questions, you can try several communication strategies.

Push colleagues to commit to concrete plans. A concrete plan is an action item plus a deadline. If

you keep hearing "I'll get to that soon," be blunt: "When? How about Monday?" Document your agreement in writing, then remind them of the commitment as the deadline approaches. By extracting an explicit promise from them, you take away their plausible deniability for ignoring your texts and calls come Monday.

Let them know they have an audience. The biggest leverage you have in this situation is probably your overlapping professional networks. You can't hail them in their cubicle with a hearty "Did you get my e-mail?" while the rest of the office listens in, but you can remind them that other people will see their work. Bring it up in a positive way: "Dan and I were just talking about this project—he's excited about our work and asked us to share the finished product!" Your collaborators will understand that you aren't the only person with high expectations for their performance. If you need to push harder, express concern

before anger, and remember that a threat is never professional (and rarely productive, anyway).

Create a sense of reciprocity. If your request is one-way, they might think of it as a favor. Push back against this illusion by showing that you're in a mutual professional relationship, where both people are giving and receiving something of value:

- Surpass their expectations by beating deadlines and exceeding quality standards in your work.
- Volunteer to help them with an annoying or difficult task.
- Ask them what they want! "I'm so grateful for the work you're doing on this. What can I do to make this a good experience [or investment of time] for you?"
- Deepen the social dimension of the relationship. What are they looking forward to this

weekend? Is their pet recovering from its recent surgery?

- For a long-term assignment or a particularly onerous task, send them a small gift. An ebullient thank you is a great motivator, and while you can't beguile a faraway coworker with homemade cookies, you can have flowers delivered to their desk.

Maintain a positive, generous frame of mind. Your grievances may be legitimate, but grousing about them will only poison the relationship further. Interpret their communications with charity, and make kind assumptions.

Give and receive feedback

Generosity is particularly valuable when it comes to feedback. You might struggle to figure out when

and how to deliver constructive criticism in a virtual setting—and receiving it can be just as challenging. "Your recent work contained some major problems" looks much worse in an e-mail than it sounds when delivered with a compassionate facial expression by someone you frequently lunch with.

To start the conversation off well, pick your timing carefully. Avoid delivering difficult information right before another meeting or a deadline they have. If you're using video, position the camera at eye level so you're not looming over your interlocutor. Keep your body language open and relaxed, and maintain natural eye contact.

Plot out the actual conversation ahead of time, following these steps:

1. *Think about the bigger picture.* What else is going on in this person's personal and professional life right now? Sometimes that's harder to know when you aren't interacting in person every day—but see if you can find out. Also,

what's the context for this feedback in your relationship with them? What do you want this feedback to accomplish in the relationship?

2. *Start on a high note.* Be warm, and don't skip the usual small talk. Emotion is harder to read over video or on the phone, so be explicit about your positive feelings: "I'm really enjoying working with you." "We've still got some work to do, but I'm confident we'll get there."

3. *Express honest appreciation for the other person's work.* Start with some good feedback, and be specific. What are they doing well? What have they made easier or more interesting for you?

4. *Give feedback about a specific behavior.* Don't speculate about motives or talk about big patterns: Keep your comments concrete and narrowly focused to avoid a defensive

response. Listen to the reply, and follow up on anything that seems ominous. For example, if they won't meet your eyes, is it because of where the camera is positioned, or do they feel attacked?

5. *Suggest a specific fix, or ask them to come up with one.* You want to end the conversation with an action item for your colleague, something they feel ownership over and excitement about. Ask how you can help them execute it.

6. *End on a positive note.* Thank them for listening to you, and reiterate the positive feedback you gave at the beginning. Then follow up with an e-mail briefly summarizing what you agreed on, and thanking them again for the conversation.

The key to giving effective feedback is do it right away or to let your colleague know it's coming. If

you respond to all e-mails immediately with "Looks great!" it can be awkward to reach out later with a criticism, and you may miss the window of opportunity altogether. It's better to prepare meaningful comments immediately or to send a placeholder message: "Thanks for sharing! I'm planning to look at it Friday and will send you my feedback then."

Some of the same advice applies when you are on the receiving end of feedback. Ideally, the person contacting you shares your hierarchy of technologies and will reach out in person or by video or phone. If not, redirect the conversation: "I just got your e-mail about my performance on our last quarterly report. I'd like to talk more about this—could we do a video call tomorrow afternoon?" When the time comes, find a private location that's clear of distractions, and follow these tips:

1. *Prepare ahead of time.* Review your work and any previous feedback from your colleague/

supervisor. Reflect on how *you* think things are going.

2. *Listen, take notes, and ask questions.* Your first task isn't to respond to the criticism, but to understand it. What exactly are you being told, and do you understand the values or concerns behind it? Explain to your colleague that you're taking notes so you can review them later—otherwise they might think they don't have your full attention.

3. *Summarize the feedback verbally to check your understanding.* It's hard to process criticism under any circumstances, and technology generally increases people's emotional confusion. Repeat back key points: "I'm hearing that my humor on phone calls can be alienating and confusing to other people. Am I getting that right?"

4. *Clarify your emotions.* Part of professionalism is managing your feelings in difficult situations, so don't let video glitches or a delayed phone connection imply things about your response—own it openly: "This definitely comes as a surprise, and I'm sad to hear I've made people uncomfortable."

5. *Suggest a specific fix, or ask them to come up with one.* You want to end with an action item: What would solve this problem? Ask for help if you need it.

6. *Buy time.* If you don't feel you can respond well in the moment, end the conversation gracefully. "I think I need some time to process this feedback. Thank you for being open with me; can I follow up with you tomorrow?"

Working remotely can sometimes hinder people from offering you feedback, so ask for it. When you share your own work, invite comments explicitly and

then follow up if you don't hear back. Because you're in another location, no one can casually stop you in the hallway to share their reaction. So be direct: "Nora, I think your ideas about the layout I sent last week would be really helpful. Can you take a look?"

Set boundaries

You want other people to reply to your e-mails and react to your work—but the influx of communications can be distracting. Think about the last time you were really in the zone during work. What brought you out of it? Was it your phone buzzing? An e-mail notification on your computer screen? Did a coworker try to strike up a conversation over IM, or did your boss send you a calendar request?

You don't get to choose when people interrupt you. But you *can* choose how to respond. And when you're bombarded by signals from your menagerie of communications devices, remember this: You don't have

to answer everything immediately. Instead, create sensible schedule boundaries, and obey them.

For example, consider answering e-mails exclusively in the morning and again at the close of the day. In between, check in periodically to let people know you got their note: "Thanks for this message! I'll get back to you by the end of my day." Record a special voicemail greeting, or set up auto-reply messages for your e-mail for a couple hours. An anxious or peeved coworker who gets no response from you might assume that you're simply off the clock. A prompt, if not substantive, response will go a long way toward assuring them that you're just tied up with other work.

For text or IM conversations that go on too long, keep a rote response on hand:

- "This is interesting, and I want to talk more about it. I have to go now, but I'll message you to set up a call."

- "Thanks for these sharp comments; it's been helpful! Unfortunately, I have to go, but let's follow up later."

- "I'm glad you asked, but unfortunately now is not a good time for me—can you send me an e-mail?"

- "Let me get back to you this afternoon, when things settle down over here."

Finally, know when to bail. If you don't need to be involved in the discussion, don't be.

. . .

Communicating effectively with your virtual colleagues requires imagination and discipline. You need to think strategically about how best to reach individual collaborators and push these interactions into the most productive channels—maybe without the help or even the awareness of your colleague. It's a lot to master, but the payoff will be worth the

effort when you spend two hours each day on your inbox instead of four. Savings like these are the difference between feeling unproductive and feeling like a true contributor to the work at hand. You can enjoy more of the latter feeling by learning how to handle the most common challenges of remote work, in the following chapter.

Manage Common Problems

Manage Common Problems

Without the structure of office life, your schedule can easily devolve into anarchy. You have a meeting at 10 and a deadline at 5 . . . and everything else is up for grabs. How do you explain to your coworkers and friends that your nontraditional arrangement is still real *work*? How do you stay on task when your kids come home from school? You *can* get stuff done when no one is looking—and stay sane through it all.

Managing your workflow while keeping your own sense of well-being intact can be a tricky balance. To establish boundaries around your workday, you'll need to find ways of limiting unwanted intrusions

from colleagues, friends, and family. But for your professional reputation as well as your own mental health, you'll need to stay connected to those very same people. This chapter will guide you through this seeming paradox, so that you can maximize your productivity—without compromising your happiness.

Set and maintain a schedule that works

As a virtual collaborator, you can theoretically work anywhere, anytime—except it's not that easy. It's not just a matter of discipline or self-control: You begin the day with the best of intentions, but life is disorderly and our brains crave distractions. Maybe you're getting a late start because the babysitter was delayed, or perhaps there's too much ambient noise in the airport lounge.

You can't make your babysitter punctual, but you *can* structure your own schedule to maximize your

output while adapting to the natural patterns of daily life. The following best practices will help.

Have a workday. Whether you're working nine-to-five or overnight, setting and sticking to regular hours will help your brain focus and make you a more reliable collaborator. Your decision here depends on your working conditions—whether you need to keep the same hours that a home office keeps, overlap with colleagues on another continent, or be available for domestic life during certain hours. Experiment with these parameters to find the schedule that works best, and review the tips shared earlier in the section "Establish a code of conduct."

Develop a routine for getting started. The usual going-to-work drill (get up early, dress professionally, and so on) can help you get in the right frame of mind. Develop habits: Make coffee, walk the dog, go to the gym, clean out your e-mail inbox, review the work you did the day before, and so on.

Set realistic expectations about what you can accomplish each day. Build in time for breaks, distractions, logistics, and annoyances. Consider journaling how you spend your time for a few days, and use that log as a template going forward.

Chunk your day. Don't just work your way down a task list—plan how you'll use different parts of the day. For example, maybe you prefer to do writing-heavy work in the morning, leaving the afternoon open for interpersonal tasks. Be thoughtful about the sequencing, too. Which activities exhaust you, and which give you an energy boost? When are you at your best for phone calls, video chats, and in-person meetings? What do you need to get done before your colleague logs out for the day or before your kids come home? Remember to schedule breaks, too, since your brain needs downtime.

Moderate your time on the web. Being outside an office environment can make it harder to rein in how

much time you spend clicking link to link when researching a colleague's question. Avoid sites you know are particularly dangerous to your focus. Experiment with briefly turning off your Wi-Fi to power through a difficult task.

Quit while you're ahead. Don't try to wrap up everything before you stop for the day. If you pause in the middle of something, you'll have an easier time getting back into the flow tomorrow.

Make your work visible to others

Many people still don't "get" remote work. Do you have a friend who doesn't understand why you can't meet for a two-hour lunch in the middle of the day if you're "just" working from home, or a colleague who thinks that "virtual collaborator" means you're MIA? Their (annoying) ideas about your work matter for three reasons. First, if they don't value your labor,

they won't value your time. You'll be more vulnerable to interruptions from all sides. Second, it's demotivating when others don't recognize and respect your work. We all have a basic human need for affirmation, and work is no exception. Finally, if your colleagues don't believe you're working hard, they won't trust you. You'll watch your ideas get shortchanged and your responsibilities shrink.

So what can you do? Shape the perceptions of family, friends, colleagues, and clients—and manage the relationship when bad impressions persist—using a variety of strategies.

Stage your workspace. Select a location that projects the image you want to share with your colleagues. If you can, pick a background for your video calls that matches the look of your company's headquarters. Keep your desktop neat, and clear out nonwork detritus. Is the nude pencil-drawing behind your desk too much?

TIPS FOR PICKING A COWORKING SPACE

Finding too many distractions at home, and the local coffee shop too crowded? Consider a *coworking space*—a communal office that telecommuters or the self-employed pay a fee to use. A day pass or a regular membership gives you access to a mix of open space, offices, conference rooms, communications technology, and amenities such as a kitchen or a printer.

This arrangement unites many of the benefits of remote work with those of an office. People who use coworking spaces report that the lack of competition and office politics frees them to concentrate on what's meaningful about their work and to give and receive help in a purer spirit of collegiality. And working around other people gives them structure and motivation that's often absent at home, and a strong sense of community. The benefits are striking:

(*continued*)

TIPS FOR PICKING A COWORKING SPACE

Research shows that coworking spaces help people thrive at work at a high level, averaging 6 on a 7-point scale.

Whether you're using a coworking space, an airport lounge, or the corner coffee shop, here are some characteristics to look for:

- *Mixed seating.* Ideally, there would be desks *and* couches, cubicles *and* armchairs. Different setups are appropriate for different work activities. Can you get a change of scene and refresh your brain without leaving the venue?
- *Open and closed working spaces, with clear break areas.* Chance encounters with other people will feed your creativity and motivation, but you'll also want to protect yourself from unwanted intrusions. Does the space meet both needs?

- *A program of social and networking events.* If you're a regular at a coworking space, building personal and professional ties can act as a bulwark against some of the emotional challenges of remote work. Does the space facilitate these interactions?

What message does the tangle of winter coats and boots over your shoulder send to your colleagues? Set up a practice video chat with a friend who will tell you what your makeshift office really looks like. (If you're looking for workspace options other than a home office, see the sidebar "Tips for Picking a Coworking Space.")

Pay attention to your presentation. You want people to see you as a true professional, so give them some

visual cues. If you're going to be on a video chat, dress as if you were going to an office. Look at the camera, lean forward with an attentive posture as you would at a real table, and don't multitask.

Above all, be thoughtful about how you talk about your arrangement. "I'm wearing my pj's and I haven't even taken a shower yet!" might be true, but your boss and colleagues don't need to know. It's OK to show your real life happening in the background, but make sure the foreground looks right, too. You *do* take what you're doing seriously—so make sure people can see that you do.

Focus on changing people's behavior, not opinions. You'd like your spouse to respect the fact that you're working, but right now you need them to hold their chore requests until you're off the clock. And you'd like your colleagues to stop joking about how you're on vacation while you work from home, but you need them to remember to credit you when they present to your boss.

Instead of having the whole "No, it's actually a *real job*!" conversation, make specific, actionable requests of other people, and keep enforcing your boundaries.

- With colleagues, say something along these lines: "I miss the headquarters sometimes, but this arrangement works best for me right now. By the way, I'd like to call in to your Friday meeting with the team." Or "Please copy me on e-mails about this topic from now on—it's part of my role."
- With your family, try this: "Let's talk about this when I'm done with work, in three hours." Or, "I'm still on the clock. Come find me at six."

Combat isolation

Working remotely often means working alone. You're constantly communicating, but sterile e-mail notifications and terse text messages can make you feel

even more alienated. “Are you going to make the deadline?” and “See my corrections, attached here” don’t resonate like a friendly smile.

Even when you’re surrounded by people—at a coffee shop, in an airport lounge, at a makeshift desk on-site with a client—you may still miss the collegiality and sense of common purpose that an office provides. And you’ll certainly miss the talk. When your neighbor casually asks, “How’s it going?” you’ll find you have a *lot* to say.

The downside of isolation isn’t just emotional—it’s tactical, too. You may not receive key information that made it around the office because no one remembered to share with you. It’s frustrating and potentially damaging to your credibility to be left out like this. How many times are you willing to say to your boss, “What e-mail? I didn’t get it,” or “What error? No one told me about it,” or “What deadline? It’s not on my calendar.”

Even if you love remote work, you don’t want to be left out or left behind. So how can you adapt?

Be visible to your virtual colleagues. Let peers and supervisors know what you're doing, not just your accomplishments, but obstacles and works in progress. Add some social or personal content to the conversations, even if it feels weird at first. If you're having trouble establishing a rhythm, put your to-dos on a calendar. Send a daily round-up to your colleagues, such as a Monday morning greeting, with your agenda for the week. Ask them what's on tap for them for the week ahead. Try out different options, and see what your individual coworkers respond to best.

Invite casual contact (when you want it). When you're doing work that doesn't require a lot of focus, let your colleagues know that you're open to spontaneous interactions. Broadcast your status over Twitter or Facebook, or customize your IM or Skype message: "My door is open this morning! Feel free to reach out if you want to follow up on something or just check in."

Stay connected to people in your physical location. Being around other people is essential to your well-being, so schedule regular face time. Friends, family, yoga buddies, local colleagues—cast as wide a net as you can, wherever you are. Put your plans on the calendar, and don't let work encroach too far on them.

Make time during the workday for restorative activities. The time you spend alone doesn't have to be cheerless. When you take a break, choose activities that you enjoy: Prepare and eat a good meal, visit your gym, check in with someone you love, listen to music, read or watch something you enjoy. Don't limit yourself to the erudite or dignified, either—have a mini dance party, check your fantasy sports team, or take a short nap. As long as you return to work feeling energized and refreshed, you're doing it right.

Commiserate. As you cycle through the natural lows and highs, the best thing you can do is talk about

it, especially with your coworkers. Loneliness isn't shameful—for all you know, your colleague is going through the same thing.

. . .

There are a million ways to be a successful virtual collaborator. With diligence and some experimentation, you'll find the way that's right for you. Sometimes you'll hit your stride and feel like you've really mastered this way of working—and other times you'll find yourself neck-deep in e-mails, wondering how you'll ever get the hang of it. That's OK: As you become more comfortable and confident in your situation, the good periods will lengthen and the bad ones will shrink. Instead of dreading new tools, you'll be thrilled to figure out how they can solve a problem or augment a relationship. As you find better ways to plan your schedule, you may find that you have more time than ever before—and that you're more productive, too. And relationships that used to feel remote or awkward will gradually become collegial and, perhaps, will blossom into true friendship.

Learn More

Quick hits

Johnson, Whitney. "Collaboration Is Risky. Now, Get on with It." HBR.org, June 7, 2011. https://hbr.org/2011/06/collaboration-is-risky-now-get.

Are you worried that your coworker is slacking off? Is someone exploiting your ignorance about one topic and stealing your ideas about another? It's hard to build trust in a virtual collaboration when you can't get an in-person read on the other person's character. Johnson offers universal advice for overcoming these fears and embracing an open, generous partnership.

Torres, Nicole. "Just Hearing Your Phone Buzz Hurts Your Productivity." HBR.org, July 10, 2015. https://hbr.org/2015/07/just-hearing-your-phone-buzz-hurts-your-productivity.

When you work remotely, your day is a constant stream of notifications: ringtones, chirps, buzzes, and pop-up boxes. Learn how these alerts damage your focus, slow down your work, and even introduce errors in your performance.

Watkins, Michael. "Remote Leadership: Meeting the Challenge of Working for a Virtual Boss." HBR.org, July 20, 2007. https://hbr.org/2007/07/remote-leadership-meeting-the.

Of all the collaborators you need to stay aligned with, your boss is probably the most important one. But while you can't ignore their e-mails, they might ignore yours. Watkins outlines four key strategies for staying connected with the person who matters most to your work life.

Books

Fried, Jason and David Heinemeier Hansson. *Remote: Office Not Required*. New York: Crown Business, 2013.

Learn from the real-life experiences of the creators of 37signals (now called Basecamp), among other web-based tools, where virtual collaboration is the order of the day. Having built a remote work environment at their own company, Fried and Hansson describe the challenges and benefits of this arrangement. The authors are zealous converts to virtual work and full of relatable stories that show how individual contributors and companies can make this work.

Harvard Business School Publishing. *HBR Guide to Managing Up and Across*. Boston: Harvard Business Review Press, 2013.

The greater the number of remote collaborators your work pulls in, the more likely you are to work with peers and supervisors who don't fit cleanly into an org chart. Even if you're

a full-time employee, your virtual coworkers probably come from different departments. This guide helps you learn how to build productive relationships with anyone and advance your agenda—and your career—in the bargain.

Harvard Business School Publishing. *HBR's 10 Must Reads on Emotional Intelligence*. Boston: Harvard Business Review Press, 2015.

As a remote worker, you're operating in a low-information environment when it comes to reading your coworkers' social and emotional cues. To navigate these relationships, you'll need to hone your emotional intelligence (EI)—your ability to perceive and respond to other people's emotional states and your own. Starting with Daniel Goleman's seminal article about EI, "What Makes a Leader?," you'll learn how to evaluate your own EI and regulate the effect of your emotions on your decision making, your professional relationships, and your own well-being.

Articles

Bharadwaj, Sangeeta Shah. "Case Study: Can a Work-at-Home Policy Hurt Morale?" *Harvard Business Review*, April 2015 (product #R1504K).

If you're an occasional, a regular, or a full-time remote employee of a company, this article on the trade-offs of telecommuting will give you a broader picture of what might be

happening in your organization. Reflect on how your work arrangements affect your in-office colleagues, and look for ideas you could bring to your own employer to mitigate these problems.

Birkinshaw, Julian and Jordan Cohen. "Make Time for the Work That Matters." *Harvard Business Review*, September 2013 (product #R1309K).

A London Business School professor and a productivity expert share their research-based self-assessment that helps you evaluate all your daily activities. You learn how to decide which ones are not that important to either you or your company and which are relatively easy to drop, delegate, or outsource. Your results will reveal small but significant changes you can make to your day-to-day work schedule to boost your productivity.

Gratton, Lynda and Tamara J. Erickson. "Eight Ways to Build Collaborative Teams." *Harvard Business Review*, November 2007 (product #R0711F).

Teams that work together closely need to overcome the social distance of virtual work more than any other kind of collaborators do, but without constant attention, any bonds formed will deteriorate. In a study of 55 large teams, Gratton and Erickson identified eight success factors, from relationship norms to assignment structures, for collaborative teams. Evaluate your own team's strengths and weaknesses against Gratton and Erickson's model, and brainstorm new practices you can pitch to the group.

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Preview

Whether you're hosting a conference call, leading a WebEx meeting, or checking in with your team over an online chat, running an effective virtual meeting means overcoming an array of obstacles. Awkward silences, cacophonous interruptions, multitasking and disengaged participants, and all manner of technical glitches can cost you precious minutes. These are the problems you face daily as you work with people in different cities and countries. But you *can* prepare for and lead a productive meeting from afar. With guiding principles and tips for making your virtual meeting run smoothly, this book will have you ticking through every item on your agenda.

Running Virtual Meetings walks you through the basics of:

- Selecting the right channel for your virtual meeting
- Coordinating the technology that will allow everyone to connect
- Giving your colleagues the materials they need to meaningfully participate from afar
- Keeping participants engaged in the conversation, and bridging the in-person-versus-remote gap
- Assigning and clarifying meeting roles to keep things running smoothly
- Ending with a clear commitment to action for the whole group
- Holding participants accountable, whether they're in the office next door or on the other side of the globe

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Running Virtual Meetings

What Is a Virtual Meeting?

What Is a Virtual Meeting?

Leading an effective virtual meeting is no easy task. There's the ghostly presence of other people on a conference call—a silent chorus that says hello at the beginning of the discussion and then never chimes in again with a question or an idea. The ding of an incoming e-mail from a teleconference participant who's not bothering to hide the fact that they're using the time to catch up on correspondence. Awkward, lengthy gaps as overly polite participants try to avoid speaking over one another. The colleague who takes a lagging video connection as license to interrupt other speakers whenever there's

a pause in the transmission. And those are just the people problems. Slow internet service, software bugs, pixelated video—how do we make any progress on our agendas?

Problems like these can plague a meeting when you can't gather all the attendees in the same physical location. Whatever the purpose of your conversation, its dynamic will be fundamentally determined by the *medium* that brings everyone together. Video, conference call, messenger apps—as communication tools evolve, so do your options. Even if you work in a traditional office alongside your colleagues, you may spend most of your time in conference with people who aren't physically present: negotiating terms with the client who lives two time zones away; discussing a project with a colleague who regularly works from home; or just checking in with the coterie of collaborators who, like you, work out of coffee shops and libraries.

Though they're part of our regular workdays, these meetings aren't always as successful as they could be. There's a lot that can, and does, go wrong.

What are the key challenges?

You know what it feels like when an in-person meeting isn't going well. You're bored, you're frustrated, you're confused. Virtual meetings are susceptible to the same problems, but the causes are often different.

Technology. The success of a virtual meeting depends on the communication tools we employ. Picking the right technology is like picking a good meeting spot. You wouldn't ask colleagues to gather in an abandoned warehouse, at a members-only club, or at a restaurant an hour away from the office. Those aren't accessible locations, and your team won't feel safe or comfortable meeting there. Likewise, if your technology doesn't suit the group's needs, it can actually *prevent* people from participating. And even with the right tools, you'll have to deal with the usual run of problems, from dropped phone service to malfunctioning software.

Protocols. Meetings work best when people clearly understand the process and culture that they're expected to comply with. But when you're not face to face or in an office with established rhythms, your colleagues won't necessarily share your expectations and conventions. Who's moderating the conversation and has the right to recognize a speaker or ask someone to be quiet? What's the polite way to register disagreement—should they interrupt the flow of the meeting, or stay silent and follow up by e-mail later? As the leader of the meeting, you're responsible for clarifying these norms ahead of time and enforcing them as the meeting unfolds.

Engagement. Technology and protocols create a good space for virtual meetings; engagement is what happens in that space. But without in-person contact, your remote collaborators can easily become distracted or tune out. And if some people are attending the meeting in person and others are joining remotely, you face another set of difficulties. If you

succeed in keeping the people in the room highly engaged, the virtual collaborators might be unsure how to participate in the group's vibrant dynamic and fall silent or feel excluded.

Why hold one?

If virtual meetings are so much trouble, why are they worth your time and attention? Because the way we're working requires them. As organizations extend their global reach, workers in diverse locations must work together to accomplish shared business goals. And as more and more cloud-enabled collaboration tools make their way to market, they offer a time- and cost-effective way to get that work done. If you need to assemble colleagues in London, Nairobi, and Mumbai, there are simply no other options.

But don't think of these meetings as your choice of last resort. Collaborate with people across town or an ocean away, and everyone reaps great benefits.

You'll build personal connections. For colleagues in different locations, virtual meetings are the only place to build rapport in real time. Whether you're using a video service or a chat app, these interactions let you engage in the small talk and rapid back-and-forth that's so essential to building trust—but so hard to accomplish over e-mail.

You'll take the onus for virtual collaboration off e-mail. We're accustomed to thinking about virtual meetings as serving the same functions as a "real" meeting, but they have another analogue: e-mail. For all its virtues, e-mail is not well suited for complex or technical discussions, and one-off questions or comments can get lost in the inexorable tide of new messages. Virtual meetings solve both these problems. They're a good forum for complicated conversations, and their low barrier to entry lets you initiate minor, but useful, interactions that otherwise wouldn't be worth the trouble.

You'll get more out of your time. You don't need to travel to your colleagues, or they to you. Carry out routine information-sharing without the hassle of a cross-country flight—or a ride up the elevator. Work with a corporate security specialist who has the skill set you need to navigate local regulations and infrastructure for the new office location you're planning. Invite your boss to address your team during its weekly hour-long meeting—then patch them in during the ten minutes they're available to talk.

What this book will do

Virtual meetings are challenging to facilitate, yes, but you can make progress on your work. Whether you're hopping online to meet with teammates in Japan or calling into the office on a work-from-home day, you can spark participation and engagement and lead

better virtual meetings. *Running Virtual Meetings* is for you if you:

- Lead a virtual team
- Host meetings for the people you collaborate with, who work from various locations
- Give virtual presentations
- Have a direct report or colleague with whom you work closely and who works in a different location

To derive the most from these remote experiences, you'll need to prepare, conduct, and follow up on the discussion as you would for an in-person meeting. But as the leader of a virtual meeting, you need to:

- Plan your meeting, working around multiple time zones to schedule it and looping in the right people no matter where they are

- Choose the technology you'll use to host the meeting, and ensure it works
- Set—and enforce—expectations for participation
- Foster engagement, so that everyone contributes fully and feels ownership over the meeting's outcome

In the rest of this book, you'll learn practical tips for every step of taking those meeting basics and using them to run an effective virtual meeting. We'll begin by evaluating whether hosting a virtual meeting will help you achieve the goal you have in mind.

Plan Your Meeting

Plan Your Meeting

Running a successful meeting requires a fair amount of groundwork. Set yourself up for a meaningful, engaging conversation with the right players by thinking through your goal and deciding who can help you achieve it, what materials they'll need to contribute in an informed manner, and when and where you'll best assemble everyone.

Decide if you need to meet

Remote collaboration can exacerbate our tendency to plan needless meetings. Because we're measuring

our working relationships against traditional office life, where coworkers see each other every day, we feel like we should be in contact with our counterparts more frequently than we are. Our team is dispersed, so group conference calls are our only way to interact, right?

But the cost of these interactions is invisible to us. We don't see how harried or bored our collaborators are during an ill-conceived meeting or how it can throw off the rest of their workday.

What are you trying to achieve?

To avoid wasting your colleagues' time—and your own—figure out what you hope to accomplish. Push yourself to be specific. For example, "My goal for this meeting is to make adjustments to our current project timeline. I want to gather input from the team about their schedule constraints, so that I can make a new timeline that people are able to commit to." As you're framing the goal, ask yourself:

- What do I want the outcome of this meeting to be?
- Why and how do other people need to be involved?
- Which people or points of view do I particularly want to hear from?

Are you ready to meet?

Now that you've articulated your goals, assess them critically. Will holding a meeting right now really accomplish what you want? Dig down on several key questions.

Do I have everything I need to discuss the situation? Do I have all the information necessary to make the meeting work? Am I clear in my own mind about my concerns and priorities—and those of the work? Perform a short thought experiment, where you put yourself in the place of key participants and

imagine the questions they're likely to ask. Can you answer them? If not, postpone the meeting, and do some more research or independent strategic thinking.

Does moving forward require back-and-forth with collaborators in real time? If you simply need to get information from someone else ("What's your project status?" "Can you give me feedback on these documents?"), e-mail might be a better option, since colleagues can get to it on their own time. But if you need to discuss a complicated problem, get multiple perspectives on an issue, make a sensitive group decision, or do anything else that requires complex human interactions, plan for real-time talk.

Will our group dynamic benefit from a real-time interaction right now? Meetings matter for morale as well as efficiency. People feel more connected when they can see each other's faces or hear each other's voices. Even trading messages on chat can motivate,

since the quick give-and-take builds rapport. If your collaborators seem disaffected or distrustful, try moving business you'd normally conduct over e-mail or through document sharing to a meeting.

After running through these questions, you may realize that you're not ready to bring in other people on this issue—or that you can take care of it on your own. But if this review confirms the need for a meeting, it's time to map out the plan to meet your goal, starting with a well-crafted agenda.

Create an agenda

Your agenda outlines the items you want to accomplish in a logical sequence, with a time limit and an owner for each order of business. As with a traditional meeting, break down complicated issues into component parts that build on one another. For example, if you need a plan for shifting team members'

responsibilities, start by giving a relevant update (an agenda item might be "Review team members' roles on the project"); then get people's input on various ways to shift these roles ("Discuss potential approaches" and "Vote on approaches"); and, finally, make a decision ("Review votes, and decide on approach"). The lack of face-to-face stimulation shrinks people's attention spans, so plan the bulk of the meeting in 5- or 10-minute segments. If the meeting moves along at a good pace and people believe they're making progress, they're less likely to become distracted by their physical environments.

Factor in participant time zones and availability —if someone can join for only part of the meeting, schedule the items that matter to them in that window of time. Technology also influences your agenda. If attendees must use an onerous tool to view a presentation or access a database, group these activities together so that you don't lose momentum (or attention) as people log in or toggle between screens.

Include any information that folks will need to join the meeting on your agenda—where it's being held (conference room, chat channel), dial-in information, and so on. Add the backup plan details, too, so that participants have everything they need in one spot. Figure 1 shows a sample agenda.

A few days before the meeting, distribute your agenda with a packet of information about the meeting (see the section "Send Your Invitation and Materials" later in the book). To make sure people really read the information, pick a format they're likely to use. For example, if some participants are calling in from the road, make your packet mobile friendly.

Identify the participants

As you've been noting what topics you'll cover, you've probably also started jotting down people's names beside various items. To build the guest list, invite only

FIGURE 1

Sample meeting agenda

Agenda item	Who	Time allowed
Opening—quick overview of meeting roles and etiquette; review importance of Special Revenue-Generating Project and key team members' roles on the project	Emily	5 minutes
Review of team members' current responsibilities	Lisa	5 minutes
Discussion of possible responsibilities to shift away from team members	Lisa	10 minutes
Discussion of potential approaches	Lisa	15 minutes
Vote on potential approaches via Doodle poll	Group (Jack will share link for Doodle poll in team Slack channel)	5 minutes
Review of votes and final decision on an approach	Jack	10 minutes
Next steps	Emily	5 minutes

Purpose: Special Revenue-Generating Project: Reprioritizing Workloads

Objective: To develop plan for shifting other responsibilities of key team members

Attendees and roles: Emily, Lisa (facilitator), Jack, Chris (scribe), Angela (timekeeper), and Steve (tech czar)

Location: 5th floor conference room for NYC folks, WebEx for rest of team (information below)

Date and time: 2:00–2:55 p.m., January 25, 2016

Plan B: If we get disconnected or are unable to establish a quality connection, we'll move to the team Slack channel

Contact information for Steve, tech czar: Skype username swilde67

WebEx meeting information

Topic: Special Revenue-Generating Project: Reprioritizing Workloads

Date: Monday, January 25, 2016

Time: 2:00–2:55 p.m., Eastern Standard Time (New York, GMT-05:00)

Meeting number: 680 531 932

Meeting password: (This meeting does not require a password.)

To join the online meeting

Go to https://businessevents.webex.com/businessevents/j.php?MTID=mba123456789adbca3d156f170af9bc7

Audio conference information

To receive a call back, provide your phone number when you join the meeting, or call the number below and enter the access code.

Call-in toll-free number (US/Canada): 1-866-555-3239

Call-in toll number (US/Canada): 1-650-555-3300

Access code: 680 531 932

Global call-in numbers: If you're joining the conference from outside the United States or Canada, go to this website for dial-in information. https://businessevents.webex.com/businessevents/globalcallin.php?serviceType=MC&ED=123456789&tollFree=1

Toll-free dialing restrictions: http://www.webex.com/pdf/tollfree_restrictions.pdf

essential contributors. Attendees should fall into one of these four categories:

- Key decision makers
- People with information about what's under discussion
- People who have a stake in the issues
- Anyone who will be required to implement the decisions you make

The *number* of participants matters almost as much as their identity, especially in a virtual environment. On the one hand, communication technology allows you to gather large groups together with minimal logistical inconvenience. You don't need to book a massive conference room or pack your guests in cheek to jowl. You just need a platform that can support your audience size (some tools have a headcount cap). On the other hand, it's hard to moderate a discussion

between static-filled voices or postage-stamp-sized faces on your computer screen. The following *8–18-1,800 rule* can help you finalize your invite list:

- If you have to *solve a problem or make a decision*, invite 8 people or fewer. If you have more participants, you may receive so much conflicting input that it's difficult to deal with the problem or make the decision at hand.
- If you want to *brainstorm*, your guest list can go as high as 18 people.
- If you need to *provide updates*, invite however many people need to receive the information. However, if everyone attending the meeting will be presenting, limit the number of participants to no more than 18 people.
- If you need to *rally the troops*, go for 1,800 people—or more!

Pick a platform

If your goals and your guest list fill the criteria for a successful meeting, it's time to decide how to hold it. And there's one piece of advice that experts agree on here: Use video.

Video

Sure, sometimes leading a virtual meeting using video technologies is impossible—when a coworker's calling in from their car, or when poor internet service on one end means that you'll all be subjected to a choppy connection. But where it *is* possible, you'll want to choose video over phone or chat for a couple reasons. Body language and facial expressions give you important information about people's reactions and moods. Everyone in the meeting will benefit from this extra layer of detail, and you'll be

more likely to avoid misunderstandings and hurt feelings. And if you can see other participants' faces and peek into their lives a little bit, rapport and empathy will grow stronger: "Deborah's at an airport gate, and she looks pretty tired. This business trip must be grueling."

Video also discourages multitasking. It holds attendees accountable for their participation (yes, we see you making lunch), and the visual stimulation makes it easier to pay attention. When there's social pressure on all attendees not to appear distracted—and when you back up that norm by calling out bad behavior—your coworkers will be more engaged and your meetings more productive.

Nevertheless, video only works when all the participants have a strong, fast internet connection (at least 25 Mbps download speed and 3 Mbps upload speed). They also need a decent webcam—a standalone unit or one that's built into their device. And they need to be willing to turn it on. Some people feel

deeply uncomfortable showing their work spaces to colleagues, and others freeze at the prospect of being on camera.

Other meeting channels

If you're working with people who can't engage with the content of the meeting because they're so unhappy about its format, you're better off choosing another medium. But which one? Broadly speaking, your options are phone (mobile, landline, or a teleconference app like WebEx) or chat (via mobile phone or computer). Let's assess them.

Phone. Good for small-group discussions, simple information-sharing, and check-ins with small groups. It's your best bet for participants who lack reliable Wi-Fi or a place to set up their computers. Use it if you anticipate a lot of back-and-forth between participants, or if you're discussing something emotionally

charged. If you share documents ahead of time, attendees can follow a presentation or review a report.

Chat. Good for any meeting with small groups, for casual check-ins with large groups, and for directed Q&As that require little discussion. It's convenient for people on the go, especially if you pick an application with a good mobile interface. But mobile keyboards will make it difficult for these people to participate in an extended conversation. This is not the ideal medium for emotionally charged material, although a less formal vibe may let people show their personalities a bit more, for example with emoji or GIFs. In general, user IDs help clarify the discussion, but without strong moderation, the sequencing of comments can quickly become unmanageable.

As a meeting platform, each of these tools has its drawbacks. You'll need to decide which user needs are the most important for your meeting and how to work around each mode's deficiencies. For example,

if you're hosting a large meeting on a conference call, consider setting up a chat thread where participants can queue questions without interrupting the meeting. We'll cover setting up supplementary communication channels in the next chapter.

Set a time

Picking a time that works for everyone is especially tricky when you're in different time zones. Send around a poll (for example, with Doodle), or e-mail the team to find common availability. If your meeting is urgent, you might just need to wedge it in and hope people can rearrange their schedules to be there. But if you have a little wiggle room, find a time that works for the majority—and when people can really concentrate on the discussion. If you have access to invitees' calendars, check which days are packed and when major deadlines loom. Otherwise,

ask up front about their schedules when you invite people: “I’d like to find a time to meet in the next two weeks to dedicate an hour to this issue. What looks best for you?”

You have a plan for when you’ll meet and what you’ll discuss with whom, but you’re not ready to send your invite just yet. First you’ll learn how to find the right combination of tools to connect and what to do if they don’t perform the way you expected.

Manage the Technology

Manage the Technology

Choosing video, phone, or chat is just the beginning. How can you determine whether your internet connection is actually up to hosting real-time file sharing between 14 people? Can you position your webcam so that people aren't distracted by the stacks of messy paper on the bookshelf behind you?

Even with something as basic as your meeting platform, much effort goes into making technology truly functional. Indeed, you probably rely on several other devices in addition to your main communication tool, from the tablet you use to view a PDF mid-chat to the Google Docs file you've created to capture real-time notes.

To make all this work, you'll identify which tools you need, practice ahead of time, and prepare for the inevitable technical glitches.

Assess your needs

"Your needs" is an umbrella term here. In fact, you should be thinking about three parties: you, your colleagues, and your organization (if you work for one). For yourself, start by considering how technology can support your own goals for the meeting:

- Will you need to record the meeting? If so, how? Will you take notes offline or on a document-sharing platform such as Google Drive, where participants can see each other's edits live?
- Will you require a secondary communication channel during the meeting? If so, will you

use it to solicit questions or input from a large group, or do you want a private place to interact with individual participants (a presenter, your boss, a colleague) during the meeting?

- How will you share materials, such as an agenda or a presentation deck, before the meeting? Do you want people to be able to view and edit these documents together at the same time?

- How will you follow up? What do you want participants to do after this meeting, and which tools will they need to do that? How will you track their progress or post follow-up messages? If you expect the meeting to spill over into follow-up discussions, where will those take place?

Next, evaluate your attendees' needs. You're mainly concerned about accessibility here: Which setup will

allow them to participate most fully in the conversation? Consider issues such as:

- Which meeting tools do they already know how to use? For tools that are unfamiliar, will they have time to learn how to use them before your meeting? Will you tutor new users or help them get the appropriate training on their own?
- Will they be using their computer, tablet, or phone?
- Will they be calling in from a car or staying put?
- Can they participate in a high-quality internet-based meeting? What results do they get from an internet speed test?
- How do they prefer to communicate? (For more on why this question matters, see the section "Bridge Linguistic or Cultural Barriers" in the last chapter.)

To answer these questions, gather input from the other participants, perhaps after drafting your agenda. If you hold your meeting on a platform that no one can operate, your meeting will fail. So if you decide to go with a new-to-them tool, talk to participants about how they plan to become familiar with it, and offer help if you can.

Finally, evaluate the security requirements your company has for this meeting. These rules protect your organization's business interests and shield it from legal liability. Planning your meeting in accordance with these rules helps your company manage risk and maintain its competitive advantage. Top security questions include:

- Do you need to record the meeting? What form should the recording take—for example, an auditory or a written transcript? Typed notes?
- Will you be discussing sensitive, proprietary information?

- What rules does your organization have for how that information is shared and stored? What security functionality does your meeting need (for example, with document sharing or a video connection)?
- Are participants in a location where they can safely speak about or view sensitive material? For example, do they have a quiet, private space (an office at another branch, a home office), or are they in a more chaotic and public location (a coffee shop, an airport lounge)?

Choose your tools

This exercise should generate a list of tool requirements ("I'll need to set up a chat thread for back-channel communications") and a list of constraints ("Katina can only join via mobile phone"). Map them against one another, and you'll come up with

some viable options ("Text or a mobile-enabled chat service").

To pinpoint the best option, take an inventory of the resources currently available to you. Start by fixing your own location for this meeting. It could be your office, a conference room, or your kitchen table. What kind of setup can you reasonably manage from here? Pay attention to details such as video and teleconference links, a phone with speakerphone function, Wi-Fi signal strength, and the number of devices you can easily monitor at once. Then consider how each of these elements is likely to play out for remote attendees. For example, maybe broadband internet at your company's office means that you can run a teleconference app with complex security measures while streaming videos and using a cloud-based tool. But if your coworker is relying on hotspot technology at the airport, they probably can't keep up.

As you're working through these questions, find out what services IT support offers for setting up and running a virtual meeting. Can they suggest a tool

based on your meeting's needs or talk your remote attendees through a software setup? Even if you don't have company employees on call to answer these questions, a onetime consult with a specialist might be worth the fee.

Test your setup

Once you've picked your tools, you'll want to try them out a few days before the meeting, to make sure you can start right in on your agenda on the actual meeting day.

Conduct a dry run. Tag one virtual attendee to test your meeting technologies. Schedule a time to practice initiating the conference call or video chat. Your checklist for this exercise includes:

- Making sure your colleague has all the information they need to join the meet-

ing, including a call-in number, a link, or a passcode. If for some reason you can only share that information right before the call starts, make a plan for how you'll get it to everyone.

- Checking that the sound and video quality are good and that any lag time is manageable.
- Establishing that auxiliary tools, such as screen sharing or private chat, are working. Ascertain that your colleague can use these tools or view and receive materials during the call without losing audio or video quality or experiencing excessive delays.
- Putting in good order all the hardware you need, including cords and a power source.

If your setup is too elaborate—Skype plus HipChat, with lots of screen sharing and open Google Docs files—you may want to scale back and then test your revised approach. Time how long it takes you to

initiate the meeting, and decide whether you need an IT specialist on hand.

Confirm your space and resources before the meeting. The day before your meeting, double-check that the room you booked is really yours, that any hardware you're borrowing from the office is ready to go, and that the IT department knows what you need from it. At this time, you'll also want to send an e-mail with the meeting's call-in information to your attendees, and ask them to confirm that they have the space and resources to be productive participants. It's up to them to secure these conditions for themselves, but you can help with a timely reminder.

Do a preflight check. Get to the meeting location at least 15 minutes early to set up your materials and quickly test each function. If you're using a conference room, build this time into the room's booking.

What to do when technology fails

As the meeting leader, you have to anticipate and prepare for problems both on your end and with the other participants. Several best practices will help you handle any potential hiccups.

Appoint a tech czar. Ask one participant to act as the go-to problem solver for the other meeting participants: If someone can't access materials or if their internet connection keeps failing, they contact this tech czar. For this solution to work, take these steps:

- Pick someone familiar with the tools you're using, so the person can help solve basic problems. Don't pick someone who'll be presenting information or facilitating a discussion, since they won't have the bandwidth to do both jobs well.

- Provide a way for attendees to get in touch with them: phone, chat, e-mail, text—whatever works best for your meeting as a supplementary communication channel. But don't pick the medium that you're using for the meeting itself. Notify all attendees about this policy in the big e-mail you send out before the meeting.
- Invite the tech czar to sit in on your dry run for the meeting, and make sure they know how to get in touch with IT if they need additional help during the actual meeting.

Make a technology crisis card for yourself. Write down (on paper!) the tech information you might need if a problem arises during the meeting, and keep it next to your computer or tablet, so that you can quickly access it. Share a copy with your tech czar. Relevant items include:

- Name and phone number(s) of your IT support. Get the number for an individual specialist, not the departmental line.
- Name of your internet service provider and a help-line phone number.
- The account information for your most important tools, including the name of the account holder, the account number, the e-mail address it's registered under, password hints, purchase information, and so on.
- Name and version of your computer's current operating system.

You shouldn't actually be calling your internet provider's help line in the middle of a meeting—that's something IT support or your tech czar can do for you, while you carry on as best you can. But you want to hand off as much information as possible to these helpers so that they can work through the problem on

their own, without interrupting the group to ask you questions.

Have a backup plan. What if you're unable to continue the meeting? In that event, be prepared to tell your colleagues what's happening, and decide how you want to proceed, whether that means rescheduling for later, moving to another communication channel, or canceling the meeting altogether and moving your business to e-mail. If you can make this backup plan ahead of time, do so. For example, you might send out a conference call number and tell people you'll switch to that channel in case of emergency.

Whatever approach you choose, don't leave your participants wondering what happened. Send an e-mail or a text explaining the situation: "The internet is down at our office, and we need to reschedule this meeting for a later date. Apologies for the inconvenience. I'll be in touch soon to find a time that works for everyone."

Canceling a meeting is frustrating, maybe even embarrassing, but it's not the worst thing that can happen with technology. What's worse is when your tools work, but everyone is using them in different ways. So how can you get everyone on the same page about how your meeting will work? We'll discuss that in the next chapter.

Set Expectations for Participation

Set Expectations for Participation

Think back to the best meeting you've attended recently. What made it so successful? It probably shared some of these traits: There was an agenda, and the meeting leader stuck to it. Each person had a reason for being there: something to learn or to contribute. You all interacted appropriately, posing questions or sharing input without fighting for the group's attention or derailing the conversation. Everyone felt that the group processes were fair. For example, people saw decisions as legitimate, even if they didn't agree. The meeting accomplished something. You solved a problem, made a decision,

generated ideas, or communicated information. And, the meeting finished on time.

Sounds great, right? But these things don't happen by chance. Group interactions work well when people behave well—that is, when everyone understands the rules and follows them.

When you're meeting without access to the information embedded in facial expressions and body language, you need to set clear expectations for everyone—including yourself—ahead of time. These standards needn't be absolute to be useful. There's more than one way to offer a dissenting opinion, for example, or to lead a discussion. What matters is that you communicate clear expectations—*before* the meeting. Call it your "code of conduct" or "meeting rules," and circulate it in the big e-mail you send out before the meeting to give everyone a chance to understand how they can participate productively.

Assign roles

No one can competently moderate a discussion, take detailed notes, mind the clock, *and* fix technical glitches. Fortunately, you have assistance: the rest of your attendees.

Assigning roles to meeting participants ahead of time allows you to communicate explicitly how you'd like each person to contribute to the meeting's goals. For example, if you want to draw out a quiet person, asking them to attend as an "expert" may give them the permission they feel they need to speak up about their specialization. To keep a chatty colleague from taking over, give them a task that will occupy their attention while making them feel important, such as timekeeper. In giving people a part to play, you give them a sense of how they should interact for the rest of the meeting. They won't be wondering, "What am I supposed to be doing on this call?" while they listen

to disembodied voices argue about a technical point that's over their heads. They'll think, "I'm here to share my team's perspective when it's necessary, and mind the clock in the meantime."

You've already learned about one key role: tech czar. Participants can contribute in other ways.

Facilitator. Generally you'll assign this role to yourself. This person leads the agenda, solves problems, makes decisions, and keeps the discussion even-handed. The facilitator should be comfortable with virtual communication technologies and skilled at drawing out people who are less comfortable in these modes. Sometimes, it's beneficial to assign this role to someone else. For example, you may need to keep yourself on the sidelines during the discussion of a particularly sensitive agenda item, or you might want to give another attendee a leadership opportunity. If the meeting's attendees aren't part of the same organization or don't fall into an obvious hierarchy, appointing facilitators is a great way to share power, too.

Scribe. They take notes and share them, during or after the meeting. If you're using something more complicated than a pen and paper, however, they'll need to be familiar with your preferred note-taking technology. And if you're recording the meeting in your teleconference app, you may still want someone to jot down highlights—they're easier to share than the audio or video of an entire meeting. This role is a good way to engage quiet people.

Timekeeper. They track how long you spend on each agenda item and let you know if you're going over. Since they won't be able to catch your eye or make a subtle gesture from across the table, give your timekeeper the authority to speak up when necessary: "Sorry for interrupting—this is Ariel. We have fifteen minutes left in the meeting."

Presenter. Give these people a heads-up about your expectations well in advance of the meeting, especially if they need to do extra work to prepare. Later,

check in with them about their presentation plans: What technology will they be using? Do they know how to present a slideshow within a teleconference app or how to talk the other attendees through a complicated spreadsheet over the phone? Offer to include them in your dry run if the presentation is complicated.

Expert. They bring a special skill set or useful experience to the conversation, one you want to make sure the rest of the group hears. If they don't need to be present for the rest of the meeting, consider asking them to call or log in at an appointed time. Either way, make sure they know in advance what input you'll want from them, so they can prepare accordingly.

Truth teller. They help you create an atmosphere of candor by modeling an honest engagement. Ask them to pipe up with contrarian points of view when a conversation becomes static and to call out inappro-

priate behavior: “It seems like a lot of us didn’t read the premeeting materials. Next time, we need to do better.” Or, “So, what’s going on here that nobody’s talking about?” Offer this role to an experienced colleague who knows the rest of the group fairly well, if that’s possible.

Plant. They pose targeted questions to spark conversation. This role is especially useful if your meeting will gather many people who don’t know each other well and who may be hesitant to speak up or ask questions. Sharing your slide deck or some sample questions with your plant ahead of time will give them the information they need to help generate a lively discussion.

Contributor. They’re attending the meeting because they have generally useful knowledge and authority over the topic at hand, or they need information from the meeting to do their jobs.

Some roles—such as the facilitator or tech czar—require dedication and preparation, so set up a call to explain the role and to secure their enthusiastic agreement.

Establish meeting processes

The more participants and tools you're using, the more important it is to set expectations about how you'll conduct the meeting before you're actually in the meeting. Most traditional meeting practices apply, but some don't translate well to a virtual format. If you can't see someone's discomfort with a decision registered in their body language, how will you take the group's temperature before you move forward on the agenda? Here are the key dos and don'ts for helping your participants understand how you'll collaborate. Pick the ones that will work for your context and briefly add them to your meeting invitation and prep materials.

Do

- *Clarify how you'll make decisions.* Some issues you discuss may require a collective decision; others may fall to one or two people's judgment. Unless you're meeting with a team that already has a long-standing decision-making process, decide ahead of time and clarify up front about who gets to decide what, and who has veto power. You won't be able to look around the table and count votes. So plan how you'll solicit each person's opinion: a poll or survey? Orally, one by one? Prepare to keep a list of meeting attendees on your desktop to double-check. The person who doesn't speak up in the meeting might be a problem down the line.

- *Describe what kind of participation you want.* In face-to-face meetings, extroverts often have an advantage over introverts: They think out loud and feed off social interaction.

Introverts tend to hold back until they have a fully formed point to make, and they may find interactions with their colleagues exhausting. Don't let technology worsen this imbalance. Let the attendees know that you want to hear from each of them, and that you'll call people out individually when you want to hear more, or ask them to step back from the discussion when they start to dominate it.

Don't

- *Don't schedule status updates.* The social distance that technology introduces means your meetings need to be as engaging as possible. Don't force your colleagues to listen to each other recite project updates—they'll be bored, and you'll struggle to regain their attention. Instead, include this information in the premeeting reading material, or use another channel (such as a team wiki) to share them.

- *Don't let the group get off track.* Remote participants might miss body-language cues suggesting that their line of questioning isn't relevant to the group at large. And if other attendees see that you allow folks to get distracted by tangents, they might bring up their own unrelated issues and spark a discussion that leads you even further afield. Let everyone know that you'll be following the agenda carefully and that you'll address unrelated topics elsewhere.

Clarify etiquette

What will you do when two colleagues speak at once or when one person's poor video connection arrests the group's flow?

To some extent, the answers to these and related questions will depend on your particular situation: how well the participants know each other, how formal or informal their work styles are, how

experienced they are with virtual collaboration. But considering possible scenarios and laying down some ground rules beforehand will help everyone get off on the right foot. Some suggestions:

- *Ban the mute button.* Tell your participants to have their microphones or telephones *on*. This tip is counterintuitive, but it comes straight from the experts. People go off task if they know that no one is listening—as far off task as a trip to the restroom. (In an InterCall study, 47% of respondents admitted to the latter vice.) In addition to holding attendees accountable for their presence, the inclusion of sound helps humanize everyone. Howling sirens on the street, the cooing baby—these noises break the ice and help people form a picture of who's on the other end of the line.

- *Prohibit multitasking.* You can't prevent colleagues from checking their e-mail or playing a

game on their phone. But you can make it clear that such behavior isn't welcome and that you will call people out and follow up when someone's attention seems to be drifting.

- *Give a script for interruptions.* People are going to interrupt. Things like transmission delays and the lack of eye contact make phone, video, and chat fertile ground for this species of miscommunication. So tell people how they can politely interject. Do you want interrupters to hold their thoughts or ask for permission to go on? Will the facilitator manage who speaks by calling on people? Virtual technologies can make people's steamrolling tendencies worse, so develop a strategy for how you'll protect the speech of quieter folks. The section "Hear from Everyone" in the next chapter offers concrete suggestions for leading a balanced conversation.

- *Clarify how to use secondary communication channels.* You don't want attendees e-mailing or texting you with random observations ("Jill cut her hair!") or unproductive suggestions ("I'm not feeling this agenda"). So tell them what you *do* want to hear. How should participants solicit questions, comments, or updates? Provide tips for how participants should use other tools to solicit questions, offer comments, or give updates in the meeting. Or consider reserving secondary channels for emergencies only.

Send your invitation and materials

Now that you've decided on the participants, platform, meeting time, roles, and expectations, draft an e-mail invitation to your attendees with all the information they need to prepare for and participate in your meeting, including:

- Meeting time and time zone
- Your agenda, which addresses not only the items you'll discuss, the time allotted for each item, and who "owns" the item, but also the list of meeting roles (timekeeper, tech czar, and so on)
- Call-in or log-in information, including the tool's name, how to join, and the participant passcode
- Other technology you'll be using, including secondary communications channels, a document-sharing service, and authentication and security apps
- Contact information for the tech czar
- Details on plan B—which channel you'll move to if your primary meeting channel fails, and all the required information (call-in details, and so on) for this backup channel

- Guidelines for the appropriate usage of the tools you'll be using (that is, you're having a video call, but you'll use IM to let people know if they can't be heard, and so on)

- Ground rules for the meeting process and etiquette

- Any materials participants need to review before the meeting (presentations, sales reports, and the like)

Send this e-mail a few days ahead of time so group members have time to review the materials, vet their setup, and ask for help. For bigger meetings share the information even earlier, at least a week in advance.

The purpose of establishing rules and protocols isn't to intimidate your colleagues into compliance or constrain their participation in any way. The guidelines aren't a punishment, but a set of aspirations—a

plan for how each person can get the most out of the meeting's interactions and meaningfully contribute to them. Next we'll see how all of the elements you've planned with such care work together.

Conduct the Meeting

Conduct the Meeting

With your prep work behind you, it's time to transform those efforts into a great meeting with tangible accomplishments. When you log off after leading a productive discussion or resolving a difficult problem, you'll feel exhilaration and relief. But to get to that result, you'll need to be "on" in the meeting: mediating conflict, clarifying misunderstandings, enforcing rules, and maintaining the group's momentum. It's hard work. In this chapter, you'll learn best practices for each phase of the interaction.

Just before the meeting starts

For you, this meeting starts early—by at least 15 minutes. As with a traditional appointment, you'll prepare your physical space to maximize participants' comfort and communicativeness, and then help everyone settle in as they arrive.

Set up the room. Do this whether you're dialing in alone or hosting a handful of attendees in person. Clear your workspace of distractions, and set out the materials you need to run the meeting. If others are joining you, rearrange chairs, check the room's temperature, make space for them to open a laptop, a notepad, or any other items they'll need. If you're all using the same phone to attend the meeting, position that device where everyone can easily hear and be heard.

Video meetings may require some additional tinkering: Does the camera capture everyone in the

room? If anyone is backlit or weirdly foregrounded, looming over the rest of the group or over the lens itself, reposition the camera. Pick an angle that minimizes visual distractions for other viewers. For example, if there's a window behind you with a lot of activity on the other side, choose a different background.

Log in early. Whether you're doing a teleconference or a phone call, open up the line a couple minutes ahead of schedule, and hang around while people filter in. If it's a small group, use this opportunity to model the kind of collegiality you want to see during the meeting itself: "Hi, Desmond! How was the game this weekend?" "Maria, looks like a gray day there. What's the weather been like?" You don't have to make brilliant conversation—just the small talk you would if you were all gathering in one room. Not only will these pleasantries set the tone, they also give your attendees the opportunity to casually interact without taking time out of the meeting itself.

With bigger groups, this kind of exchange is impracticable, especially on a conference call or over chat. Instead, consider planning a short warm-up that people can do silently when they join the meeting. Since people often don't read prep materials ahead of time, start the meeting with some quiet reading time, where members spend a few minutes reviewing the material you shared over e-mail. Or use the time to share updates: Before the meeting, ask everyone to send in a sentence about their work, and then share the list digitally right before the meeting starts, so that people can view, add their own updates, and discuss it while stragglers trickle in.

Open the meeting

The first moments of a meeting are powerful, so don't squander them on a litany of logistics. True, you need to communicate a lot of information before you can

get to the meat of the meeting. But be thoughtful about how you organize your approach.

Start with purpose. Reaffirm your shared goals. What are you trying to accomplish together? What motivations do you share? Raising these themes at the outset builds a sense of urgency and frames the discussion that follows.

Set the tone. As you outline your goals for the meeting, it's OK to characterize your emotional state openly. Are you optimistic and excited about a project? Frustrated but determined to muddle through? Say so. And while you want to lead with the positive, you also want to be genuine. If you're feeling demotivated, chances are that other people are, too. By acknowledging these emotions, you can shape their effect on the rest of the conversation. So, when you must express ambivalent or negative emotions, adopt a future-oriented, active mind-set: "This situation is

so difficult . . . but I believe there are concrete actions we can take to make it better."

Connect people. Ideally, you've fostered some informal chitchat between participants before the meeting officially started. Now, carve out some time so that the participants can identify themselves and explain their meeting roles (presenter, note taker, and so on). These IDs are an easy way to build rapport before you move into weightier matters, and they give everyone a chance to participate in the conversation from the start.

Reiterate key information. Go over the agenda briefly ("We'll start by revisiting last week's sales items, and then Maria will present a draft of her report for our input"), or ask an attendee to describe the materials they've shared ("Can you summarize the recommendation you've made in a sentence or two?"). Then hit the most important process and etiquette points you already shared with your advance

materials—in less than a minute, if you can. "Remember, no multitasking, and log your questions on the chat channel so Nicole can facilitate the discussion. Let's try not to interrupt each other, but if we're going long or the conversation gets a little hairy, Mahmoud or I will jump in." Don't recite the whole code of conduct—just what matters most to you.

Get going. Keep the introductory comments outlined above to a minimum, especially if you're the only one talking. Otherwise, folks can easily zone out if it seems like nothing is happening. Unless you must address major issues, such as a new crisis, you should be into your first agenda item within a few minutes.

Facilitate the discussion

In virtual meetings, as in traditional ones, active moderation is everything. Let people ramble on, and you lose the thread of the conversation—and the group's

attention. But cutting people off too soon can suppress engagement and damage morale. To find the sweet spot, actively enforce time boundaries *and* solicit group input. (See the sidebar "Sample Language for Facilitators" for more ways to gracefully shepherd the conversation.)

Stay on track. Your agenda allots a certain amount of time to each item. Stick to this plan. If an important, time-sensitive issue is more complex than you anticipated and requires additional discussion, you may have to create more time for this issue by offloading another topic to a later meeting or scheduling a follow-up.

Record action items and tangents. When new, related issues emerge from a discussion of items on your official agenda, track them, as well as any other tangents that come up using an *action-item list*. Document unanswered questions, ideas that weren't

pursued, and unresolved disagreements, as well as any participant promises ("I'll report back to the team with those numbers after the call"). Consider making this document public, viewable by other attendees during the call. They can add their own items and see their contributions validated even though you had to redirect the conversation back to the agenda in the meeting itself.

That validation is important, because participants may have a hard time hearing "Not relevant! Moving on!," especially when these messages are stripped of any friendly physical cues. If participants become angry or anxious, however, address those feelings directly before they derail the whole conversation. Capturing their concerns and having them agree that you've documented them appropriately can help move the discussion forward.

SAMPLE LANGUAGE FOR FACILITATORS

Over time, you'll develop a language that keeps your meeting moving. Here are some helpful phrases for specific situations.

- *When the group is silent.* Are they silent because they're listening intently, or because they're confused? Without a visible sea of furrowed brows before you, pause and ask a direct question: "Are you all with me so far?" Or, "I want to take a quick pulse-check. Is everyone following along, or is there anything I can clarify before we move on to the next item on our agenda?"
- *To recover the group's focus after a tangent.* Related but sometimes off-track discussions happen. Recapture everyone's focus by noting the tangent, and getting back to your agenda: "Let's table this point for a moment. I want to return to Diego's comment earlier,

about the methodological problems we're facing. Anyone have a response to that?"

- *For someone who keeps reiterating a point.* Acknowledge their feelings, but challenge them to come up with a resolution: "You seem concerned about this decision. What do you think we haven't addressed?"
- *When multiple people are trying to jump into the conversation.* Take the lead and manage who speaks: "Let's finish hearing from Anand, and then we'll hear from Jean."
- *When you catch someone multitasking.* Refocus their attention by calling on them directly: "Sayid, can you chime in here?"
- *When there's excessive background noise.* "Sorry, but I'm having trouble hearing. Mara, can you go on mute until things settle down over there?"

Hear from everyone

Each attendee has something to offer to the conversation—that's why you invited them. But the dynamic between the in-person and remote attendees can worsen conversational imbalances. Quiet people withdraw even further without clear social cues, while blowhards use the lack of feedback as a license to talk over everyone. If you're leading a mixed meeting, the attendees in the room may carry on their own conversation quite happily, leaving no way for remote folks to jump in.

Create a healthy, open dynamic by posing directed questions and gently curbing overparticipation. Build in regular pauses for group input, calling out attendees or locales by name: "Folks in the New Delhi office, are you on board with this idea? Shelly, can you take the room's temperature?" For people whose participation is slightly outside the norm, however, you may need to tailor your tactics.

With quiet people, draw on their existing knowledge with specific questions. Address them by name, so they're sure of who you're talking to, and try prompts such as:

- "Anyara, what has your experience been with this issue?"
- "Will, you've had the longest relationship with this client. Have you encountered this problem with it before?"
- "Suki, I think you went through something similar to this on your last project. What worked for you?"

When someone is dominating the conversation, acknowledge that person's point of view, then pivot to a new topic or question:

- "I want to get back to this at the end of the meeting if we have time. For now, let's focus on X."

- "I hear your point. Does anyone else have a response to it?"
- "We've gotten good input from the yea side of this question. Can we hear from the nays?"

If someone repeatedly talks out of turn, interrupting others and throwing off the group's rhythm, be blunt but polite:

- "Let's talk one at a time. Alice, you were saying?"
- "Please hold questions until the end of the presentation."
- "That's off topic. Right now, we're concerned with X."

Control the tone

As you monitor the flow of ideas, keep an eye on the flow of emotions. Are group interactions civil? Do

people feel good about what's happening in the meeting, or do they feel left out, skeptical, and angry? These questions matter because no group can do good work in a bad mood. If people feel snubbed, disrespected, or panicky, they won't contribute meaningfully in the moment, and they may not support your plans afterward. There are several ways to keep the conversation productive.

Listen for tonal shifts. Sometimes, escalating behavior, such as yelling, makes it obvious that the mood of the group is changing. But you'll have to listen for other cues, too, such as when an enthusiastic participant gradually falls silent or a normally laid-back participant suddenly becomes extremely invested in an argument. Did someone abruptly concede a point ("Well, whatever you say")? Look for anomalies—moments where people seem to deviate from what you'd expect from them.

When you notice something unusual, ask the person about it directly: "You seem very concerned about

the project timeline. What's driving that?" or "You've been fairly quiet. What's going on in your mind right now?" You might not get a reassuring response. But whatever is causing the behavior change, you risk doing more damage by leaving the issue unaddressed than if you bring it out into the open.

Check out-of-bounds behavior. When someone violates group norms, call them out on it. You don't have to be aggressive ("I can't *believe* you said that!"), but you should head off bad behavior early and say something. Name the problem, then quickly redirect: "Jeff, you're interrupting Gabriel. Gabriel, can you repeat that comment?" You owe it to the rest of the group to uphold the ground rules you set at the beginning of the meeting. This recommendation applies to everything from antisocial behavior, such as bullying, to simple obliviousness, such as exceeding time on a presentation.

Keep calm. Things will go wrong. The unexpected will happen. Don't let these incidents rattle you. Your mood is contagious: If you become agitated or upset, the rest of the group will, too. But if you can shrug off awkwardness and interruption, you'll put everyone at ease.

If you need to ask someone to fix a problem, go through a private channel if possible, such as text or chat, and help the person save face: "Your microphone is acting up, amplifying background noises like your breathing. Is there anything you can do on your end to fix that?" If you must say something while the whole group listens in, choose your words to minimize the embarrassment to your colleague: "I want to remind everyone that while we want to keep the mute button off, if you're experiencing background noise that might distract other folks, go ahead and silence your mic."

Close the meeting

The best way to close a meeting is on time. Still, you want to use these last few moments for more than "Thanks! Till next week." To double-down on your team's alignment and supply a powerful sense of momentum for next steps, use the following tactics.

Agree on next steps. Ask the group, "What will we do by our next meeting to ensure progress?" Lay out the specific commitments each member of the group is making. Create a list of tasks or responsibilities, attached to a name and a timeline. "Heba is going to put together a budget for this project list by March 1, and then Damian and Thien will start working up a prototype for our next meeting on March 15." It's crucial to have this conversation during the meeting itself. Working at a distance makes it significantly more difficult to follow up with people who don't particularly want to make themselves available (more on that in a

moment), but a verbal commitment activates a sense of obligation in most people.

As you're making plans, periodically check to make sure that everyone is onboard with the group's conclusions. Ask direct questions, maybe even person by person:

- "Is there anything else anyone needs to say or ask before we finalize this plan?"
- "Are you comfortable with where we ended up?"
- "What would it take for you to be OK with this?"

Articulate the value of what you've accomplished. Just as you opened your meeting by reviewing your shared purpose, close by reminding them why this work is important: "We've planned a recruitment strategy for key company positions. Filling those roles will make a big difference in the company's stability and in our ability to carry out initiatives dear to all of our hearts. Great job, all!"

Technology makes it easy for people to do a slow fade-out, so at this point your colleagues might already be shifting their attention, waiting for the cue to say good-bye and hang up. Don't let that happen—you'll lose out on a crucial opportunity to fortify their motivation. Instead, flip the script and invite *them* to give this benediction. For example, ask each person to say one thing the meeting has done for them: "I'm going to be thinking about Jason's presentation as I prepare for my next client meeting" or "I'm glad I got to air my questions about the spring exhibition and help shape our plan for the next phase of this project."

Follow up

E-mail the participants shortly after your meeting (ideally, no later than the next day), just as you would for an in-person meeting. But with virtual meetings, you can't stop by participants' desks or catch them on the

way to the break room, so this e-mail makes your expectations visible and helps hold people accountable. Document and share the specific decisions and outcomes you arrived at, note who's responsible for follow-up tasks, and clarify when the tasks must be completed. Figure 2 shows a sample follow-up note. Include a copy of the scribe's notes or a recording of the meeting, if you have it. Then, check in (repeatedly, as necessary) through different channels such as text or IM or a casual phone call until everyone has met their commitments.

In general, keep your tone positive so it doesn't sound as if you're micromanaging them, and close with an offer to help: "Do you need anything from me to complete this?" If they're unresponsive or don't seem to be making progress, your best bet is to own your concern openly. Distance makes this sort of directness necessary, but you can lessen the negativity by offering support. If you know that this person has a lot of other stuff going on right now, acknowledge

FIGURE 2

Sample follow-up note

Special Revenue-Generating Project: Reprioritizing Workloads

Follow-up notes from January 25, 2016, meeting
Attendees: Emily, Lisa, Jack, Chris, Angela, and Steve
Meeting objective: To develop plan for shifting other responsibilities of key team members

In this meeting, we discussed approaches to lighten Chris's and Angela's workloads. We have determined that the best approach will be to ask Steve's direct report Sarah to take on several of their responsibilities.

Next steps:

- Steve will discuss this change with Sarah by next Wednesday and confirm that she has the bandwidth to do the extra work.
- Once Sarah is made aware of her added responsibilities, Lisa will send an e-mail to the full group and add her to the team Slack channel, and Emily will send an e-mail to the Special Revenue-Generating Project team, updating it about the changes.
- Jack will inform the group about no longer sending out sales reports.
- Chris and Angela will set up individual meetings with Sarah to train her on their responsibilities.

What	How	Who	When
Opening	• Importance of Special Revenue-Generating Project		
Team members' current responsibilities	• Role of key team members on the project • Compiling and sending out weekly sales reports; making sure marketing has information it needs about upcoming products; main point of communication with two key sales accounts	Chris	

What	How	Who	When
Possible responsibilities to shift away from team members	• Investigating sales leads for a critical product line; sales specialist for that product line; main point of communication with two other key sales accounts	Angela	
	• Can't move key accounts responsibilities—these are long-standing relationships		
Potential solutions and approaches	• Sarah has been asking for more responsibility—could give her Angela's role on the other product line	Angela	
	• Could stop sending out sales reports since they are all available on corporate intranet now—need to advise group	Jack	Next Friday
Decision on an approach	• Steve is concerned about adding all of this to Sarah's plate—need to talk to her	Steve	Next Wednesday
	• Team votes using Doodle poll and decides that this is still the right approach; Jack approves		
Next steps	• Send e-mails notifying sales team and Special Revenue-Generating Project team of changes	Lisa, Emily	After Sarah is notified
	• Add Sarah to the team Slack channel	Lisa	After Sarah is notified
	• Set up training for Sarah	Chris, Angela	Within two weeks

this generously: "I know you're under a lot of pressure with the board meeting coming up, and I appreciate your willingness to put this on your plate, too. But I'm worried that I haven't received an answer from you to my e-mails and texts last week. What's going on? And how can I help you move forward?"

Leading a successful meeting requires energy and presence of mind. Sometimes this role is great fun, especially when you're working with an engaged, enthusiastic crowd that's playing off one another. Sometimes it's stressful, such as when your colleagues disagree vehemently or when no one seems to care. These are difficult moments, but well within the bounds of normal. Sometimes, however, you'll face more unusual situations. In the next chapter, you'll learn how to deal with two challenges that are slightly beyond the scope of regular virtual meeting logistics.

Navigate Special Situations

Navigate Special Situations

With a little bit of practice, you'll soon feel like a natural leader in the virtual environment. You may still experience occasional awkwardness and confusion, but as your repertoire of responses grows, you'll feel more capable of putting others at ease and running productive meetings. But occasionally, some situations require extra care. In this chapter, you'll learn how to handle yourself in two of these different and challenging scenarios.

Give a video presentation

You've been asked to give a big presentation to a scattered audience. That's great—but also potentially nerve-wracking. Before you get caught up in the technological aspects of your talk, spend some time on the basics. Video presentations, like live ones, need clear goals and a strong core message. Focus what you'll say by asking yourself questions such as these:

- What's the purpose of my presentation—for example, am I teeing up a specific decision or problem?
- Who's my audience? Who else will be attending the meeting or reviewing my materials after the fact?
- What platform will the meeting use? What communication technologies or presentation apps are available to me?

- How much time do I have?
- Who's the technology point-person for this meeting, and how can I get in touch with them? Will they need anything from me before the meeting—a copy of my presentation, any specs or contact information?

As you're preparing the presentation itself, keep the graphics lively, and avoid densely written slides.

Once you've drafted your remarks and the slides that will accompany them, practice—a lot. Time yourself, leaving room for audience participation, and do at least one dry run with the technology you'll be using during the meeting itself. For example, if you're presenting through a teleconference app, make sure you know how to navigate its presentation functions. If you'll be visible to the audience on a video screen, experiment with what you'll wear and where you position the lens, so that you don't discover at the last minute that your plaid shirt breaks down on screen into wildly distracting pixelated waves or that

your eyes look glazed when you read through your speaker's notes.

When you begin your presentation, tell the other participants how you'd like to handle questions and comments. It's awkward to stop your words mid-stream, especially over the phone, where people can't signal their intentions with questioning facial expressions or eager body language. So, ask participants to wait until a Q&A at the end, to keep track of questions in a shared Google Docs file, or to feed you questions via chat or text while you're talking. If you're open to interruptions, explain how the attendees can get your attention.

Throughout the presentation, keep your audience engaged by drawing them in. If you're using a technology that allows for other attendees to be heard, periodically solicit their input by posing questions ("What's the first thing that jumps out at you when you look at this graph?") or hat-tipping experts ("This data is from Chandra's group—thank you! Can you

quickly explain how your team sourced it?"). If the attendees can't jump into the discussion, you can still pose questions to get them thinking. Pause for a second before you reveal the answer. If they came up with the "right" one, they'll feel satisfied and smart. If not, they'll feel surprised—and want to understand why.

Finally, don't exceed your allotted time. If you haven't gotten through everything you planned, wrap things up as gracefully as you can ("This is a good stopping point. Please follow up with me if you have more questions"), or ask the meeting leader if you can have more time.

Bridge linguistic or cultural barriers

If you're crossing global boundaries to bring together people with different languages and cultural norms, you may feel additional pressure to make their interactions work. The danger of miscommunication is

even higher than normal (and in a virtual setting, it's always fairly high).

Before you implement any particular solutions, think about the barrier you're dealing with. Some people will have a difficult time understanding the speech of someone who doesn't share their native language if they can't watch the person's face. Participants who don't understand what's being said might interrupt constantly to clarify. Or they might simply fall silent, too embarrassed to reveal that they can't follow what's going on.

But understanding language goes beyond the simple recognition of sounds. Your participants might have fundamentally different ways of communicating about their priorities. In cultures that prize direct language, it's customary to say, "That deadline is too late. We need to move it up." In cultures that communicate with more indirect language, someone might choose to say instead, "Thank you for creating this schedule. I am very eager to see it completed."

In addition, it's important to recognize that all of our norms around the use of technology are culturally conditioned. For some of your colleagues, it might be acceptable to enter and exit a room while a teleconference is going on. Others might view this as the height of rudeness. Fortunately, you don't have to resolve these big cultural gaps. You just have to clarify which behaviors are OK in your own meeting, and help people live up to them.

Ask participants how they prefer to communicate. Make this part of your technology-prep protocol (see the earlier chapter "Manage the Technology"). Some people might find it easier to understand another speaker when they can use a landline or when they can watch other people's faces as they talk on video. Accommodate these preferences, if you can. Your colleagues will be more confident and focused during the meeting if they find that the tech setup doesn't put them at a disadvantage.

Identify important cultural norms. You can't—and shouldn't—shed all your cultural habits, but with a little research, you can learn a new behavior that will build goodwill and avoid a basic cultural offense. Pay attention to things such as how to welcome and address attendees (even virtual ones) and the social etiquette of saying hello, good-bye, and thanks. For these matters, it's better to talk to someone with experience than to run a Google search. Tap your network to find someone familiar with both the culture of your collaborators and your particular work environment.

Find common ground—ahead of time. Research shows that similar life experiences or a shared background, however minor, is your best bet for building trust quickly. Use Google, LinkedIn, Twitter, Facebook, and any other platform that comes to mind to learn about the people you've invited. Where did they go to school? Do they have kids? Share related hobbies? And so on. When you open the meeting, include

these details in a thoughtful round of introductions. Trust grows over discussing even such small things.

Periodically summarize the conversation. If people are consistently struggling to understand one another's speech, it becomes tiresome to ask for clarification. Compensate by kicking your moderating skills into a higher gear. After each comment or question, briefly paraphrase what was said. For example:

- "That's an important question. I agree that the production facility's capacity is a major risk in this plan. Here's what we know . . ."
- "So in your experience, this research technique requires a lot of resources, maybe more than we have. What does everyone else think about that?"

Follow up with extra care. Documenting your agreements and following up will give the par-

ticipants time to fully absorb what all of you covered and will help avoid miscommunication. If a colleague is freezing you out and shirking their follow-up assignments, find someone culturally proficient to help you interpret your communications. You might need to identify a better strategy if you discover that there may be something happening other than the person's being overloaded or disinterested in the assigned task.

. . .

Running a virtual meeting requires focus, tact, and discipline. But for all the ways a meeting can go off the rails, there are so many more ways it can go right. When you call on your quietest collaborator and they resolve a raging disagreement with one well-placed comment. When everyone bursts into laughter at the same weird, high-pitched noise, and your glitchy tool becomes the group's new in joke. When you end a call by telling your coworkers to enjoy the weekend—and they wish you a happy Friday morning. When two col-

leagues in different cities, both speaking a second language, successfully diagnose a problem for the rest of the team. Your meeting doesn't need to be perfect to be a success. With a bit of planning and an alert spirit, you can carry anything off.

Learn More

Quick hits

Frisch, Bob and Cary Greene. "Before a Meeting, Tell Your Team That Silence Denotes Agreement." HBR.org, February 3, 2016. https://hbr.org/2016/02/before-a-meeting-tell-your-team-that-silence-means-agreement.

Virtual meetings give attendees an excuse to withhold their active participation and reframe themselves as observers. But when people conceal their opinions in the moment, they're unlikely to buy into the outcome of a discussion afterward. Frisch and Greene show you how to thwart this dynamic. They suggest that you tell your colleagues that silence has a clear meaning, and they offer tips to increase engagement, from administering polls to breaking into smaller groups.

McKee, Annie. "Empathy Is Key to a Great Meeting." HBR.org, March 23, 2015. https://hbr.org/2015/03/empathy-is-key-to-a-great-meeting.

To compensate for the loss of context in a virtual setting, your emotional intelligence must work overtime to read the group and manage its emotional dynamics. McKee explains

how empathy helps you understand how participants are relating to each other and why staying attuned to other people's feelings may require you to regulate your own more effectively.

Samuel, Alexandra. "Digital Tools to Make Your Next Meeting More Productive." HBR.org, July 3, 2015. https://hbr.org/2015/07/digital-tools-to-make-your-next-meeting-more-productive.

Samuel walks you through a handful of tools that can help you map ideas, engage participants, tweak processes, and turn goals into concrete tasks. Illustrated with screenshots from a variety of tools, this article will help you select something new to try at your next meeting.

Books

Duarte, Nancy. *HBR Guide to Persuasive Presentations*. Boston: Harvard Business Review Press, 2012.

To improve your virtual presentations, first master the basics. Presentation expert Duarte shows you how to win over tough crowds, organize a coherent narrative, create powerful messages and visuals, and more. This book takes a big-picture, strategic look at a common activity and breaks it down into practical action steps.

Harvard Business School Publishing. *HBR Guide to Making Every Meeting Matter*. Boston: Harvard Business Review Press, 2011.

Running any type of meeting effectively requires preparation. But it doesn't have to be painful. Drawing from multiple HBR contributors, this guide offers a range of tips to make your meetings easier to prepare for, more enjoyable to run—and more productive.

Molinsky, Andrew. *Global Dexterity: How to Adapt Your Behavior Across Cultures Without Losing Yourself in the Process*. Boston: Harvard Business Review Press, 2013.

To facilitate virtual meetings across cultures, you have to be open to new ways of doing things. But effective leadership depends on authenticity—on your ability to speak to, and act on, your real values and beliefs. Molinsky expounds a new approach to this problem. His study of global dexterity shows readers how to try out new behaviors when crossing cultures without triggering emotional and psychological barriers.

Articles

Conger, Jay. "The Necessary Art of Persuasion." *Harvard Business Review*, May 1998 (product #98304).

In a virtual environment, it's hard to tell whether your ideas are landing accurately. Since you can't rely on implicit feedback to tighten a pitch or to refine an argument, you need to come prepared to persuade. Conger's seminal article explains how persuasion really works—it's a process of negotiation and mutual learning, not a hard sell—and describes how four best practices, ranging from establishing credibility to framing

common ground, will help you reach even the most pixelated colleague.

Halvorson, Heidi Grant. "A Second Chance to Make a First Impression." *Harvard Business Review*, January 2015 (product #R1501J).

When you lead a virtual discussion, you're constantly managing other people's perceptions—of you, of each other, of the business at hand. Halvorson dissects how human perception works and what biases are at work when we make judgments about one another. Her advice on how to leverage these biases to your own advantage will help you plan your meeting strategy and mend fences between unhappy collaborators.

Leonard-Barton, Dorothy and William A. Kraus. "Implementing New Technology." *Harvard Business Review*, November 1985 (product #85612).

This classic article examines the problems you face when you ask meeting attendees to adopt new communications technology. Your colleagues look to you to explain how this innovation works—and why they should bother to use it. Although the technology has changed since this article was published, the problems it describes still apply today. By viewing yourself as an internal marketer, as the authors suggest, you'll have better luck getting buy-in for new platforms and overcoming resistance to change.

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- Scheduling and monitoring key tasks.

- Keeping stakeholders in the loop.
- Dealing with problems like scope creep and cost overruns.
- Bringing your project to a successful close.

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Managing Projects

The Basics

The Basics

To begin, let's talk about what a project is and what project management is all about. As you'll see, every project can be broken down into four phases—planning, build-up, implementation, and closeout—which makes the whole enterprise a lot easier to get your mind around. You're likely to encounter bumps along the way, so we'll also touch on how to handle the most common problems.

What constitutes a project

A project is a good-sized task that someone wants done. Unlike a **process**, it has a beginning, middle, and end.

Building a house is a project. So is launching a new product or developing a new marketing campaign.

Some companies are project-based—that's all they do. Think of construction and engineering firms, custom manufacturers, advertising agencies, and so on. Other businesses rely on processes for their everyday operations, launching a project only when they want to make a change or undertake something new. For example, a health-care center might sponsor a project to redesign its patient-intake procedures.

Whatever the context, the word **project** usually refers to a well-defined task involving a group of people working together. Projects can last any amount of time, but most take somewhere between a month and a year to complete.

What project management involves

Every project needs someone in charge. Big projects, such as constructing a power plant, are led by profes-

sional project managers. Smaller ones, such as creating a marketing brochure for a new pharmaceutical, tend to be run by people who must add the project to their regular work.

Regardless of job size, the buck stops with these project managers. They must see the project through from start to finish. They draw up the plan, assemble the team, decide how to allocate resources, schedule the work, watch the budget, solve problems, and do a lot of other things as well. It can be a big responsibility, even when the project is modest in scope.

What's more, project managers often find themselves working with a team of volunteers—colleagues who have regular assignments and supervisors but who have agreed to contribute time to the project. When that's the case, the project managers rarely have direct authority over their team members, so they must get people working together effectively without giving orders.

In short, project management requires organizational skills, financial skills, and people skills.

Fortunately, you can learn all these skills through study and experience. This book will help you get started.

The four phases of every project

What do designing a car, developing a website, moving a company, cleaning up a disaster site, and updating an information system have in common? They're all projects, and they all go through the same four phases:

- *Planning.* In this initial phase, you define the problem and identify the **stakeholders**—that is, everybody who has a vested interest in the project. You also map out your goals and determine what you'll need to accomplish them.
- *Build-up.* This is when you assemble your team, plan the individual tasks, develop a schedule and a budget, and hold your kickoff meeting.

- *Implementation.* Now the project is underway. People are busy working on their assigned tasks. You're holding regular meetings, monitoring the schedule and the budget, and preparing regular reports. Oh, yes—you're also resolving the many unexpected issues that inevitably pop up.

- *Closeout.* The project is complete. Your job is to hand it off to whoever will be responsible for the final product or the new process. You review the team's accomplishments and "lessons learned," and you prepare a final report.

Each phase has its own set of goals, activities, tools, and skills. As a project manager, you'll articulate the goals, prepare your team to carry out the activities, and use each set of tools and skills as needed (see table 1).

Even though each phase is different, you'll find yourself returning to tasks from earlier phases. For

TABLE 1

Project phases

Planning	Build-up	Implementation	Closeout
ACTIVITIES			
Determine the real problem to solve	Assemble your team	Monitor and control process and budget	Evaluate project performance
Identify stakeholders	Plan assignments	Report progress	Close the project
Define project objectives	Create the schedule	Hold weekly team meetings	Debrief with the team
Determine scope, resources, and major tasks	Hold a kickoff meeting	Manage problems	Develop a post-evaluation report
Prepare for trade-offs	Develop a budget		
KEY SKILLS			
Task analysis	Process analysis	Supervising	Follow-through
Planning	Team building	Leading and motivating	Planning
Cost-benefit analysis of options	Delegating	Communication	Communication
	Negotiating	Conflict management	
	Recruiting and hiring	Problem solving	
	Communication		
TOOLS			
Work Breakdown Structure	Scheduling tools (CPM, PERT, Gantt)		Post-evaluation report: analysis and lessons learned

example, you typically begin the planning phase with a ballpark figure for your budget and an estimated completion date for the project. Once you're in the build-up phase, you begin to define the details of the project plan. These details give you new information, so you revise the budget and schedule accordingly. This doesn't mean you're moving backward. You're just incorporating what you've learned into the overall plan. You're seeing more of the big picture with each step you take.

Planning Your Project

Planning Your Project

The first phase in managing a project is to make an overall plan. Usually this involves just five steps:

1. Define the real problem.
2. Identify your stakeholders.
3. Set the project's goals.
4. Prepare for trade-offs.
5. Spell out the tasks.

We'll look at each one in turn.

Define the real problem

Too often, project managers leap to the solution before they completely understand what they are trying to solve. As a result, they miss the mark and disappoint their stakeholders. That's why defining the problem is such a critical step.

Imagine you're an IT manager, for example, and you've been asked to lead a team developing a new database and data entry system. It would be tempting to jump right in, relying on your own assumptions about what the system should include. But will that solve your company's problem? First you'll want to find out what your supervisors are trying to fix. Maybe they can't get data out of the system fast enough. Maybe they can't find all the information they require in one place. Before designing the new system, you need to know what outputs people are looking for, how they will use these outputs, how soon they must have the redesign, and so on.

Unless you understand the underlying problem, you risk designing a solution that doesn't do what users need—or one that does far more than required. Either way, you're wasting time and money.

To focus your efforts, answer these questions:

- What issue do people think this project will address?
- Why do they see this as a problem that needs solving?
- Who has a stake in the solution or outcome?
- Do all stakeholders have the same goal, or do their goals differ?
- What criteria will people use to judge this project's success?

THE WRONG TOOL FOR THE JOB

Sometimes a project request is just wrongheaded, as in the following fictional scenario:

When Eun's boss sees the slump in quarterly revenues, he reacts immediately: "We need a new incentive plan ASAP!" He always talks like that, wanting things "ASAP" and "last week." He asks Eun to launch a project to develop the plan.

As an up-and-coming HR manager for a mid-sized hotel chain, Eun is excited to lead her first companywide project. But she knows that incentives aren't the problem. Most employees want to do a good job and serve customers well, but the hotels' processes and systems keep getting in the way. The company never puts enough time into training new recruits, and it shows. There are also problems with the registration system.

How can Eun tell her boss that a new incentive plan isn't the answer? She doesn't want to question

the project's merits because this is a big opportunity for her—but she doesn't want to set herself up to fail.

Eun must help her boss clarify the project's goals. Given his ready-fire-aim style, she'll have to act quickly. For example, she might say to him, *"I'm assuming that at the end of this project, what you really want is a strategy for increasing revenue. Is that right?"* Once he agrees on the desired outcome, Eun can investigate what's causing the problem. Perhaps the registration and checkout system is cumbersome and generates customer complaints even when used properly. Perhaps the finance office reports an increased number of uncollectible bills stemming from inaccurate data entry.

Eun can then bring those problems to her boss's attention before anybody invests time and money in an ill-conceived project. She might even propose a new project to address one of the real issues.

Identify your stakeholders

Your boss, other managers, customers, team members, the finance department—all these individuals or groups can be stakeholders. They're the ones who will ultimately judge the project's success or failure.

To identify your stakeholders, answer these questions:

- Which functions or people will the project's activities or outcomes affect?
- Who will contribute resources—people, space, time, tools, and money—to the project?
- Who will use and benefit from the project's output?

Then have your stakeholders sign off on what they expect from the project and what resources they'll provide. Because stakeholders' interests vary, their

definitions of success are likely to differ. You'll need to meld their expectations into a coherent, manageable set of goals.

The list of stakeholders can change in the middle of a project. A regulator or a new customer representative may show up. An executive in another unit may learn of the project and have ideas of her own about what it should accomplish. If so, respond to her requests and concerns—but include all other stakeholders in any decision to redirect the project.

Whether you're managing a project in a corporation or working as an independent consultant for a client, it's essential to have the support of the people you answer to. Though every stakeholder matters, the person who assigned or hired you to be project manager is typically the first among equals.

Clients and internal project sponsors (or their bosses) sometimes have an unrealistic view of what can be accomplished, by when, and for how much.

Usually, a little negotiating will help bring their requirements in line with the available resources. In some organizations, however, setting unrealistic goals seems to be standard operating procedure. A project manager who repeatedly faces this situation must eventually decide whether it's worth the effort. There's always a point at which you should cut your losses and get out—decline the assignment, ask to be transferred to another area of the company, or even look for another job. It's important to feel confident that the project you are embarking on has a reasonable chance of success.

Set the project's goals

Any project's success is determined by how well it meets its goals. The more explicitly you state them at the outset, the less people will disagree at the end about whether you have met them. In the planning phase, however, much is still in flux. Be prepared to

revise your goals as you gather more information about what you need to achieve.

In defining goals, think SMART. They should be:

- **S**pecific
- **M**easurable
- **A**ction-oriented
- **R**ealistic
- **T**ime-limited

Here's an example:

Over the next four months, the health-care benefits task force of United Products' HR department will come up with a new benefits plan. Its SMART goals are:

1. Identify and survey (*action-oriented*) at least six (*measurable*) providers that meet the department's minimum criteria for service quality.

2. Recommend (*action-oriented*), at the June board of directors' meeting (*time-limited*), the three (*specific*) providers that offer the best and broadest coverage at a cost that is at least 10% (*realistic*) less than the company's current per-employee contribution.

Keep in mind the following factors as you set your goals:

- *Quality.* Establish the project's quality standards and determine how to measure and satisfy them.
- *Organization.* Make sure you have access to the people you need. Ultimately, your team must help you achieve your goals.
- *Communication.* Determine with your stakeholders what information they need and how

best to deliver it. (Keeping stakeholders informed is *always* important.)

- *Risk.* Identify the most likely risks and evaluate possible responses.

Once you have sketched out your goals, discuss them with the person who asked you to undertake the project. Don't shrink from agreeing to ambitious goals. Just make sure you'll get the time, people, and money necessary to reach those goals.

The success of the initiative is quantified with measurable goals. In those goals, I highlight the ways in which [the support of] executive management is required for success of the project. If there isn't executive sponsorship, there are times when we won't take the job.

—Beth Chapman, engagement manager

Prepare for trade-offs

Scope, schedule, and budget are the three related variables that most often determine what you can achieve. The basic formula is:

Scope = Schedule + Budget

If you change one of these variables, you'll have to change at least one of the others. For instance, say your time frame for developing a new database management system is suddenly cut in half. Now you must either employ a lot more people (increasing the budget) or deliver a system with fewer features than planned (reducing the scope).

Most trade-offs aren't so dramatic; they happen frequently in the ordinary course of a project. In software projects, lead designers usually work directly with end users to discuss functionality, budget, and time lines. In construction, architects and engineers

meet regularly with customers to discuss possible new features and their implications for the schedule and the budget. Remember that a less ambitious or even lower-quality product is not necessarily a bad thing. The key is to establish a level of quality or functionality that meets the needs of the end users and fits the budget and scheduling requirements. Knowing from the start which of these three variables is most important to each stakeholder will help you make appropriate trade-offs.

It's give-and-take. Everybody understands budgeting. They will be willing to give up functionality in exchange for a reduced budget or speedier delivery. They have a feel for what they have to sacrifice to get something else. Wishful thinking should be suppressed.

—Susanna Erlikh, software development project manager

Often, you will spot trade-offs long before your stakeholders do. When that happens, it's your responsibility to inform them of any changes you'd like to make in the project's scope, schedule, or budget, and then to negotiate a satisfactory solution.

Spell out the tasks

Many projects fail. They don't get the hoped-for results, or they come in way over budget or way past deadline. Often the roots of failure lie in the planning stage; the project manager overlooked a significant part of the necessary work, for example, or grossly underestimated the time and money required. One tool that can help you avoid such unfortunate outcomes is a Work Breakdown Structure, or WBS (see figure 1).

FIGURE 1

Work Breakdown Structure

Sample Planning Document

Develop a Work Breakdown Structure (WBS) to ensure that you do not overlook a significant part of a complex activity or underestimate the time and money needed to complete the work. Use multiple pages as needed.

DESCRIBE THE OVERALL PROJECT:

The overall project will migrate 3 web servers and 2 databases to a new physical data center. The project requires that 5 new servers be provisioned in the new data center: these servers will mirror the production servers existing in the old data center. The new servers will be built to the same specifications as the old ones; they will run the same applications and have the same content. Once implemented, the new equipment will be tested to confirm functionality. The sites will have a cutover and "go live" date. Finally, the old equipment will be decommissioned and reabsorbed into inventory.

MAJOR TASK

Obtain equipment.

Level 1 Subtasks

Purchase 3 web servers and 2 databases.

Ship equipment to new data center.

(*continued*)

Level 2 Subtasks

Cut P.O. and order servers.

Alert data center that equipment is slated for arrival.

Subtask Duration

7 days

MAJOR TASK

Provision and implement equipment.

Level 1 Subtasks

Physically install hardware.

Load operating systems.

Load applications.

Mirror content to new servers.

Level 2 Subtasks

Rack and cable new equipment in data center and ensure physical and network connectivity.

Load base-level operating systems for web and database servers.

Load application-level software, including web server software, database applications, and any required dependencies.

Copy configurations from production sites, transfer to new servers, and load appropriately.

Subtask Duration

8 days

MAJOR TASK

Test equipment.

Level 1 Subtasks

Test machines.

Level 2 Subtasks

Ensure network connectivity, as well as web and database access functionality and integrity.

Subtask Duration

2 days

MAJOR TASK

Go live with new equipment.

Level 1 Subtasks

Cut over to new production site.

Check data and content integrity.

Level 2 Subtasks

Switch web and database access to new sites.

Run a series of predetermined tests to ensure that data is accurate and that any updates since mirroring have been captured and applied as necessary.

Subtask Duration

2 days

(*continued*)

MAJOR TASK

Test again.

Level 1 Subtasks

Let sites burn in for 24 hours and check integrity once again.

Level 2 Subtasks

Run series of tests once more to ensure that updates and logging are functioning correctly.

Subtask Duration

1 day

MAJOR TASK

Decommission old equipment.

Level 1 Subtasks

Remove equipment from data center.

Reabsorb equipment for future use.

Level 2 Subtasks

De-install equipment; erase software and content.

Ship equipment back to inventory.

Subtask Duration

2 days

A WBS shows the scope of project work. You use it to develop estimates, assign personnel to tasks, and track progress. The underlying idea is to subdivide each complex activity into the smallest units possible to make the work more manageable.

It isn't hard to create a WBS. You just:

- Ask what must be done to accomplish each major task in the project.
- Keep asking this question until you've broken everything down into components or tasks that you don't want to subdivide further.
- Estimate how long it will take to complete each of these smaller tasks and how much each will cost in dollars and person-hours.

As a rule, you'll stop subdividing tasks when you reach the point where the work will take the smallest unit of time you want to schedule. If you want to schedule to the nearest day, for instance, break down

the work into tasks that take at least a day to perform. A WBS typically consists of three to six levels of subdivided activities. The more complex the project, the more levels it will have. Generally speaking, no project should have more than 20 levels—and only an enormous project would have that many.

Estimating the duration of a task isn't always simple or straightforward, but you'll get better at it as you gain experience. In the meantime, base your estimates on the average expected time to perform a task, not on hopes or prayers. Don't allow them to become firm commitments at this stage. When you talk to stakeholders about your estimates, share all the assumptions and risks that you've built into them.

Here in the planning phase, don't worry too much about the sequence of activities. You'll take care of scheduling later, in the build-up phase. For now, use the WBS to create the framework you'll fill in once you have a better sense of your staff, budget, and time constraints.

Padding your estimates is sometimes an acceptable way to reduce risk. If you take that route, however, do it openly and tell your stakeholders why. For example, you may base an estimate on receiving certain products within a two-week window. Make that expectation clear. Explain what the costs of a late arrival would be, and add those to your estimate if you think it's a likely risk.

Thoughtful planning yields a rough estimate of how many people and what skills you'll need. You'll also have a good idea of how long the project will take. The plan is the foundation for the build-up phase, which we'll cover next.

Building Up Your Project

Building Up Your Project

With your plan in place, it's time to get the project under way. In the build-up phase, you'll follow these steps:

1. Assemble your team.
2. Set the schedule.
3. Develop a budget.

As in the previous chapter, we'll explore each step individually.

Assemble your team

Now that you've used the Work Breakdown Structure to estimate the required activities and tasks, you can begin recruiting people who have the skills you need.

Since you want a phenomenal team, not an ordinary one, try hard to get the best people you can. If you can't find them in your own organization, investigate the possibility of bringing them in from somewhere else. It's often more productive to import a great team member from another department (or even outside the company) than to rely on a mediocre contributor from the next cubicle.

Of course, project managers don't always get to choose their people. If your team has been assigned to you, you will need to assess members' skills and compare them with the skills you need for the project. You may decide to provide training or hire an outside expert to fill some gaps. If so, factor the additional money and time into your budget and schedule.

Picking a good team is about picking qualified people who like working in a group. And I like giving people chances, breaking them into new jobs. I see the potential in the people and help them move up the ladder. A lot of people in my position see the potential but they don't want to take the risk. But I'm willing to.

—Jennifer Sargent, film and video producer

Companies often create cross-functional teams, which consist of individuals from different departments or organizations. Leading a group like that can be tough, especially when members haven't worked together before. As the project manager, you're responsible for integrating their efforts. But your team members must understand how to manage their own parts of the project, and they must all be willing to work as a group.

HERDING CATS

How hard can it be to lead a project team? Consider the following fictional but all-too-common scenario:

When Brett first launched the PR campaign for his company's new product line, he loved the creative energy in the air. But now, a month into the project, that electricity has turned to static. Kelly and Joe are designing speeches and press briefings that don't seem to fit together. They keep asking Brett for lists of speakers. When he says they should line up the speakers themselves, they complain that they have too much other work to do. Meanwhile, the marketing people are demanding information that Brett doesn't have. Worst of all, his boss just asked if the division head could visit and get a progress update. How far along is his team? When will the company begin to see results?

Brett doesn't know. He's in charge, so he's clearly doing something wrong—but what? How can he get the project back on track before someone pulls the plug on it?

Brett probably feels that he's leading the project from hell. He'll continue to feel this way until he focuses the group on its goals and brings structure to the project. That's how he'll break the cycle of the team delegating to him.

He should meet immediately with all stakeholders—not just his boss—to check his understanding of project goals. Then he should meet with his project team to develop a concrete plan that includes milestones, key deliverables, priorities, and so on.

By revisiting the WBS—which outlines the project's scope and activities—Brett can work with his team to determine who will do what and when it will be done.

Assign people to tasks

If you've built your own team or inherited members you know, you've probably already decided who will do what. But if you're leading a new, unfamiliar group, you'll have to get to know everyone before assigning tasks. It's helpful to:

1. List the people on the project team.
2. List the required skills.
3. Talk to each team member about what skills she can contribute.
4. Match people to tasks in consultation with the group.

This method begins the process of building team communication and cohesion. Say, for instance, that the project calls for a skill no one on the team possesses. One or more team members may know some-

one who does have that skill. Or you can plan to have a team member trained.

Plan a kickoff meeting

Once you've assembled your team, get members involved immediately at a kickoff meeting. Go over the project's goals and plan with them in as much detail as possible. Review the proposed schedule, and discuss roles and responsibilities. Ask questions like these:

- Can everybody commit to the plan?
- Can everybody commit to the schedule?
- What is the best way for us to work together?

Encourage people to point out potential trouble spots and to offer suggestions for improvement. Take all suggestions seriously, especially in areas where the team members have more experience than you do, and adjust your estimates and activities accordingly.

TIPS FOR WORKING WITH A TEAM

- Even if you're familiar with every part of the project, chances are someone on the team will know something that you don't. Listen to those with special experience, knowledge, or skills.
- If you insist on a "my way or the highway" approach, you'll cut yourself off from important sources of wisdom, and the project will suffer. Trust your team's ability to get the job done.
- Share big-picture information with the team. If members understand the purpose of the project, they will be better able to contribute.

Set the schedule

It would be nice to be able to say, "*With the resources we have, the project will need exactly this many weeks.*"

But most projects come with fixed beginning and end dates. For example, although you might like to

If they see how you're monitoring results, they'll know whether they're on track to complete the job.

- Consider delegation as a way to develop members' skills. Explain assignments clearly, and provide the resources people need to perform their tasks.
- Deflect reverse delegation. Don't feel you have to solve problems or make decisions for your team members. Instead, try to generate alternative solutions together.

get started immediately, the people or materials may not be ready for another few weeks.

Scheduling is a universal task. Every project has a schedule, and every project manager must be able to set one. And nearly everything takes longer than you think it will.

How to begin

Start by looking at a drop-dead date—one that cannot be changed. It might be the date of a trade show, for example, or a regulatory agency's deadline to receive a certain document. Whatever it is, work backward from it to set other dates. For example, if an annual report must be ready in time for the shareholders' meeting and the printer needs two weeks to produce the report, then final art and copy must go to the printer at least two weeks before the meeting. (And don't wait until the last minute to schedule your job with the printer!)

Go back to your Work Breakdown Structure, which lists the tasks that must be accomplished. Assign a deliverable to each one, such as "rough draft of survey questions" or "prototype for test marketing." You can then use these deliverables to flesh out your schedule, because you have already determined about how long each task will take. Confirm that your due dates and

TIPS FOR SCHEDULING A PROJECT

- Know which deadlines are hard and fast and which have some flexibility.
- Put a four- to six-week cap on tasks. Break down anything that's longer into smaller components.
- Don't schedule more detail than you yourself can actually oversee.
- Develop schedules according to what's logically possible. Your team can't start on task C right away if tasks A and B must be completed first.
- Record all time segments in the same increments, such as days or weeks.
- Don't create a schedule that requires your team to work overtime to meet the target dates; this doesn't leave any flexibility for handling problems that crop up later.

milestones are realistic. No project team wants to be burdened with a schedule that's impossible to meet.

At this point, it's useful to flag potential bottlenecks. These are tasks in the work flow that must be completed before other activities can begin. You may want to figure out ways to remove bottlenecks. When that's not possible, build in extra time so you can be confident they won't hold things up.

You'll need to establish a procedure for updating and revising the schedule (no schedule is permanent). Keep your stakeholders informed about any modifications—and about the project's overall progress.

Using the Critical Path Method

The Critical Path Method (CPM) helps you schedule project activities and allocate resources efficiently. It shows you which tasks are **critical**—that is, which ones you absolutely must complete on schedule to finish the entire project on time.

For example, consider a project involving six ac-

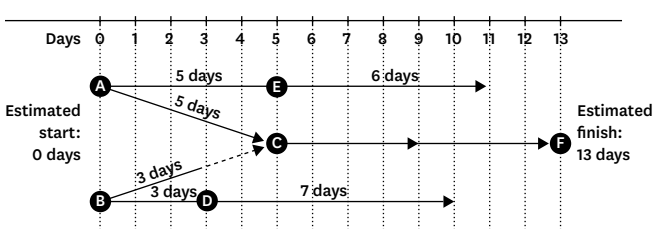
tivities with the following requirements and time expectations:

Activity	Requirement	Time to Complete
A		5 days
B		3 days
C	A and B completed	4 days
D	B completed	7 days
E	A completed	6 days
F	C completed	4 days

You can diagram the critical path as shown in figure 2.

FIGURE 2

Critical Path Method



STEPS IN THE CRITICAL PATH METHOD

1. List all the activities, with brief descriptions.
2. Record how long each one will take.
3. List all tasks that must be completed before you start each activity.
4. Draw a diagram showing those task relationships.
5. Compute the earliest start time for each activity.
6. Compute the earliest finish time for each activity.
7. Identify the critical path to estimate the entire project's duration.

According to the diagram, the earliest you can complete the project is in 13 days. It also shows that activities A and E are critical to your overall deadline (you have a little wiggle room elsewhere), so you may want to devote more resources to these tasks.

Software programs can help you construct more complex versions of the critical path. But it's good to understand the basic ideas before you turn to your computer.

Gantt charts and PERT charts

There are two other widely accepted tools for scheduling and monitoring projects—bar charts such as the Gantt chart (figure 3) and flow charts such as the Performance Evaluation and Review Technique, or PERT, chart (figure 4).

A Gantt chart illustrates the status of your project, its estimated duration, the duration of each task, and the sequence of activities. Using project management

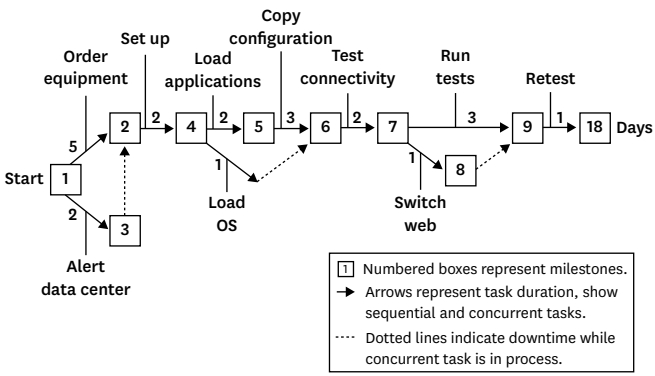
FIGURE 3

Gantt chart

Activities	4/8–4/14	4/15–4/21	4/22–4/28	4/29–5/5	5/6–5/12	5/13–5/19	5/20–5/26
Install new servers							
Obtain equipment							
Implement equipment							
Test equipment							
Go live with new equipment							
Repeat testing							
Decommission old equipment							
Evaluate process							

FIGURE 4

PERT chart



software, you can easily build one that shows which tasks must be completed before another begins.

Some project managers prefer PERT charts. Because it illustrates the critical path and lays out project milestones, a PERT chart is a handy tool for communicating the big picture to team members. It shows the following:

- When every project task within a phase should begin.
- How much time is scheduled for each task.
- All tasks in progress at a given time.
- All the dependencies between outcomes, tasks, and events.

Again, you can easily build one with software. As you track your project's progress, however, you may need to revise the chart. For example, if the time between dependent tasks exceeds your estimates, you'll have to make up for that elsewhere in the schedule to meet your deadline.

Choosing your scheduling system

In all likelihood, you'll wind up using bar charts and flow charts at different times. Both scheduling methods help you visualize what has to be done, how long a particular activity will take, what or-

der the tasks must follow, and who is responsible for each.

Bar charts are good for showing stakeholders and end users how the project is progressing. A flow chart may be better for managing tasks and communicating detailed information to supervisors and the people doing the work. It's an especially powerful tool in networked computer environments where everyone can track the group's progress in real time.

The best method for scheduling a project, of course, is the one that you're most comfortable with and that works best for the task at hand. Think about how you track your own work and determine how satisfied you are with that approach. That may help you decide whether to stay with your current system or try a new one.

Using software for project scheduling

Most project managers use software programs to help with project scheduling and management. To

determine which one is best for you, research the various options online. Get recommendations from other people, and compare their work habits and projects with your own to decide whether the software is likely to be a good fit. Unless you're already familiar with the software, make sure you can get reliable training and technical support for it. (See sidebar, "Tips on Selecting Project-Management Software.")

And remember—software is not infallible. It can't compensate for faulty logic in assembling a schedule, and it can't predict all the risks involved. Review the schedule carefully with another team member or stakeholder before finalizing it.

Develop a budget

The budget is the project's financial blueprint. It translates activities into money, showing what you have to spend and (often) what you expect your

TIPS ON SELECTING PROJECT-MANAGEMENT SOFTWARE

Any software you choose should:

- Produce detailed schedules and budgets.
- Create bar charts and flow charts, such as Gantt and PERT charts, and calculate critical paths.
- Allow you to change the information in the charts easily.
- Integrate project schedules with a calendar allowing for weekends and holidays.
- Let you create different scenarios for contingency planning and updating.
- Alert you when you're overscheduling individuals or groups.

returns to be. Most project managers have some leeway in their budgets. But in some contexts (such as grant-sponsored nonprofits), the budget is a contract, and money allocated for one line item cannot be spent on another line item without preapproval.

Begin developing your budget by determining the project's costs. You can usually break them down into the following categories:

- *Personnel.* This is typically the largest part of your budget. Have you included both the costs of your current team members and any contract workers you may need to add?

- *Travel.* Is everyone on site, or will you bring in people from other locations?

- *Training.* Does everyone know how to use the equipment or tools needed to accomplish the work? Do your team members possess all the required skills? If they require training, can it take place on-site, or will it involve travel?

- *Supplies.* Will you need any specialized materials or equipment in addition to the usual range of office supplies and tools?

- *Space.* Will you have to relocate people to do the work? How much room will they require, and at what cost?

- *Research.* Will you have to buy studies or data to support this project? Will you need outside research help?

- *Capital expenditures.* Will you require any capital equipment—machinery, specialized computer equipment, and so on—to do the job?

- *Overhead.* What is your projected overhead expense? (Keep it in line with your company's standard overhead percentage.)

Once you've entered the figures from these standard categories into the budget, ask yourself what you forgot. For example, did you overlook training costs at

the back end to teach users to implement your project? What about additional insurance premiums, licensing fees, or costs for support or maintenance?

A budget, no matter how carefully planned, is just your best guess. Track your actual expenditures carefully—they'll probably deviate from your original estimates. Unless you're tied into specific amounts for specific line items, stay as flexible as possible within your overall budget.

Managing Your Project

Managing Your Project

In the implementation phase, where you're managing and monitoring your project against the plans and preparations you've made, you have to maintain a positive attitude to keep your team motivated. You also need to watch carefully for barriers, bottlenecks, and foul-ups. It can be a tough balancing act. You and your team will see progress in this phase—the work is actually being done. But the details can at times feel tedious, even overwhelming, and potential pitfalls are always lurking around the corner.

Let's look at some ways to maximize the progress and ease the stress.

> *If you thought you could plan for everything, you should probably be locked up. You have to be aware, attuned to what's happening, what's changing—and part of that is being obsessive, being on top of the details. You have to be aware of change so you can utilize whatever it is that just changed, because it might be an opportunity. And you have to monitor change so you can avoid risk downstream.*
>
> **—Timothy O'Meara, director, telecommunications company**

Delegate—but track results

In the planning phase, you assembled your team and assigned responsibilities to each member. But as you implement your plans, you may find that you

need to delegate more tasks than you originally anticipated. Be flexible enough to make adjustments as you go.

Deciding what to delegate

You'll delegate two kinds of tasks. The first consists of routine activities that pretty much anyone on the team can do. With these, you want to ensure that everyone shoulders a fair portion and no one is saddled with all the mundane work.

What's the second kind? Tasks that require specialized skills. If any of your team members possess these skills, you can delegate such activities to them. If not, you may need to hire outside experts.

As project manager, you're responsible for the overall project. So don't delegate tasks that only you can perform, such as monitoring the budget.

Trust and track

Managers used to monitor their subordinates closely, telling them what to do every step of the way. The system was called "command and control."

Most companies these days have given up that kind of management for something more like "trust and track." You assign tasks to team members, and you make sure everyone has the skills, information, and resources they need to succeed. Then you back off and let them do their jobs. But you ask for regular (short) reports on what they've done, and you monitor their progress against the schedule and budget, as described in the following sections.

Monitor progress against the schedule

Whether you do it by hand or use project management software, you need a systematic method of checking

off tasks as people complete them. No single monitoring system works for all projects. One that's right for a large project can easily swamp a small one with unnecessary complexity. And a system that works for small projects won't have enough muscle for a big one.

Most project managers use software for everything except very small undertakings. But which program is best—and which features you need—depends on the size and scope of your project. Do some research and make inquiries before you decide what to use and how to use it.

Focus on what's important

As you track the details of a project, it's easy to get lost in the weeds. Keep asking yourself the following questions to maintain a big-picture view:

- What do we need to accomplish with this project?

- What activities are essential to its overall success?
- Which elements are the most important to monitor?
- Where are the major bottlenecks?
- Where must we place controls to keep things on track?

Emphasize timely information

To respond usefully when problems or unexpected events crop up, you need to receive quick, frequent progress reports. Ideally, you'll be updated in real time so you always know exactly where the project stands. In many cases, however, you'll have to rely on weekly updates. Just be sure those come in on time and accurately reflect the status of each task.

Be prepared to take corrective action when something goes off the rails; otherwise, all you're doing is monitoring, not exercising control. But don't jump in

too quickly. Allow your team members to work out most problems on their own.

Every project has milestones along the critical path. Milestones are, simply put, the points at which something should have been accomplished, with dire consequences if it hasn't been. The responsibility for meeting milestones may be someone else's, but the failure to meet them reflects badly on you and your team. As project manager, you are accountable for failures in a project even if you didn't cause them.

—Martin Nemzow, high-tech consultant

Monitor progress against the budget

One of your most important responsibilities is tracking the budget. Regardless of how carefully you have planned, actual costs rarely match what you have

budgeted. Good project managers maintain the original estimates as a reference point, but they also keep a running tally of where they have run over or under budget. If they see that the total budget is likely to exceed the original amount, they make their case as soon as possible to whoever holds the purse strings—with a clear explanation as to why they'll need more money.

When monitoring actual costs, watch out for these common contingencies, which can upset your original estimates:

- Unanticipated price hikes from suppliers and subcontractors
- Estimates based on different costing methods—for example, hours versus dollars
- Unplanned personnel costs required to keep the project on schedule, including increased overtime

- Unexpected space needs
- Unexpected training costs
- Consultant fees to resolve unforeseen problems

As real expenses start rolling in, watch for significant deviations from budgeted amounts. Then find out the reason for the differences.

Not all budget news is bad. When you monitor your budget against real costs, you may find that you are actually spending less than expected. Everybody likes to hear that kind of news, as long as the agreed-upon work is being performed to the appropriate quality standards.

Ensure quality control

Quality assurance will play a major role in the success of your project. The last thing you need is a client,

customer, supervisor, or other stakeholder who is dissatisfied with the end result. How to ensure quality? A few guidelines will help:

- Determine quality benchmarks in the planning phase. Consider the quality policy of the organization, stakeholder requirements, the scope of the project, and any external regulations or rules.
- Don't rush quality checks to meet deadlines. The cost of fixing problems after the fact is usually far greater than the cost of confronting and solving problems early on.
- Examine deliverables using the most appropriate tools—for example, detailed inspections, checklists, or statistical sampling.
- Accept or reject deliverables based on previously defined measures. Rejected deliverables can be returned or reworked, depending on costs.

Report progress to stakeholders

Back in the planning phase, you agreed with your stakeholders how and when you'd present your updates. As the project progresses, consult with them to make sure you're giving them the right amount of information in a useful format. Your journey to completion will be smoother without unhappy stakeholders demanding more or different information. Try using a guide, such as the one shown in figure 5.

If you hide or downplay problems as they come up, they may grow into full-blown crises, becoming twice as big as they would have if you'd alerted your stakeholders early on. So be honest with them at every step. They may even turn out to be useful resources, offering help to fix the problems.

FIGURE 5

Project management tools

Project Progress Report			
Use this form to help assess progress, present this information to others, and think through next steps.			
Project:		**Prepared by:**	
For the period from:		**to:**	
CURRENT STATUS			
Key milestones for this period:			
Achieved		Coming up next	
Key issues or problems:			
Resolved		Need to be resolved	
Key decisions:			
Made	Need to be made	By whom	When
Budget status:			
IMPLICATIONS			
Changes in objectives, time line/delivery dates, project scope, resource allocation (including people and financial):			
NEXT STEPS			
List the specific action steps that will be done to help move this project forward successfully. Put a name and date next to each step if possible.			
Step		**Person responsible**	**Date**
Comments			

Dealing with Your Project's Problems

Dealing with Your Project's Problems

Managing projects often means dealing with the unexpected, which can be both exciting and nerve-racking. You'll face problems that you aren't sure how to handle—and sometimes these can threaten the project's success.

Scope creep

One of the most common issues is scope creep. Your client or some group of stakeholders wants you to add new deliverables to the project. (In software circles, this phenomenon is sometimes called "feature creep.")

This is only human: once people see that you can probably accomplish A, B, and C, they begin thinking that D and E might be good as well. It's why some homeowners set out to replace a sink and a countertop and end up remodeling their kitchens.

As project manager, you have an obligation to consider reasonable changes in scope. However, you also must remind stakeholders that they can't increase scope without also increasing the budget, adding time, or both. Unless those changes can be made to the satisfaction of all concerned, it's your job to stick to the project's original scope.

Delays

It's also common to fall behind schedule. Some delays are unavoidable, but often you can remedy or improve the situation. The first step is to recognize the problem. If you've been monitoring progress carefully, you'll quickly notice when schedules are readjusted

TIPS FOR CONTROLLING PROJECT SLOWDOWNS

Try these approaches before assuming you'll miss the project deadline:

- Reexamine budgets and schedules to see if you can make up the time elsewhere.
- Determine whether you can drop any elements or features.
- Deploy more resources—but weigh the additional costs against the importance of the deadline.

(*continued*)

to accommodate delays or unexpected bottlenecks. The second step is to address the situation with your team. Team members may have ideas about how to get around the problem or compensate for it by implementing other parts of the project faster than planned.

- Substitute a readily available item or seek alternative sources for whatever is causing the bottleneck.
- Offer bonuses or other incentives for on-time delivery.
- Demand better compliance. (This may require support from upper management.)
- Renegotiate with stakeholders to increase the budget or extend the deadline.

Budget overruns

Cost overruns happen all the time, but that doesn't make them any easier to deal with. When you notice that costs are creeping upward beyond what you have budgeted, you really have only three choices.

- Identify ways to reduce other expenses in those line items. If the hours for task #1 are exceeding your budget, maybe you can get task #2 or #6 done faster and more cheaply than planned.
- Find savings elsewhere in the budget. Look at every line item to see whether you can reduce expenditures below budgeted levels.
- Inform your stakeholders or client of the cost overruns in hopes of getting more resources allotted to the project. If you choose this route, be aware that it will be difficult—and that you'd better have a good explanation for why your costs are exceeding budget.

One important rule always applies: small cost overruns are easier to handle than big ones. If you stay on top of your expenditures week in and week out, you'll be better able to address overruns before they spiral out of control.

People issues

People problems are often the most difficult challenges in project management. Rather than ignoring, denying, or avoiding them, address them quickly and decisively. The list of problems in figure 6 will help you recognize and deal with some of the different situations you'll encounter.

Try to handle people problems before they get too big. Pay attention to small signs, such as a team member's increased irritability, loss of enthusiasm, or difficulty making decisions. Communicate with your team as frequently as you can, particularly when you sense trouble. Weekly staff meetings may not be enough; daily communication—with individuals and with the team as a whole—may be necessary.

FIGURE 6

Team structure problems

Problem	Possible causes	Potential impact	Recommended action
Your team lacks necessary skills.	• You overlooked certain skill requirements during planning. • You discovered a need for new skills in the midst of the project.	• The project doesn't move forward as fast as it should, or it stalls.	• Arrange for a team member to be trained in the skills needed. • Hire outside consultants or contractors who have the skills.
Problem	**Possible causes**	**Potential impact**	**Recommended action**
A team member leaves.	• This could happen for many reasons, ranging from sudden illness to departure from the organization.	• Severity depends on the skills and knowledge lost: - If you can easily redistribute the work or hire someone with the same expertise, the impact may be slight. - If not, the loss could create a crisis.	• Have backup team members at the ready. • Cross-train people so they can fill in for one another. • Make one person's departure an opportunity to bring an even more skilled team member on board.

(*continued*)

Interpersonal problems

Problem	Possible causes	Potential impact	Recommended action
Team members are *too* friendly.	• They spend excessive amounts of time chatting or discussing personal problems.	• Overall productivity decreases. • Time is wasted, and the project slows down. • Hard-working team members resent those who work less efficiently.	• Emphasize that social gatherings need to be planned for after work. • Reorganize team subgroups to disrupt cliques.
Problem	**Possible causes**	**Potential impact**	**Recommended action**
Conflicts exist within the team.	• People have a hard time reconciling different personalities, working styles, or areas of expertise.	• The schedule, quality of work, overall productivity, and team cohesiveness could all suffer.	• Focus team members on the project's goals, not on personal feelings. • Separate the underlying causes from the surface disturbances, so you can solve problems at the root. • Propose solutions, not blame.

Productivity problems

Problem	Possible causes	Potential impact	Recommended action
Time is spent on the wrong tasks.	• People manage their time poorly. • A team member prefers some tasks over others, regardless of relative importance. • You've sent the wrong message about priorities.	• Work on critical tasks is delayed. • The overall project is delayed.	• Clarify which tasks are most important. • Assign tasks to pairs of team members to work on together so they can keep each other in check. • Provide resources to help members improve time management skills.
Problem	**Possible causes**	**Potential impact**	**Recommended action**
The quality of the work is poor.	• A team member misunderstands the requirements of the job. • Different people measure the work by different standards. • Someone doesn't have adequate skills to complete a task.	• Work must be redone, costing money and time. • The project fails.	• Be clear from the start about quality expectations and standards of measure. • Develop an action plan for improving the quality of the team member's work. • Provide training and support to develop skills.

WHAT ABOUT THE THINGS YOU CAN'T CONTROL?

Here's a nightmare scenario for any project manager (fortunately, it's fictional):

> *Last year, the holiday season was not a happy one for Randy. When Bright Light, Inc., failed to deliver a key part, the whole Tyranna-Bot project had come to a grinding halt. The only Tyranna-Bots to hit the market in time had been drawn from existing stock. This year, Randy found a more reliable vendor and built extra time into the schedule, yet here he was, facing another disaster. The chips that made Megala-Bot talk were defective. The supplier was scrambling for more, but there would be another serious delay, and the extra time in the schedule wouldn't cover it. Randy didn't want*

to stop the project, as he had last time, but how could he keep the job on schedule? The advertising blitz was under way and customers were waiting for their Megala-Bots. Randy did not want to disappoint them—or his boss.

What to do? Randy has to begin thinking of ways around the bottleneck. That probably means scouting for other vendors, paying more for extra production runs, and lining up last-minute distribution channels. He also needs to review his critical path to determine whether any adjustments in sequence can be made; for example, can packaging be prepared prior to the receipt of the finished product rather than waiting until after delivery?

Bringing Your Project to a Successful Conclusion

Bringing Your Project to a Successful Conclusion

The final stage in the life cycle of a project is the phaseout, during which your team completes its work. If all went as planned—the tasks fulfilled, the problems solved, the stakeholders satisfied—then congratulate yourself and your team. It's a time for celebration.

If, as is more likely, you hit some rough spots along the way—the project took longer than expected, the result was less than hoped for, or costs exceeded estimates—it's still important to recognize the team's efforts and accomplishments.

In either case, before the team moves on to other projects or breaks up and parts company, debrief and

document the process together so that the full benefit of lessons learned can be shared.

Prepare the handoff

Some projects—a book, a house, a software program—are products, delivered to the client complete. They may need some final tweaking, but once they are done they are done, and the project manager's responsibility comes to an end.

Other projects, such as a new call-center protocol or a new procedure for hospital intake, may not have such neat-and-clean endings. The project team develops the process, modifies it as necessary, and hands it off to operating managers on the go-live date. In principle, the operating managers are responsible for it from then on. In practice, project team members may be called in to consult and to adjust the process as necessary.

Especially in the latter case, it's the project manager's job to prepare the client to assume responsibility. *Here is what we agreed the new process will accomplish. Here's what we came up with, and here's what you'll need to do to carry it out.* The transition from project to regular operations is often difficult, but you can't avoid it—and it's often the key to success.

Conduct a post-project evaluation

In a post-project evaluation, you bring your team together for one last meeting to identify what went well and what went wrong. Make a list of best practices and lessons learned to help future projects go more smoothly. Discuss how to improve the process and avoid problems during the next project.

Encourage a spirit of learning. Use the evaluation as an opportunity to figure things out, not as a time to criticize and blame. If some team members fear

they'll be punished for past problems, they may try to hide those problems rather than think about better ways of handling them in the future.

If possible, bring in an outside facilitator. An outsider can objectively assess the information presented and set a constructive tone for the team's discussions. Team members often lose perspective after working so closely with one another. A skilled facilitator can sort out the emotional issues from the practical ones.

Develop a useful final report

The final report documents all the information that will be useful not only for the current project manager, team members, and stakeholders, but also for people planning future projects.

A typical post-project evaluation report includes the following:

- *Project status.* What were the original objectives, and what was achieved?
- *Future status.* Was the project a self-contained entity that has now completed its goals? Or will it be incorporated into an ongoing process? If the latter, who is responsible for that process?
- *Risk assessment.* Did the project encounter any pitfalls that endangered its success? Was it in danger of running significantly over budget or incurring any other major liabilities?
- *Information relevant to other projects.* What lessons can be applied in the future?

In preparing your report, you might find the guide in figure 7 useful.

FIGURE 7

Post-evaluation report

Sample Analysis and Lessons Learned

Project name: Project Phoenix **Date:** 5/29/20XX

Present at this session: Rafael, Phil, and Carmen

PROJECT PHASE/TASK

Equipment acquisition

What Worked

Obtained the web servers on time and on budget.

What Didn't Work

Logistical problems with availability of database servers caused a delay. Expedited order that introduced additional expense.

Ways to Improve

Need to order equipment earlier.

PROJECT PHASE/TASK

Provision and implement equipment

What Worked

Two days were recovered through the efforts of Rafael and Carmen during provisioning phase.

PROJECT PHASE/TASK

Test equipment

What Worked

Testing phase was successful; during testing, a bug in the database content was discovered and corrected prior to cutover.

PROJECT PHASE/TASK

Go live with new equipment

What Worked

Smooth cutover with minimal downtime.

What Didn't Work

Some users were unaware that there would be a brief outage.

Ways to Improve

Publicize work window to user base more aggressively.

PROJECT PHASE/TASK

Test again

What Worked

Tested fine.

(*continued*)

(*continued*)

PROJECT PHASE/TASK

Decommission old equipment

What Worked

Decommissioned sites and erased content successfully; reabsorbed stock into inventory.

What Didn't Work

Some confusion over serial numbers and inventory, but straightened out in the end.

Ways to Improve

Check serial numbers at an earlier phase to minimize problems at the end of project.

TARGET ANALYSIS

How well did the project team do...

In achieving goals and meeting project objectives?

Success: all goals were achieved.

At meeting deadlines and the final completion date?

Success: met our target date.

At monitoring and staying within budget?

Success: slight overrun was unavoidable.

TARGET ANALYSIS

How well did the project team do…

At communicating with stakeholders?

Partial success: we could have done better at communicating requirements earlier to individuals involved in the phases of the project.

RESOURCES ASSESSMENT

Were the allocated resources appropriate, sufficient, and efficiently used? (i.e., time, people, money)

Generally, the resource allocations were appropriate. The project went slightly over budget, but was not inappropriate. The people involved had the expertise necessary to carry out the highly technical phases of the project. The time resources were appropriate, as the project was completed on time with no room to spare.

LESSONS LEARNED

What are the key lessons learned that can be applied to future projects?

At each phase of the project, it is crucial to anticipate the next steps and to alert groups or individuals of resource requirements as early as possible in the process. By so doing, we probably could have acquired the equipment in a more timely manner and would not have had to scramble so much in the later phases to meet our target dates.

Thank everyone—and prepare for the next project

Sit down and thank every team member personally for his or her contribution. Acknowledge the bumps experienced in the journey, but mark the conclusion with good cheer. You may want to take everyone out for pizza or a nice dinner. This is a time for celebration and pats on the back.

Of course, you shouldn't ignore the challenges that individual team members may have presented along the way. If people were repeatedly late or uncooperative, let them know that you noticed that behavior. Help them understand that they will have a better time in the future if they can mend their ways. In your final report, make it plain that you would be glad to discuss the strengths and weaknesses of individual team members with future project leaders.

Take some time, too, for personal reflection. What were your strengths and weaknesses as a project

leader? What did you learn in the course of the project, and what will you do differently next time? Project management is a skill, and like any other skill it takes a lot of practice. The more you do it, the better you will get—but only if you make a point of reflecting on your accomplishments and your setbacks.

And then? Enjoy the satisfaction of a job well done. This may be the first in a long line of successful projects.

Test Yourself

Test Yourself

Here are 10 multiple-choice questions to help you identify your baseline knowledge of project management. Answers appear at the end of the test.

1. **You've been assigned a project, and it appears to have explicit expectations and clearly outlined responsibilities. Before you begin planning, what should you do?**

   a. Ensure that the funding has been approved.
   b. Confirm that the project is solving the right problem.

2. **Why is it critical to spend time early in the planning phase identifying all the stakeholders in your project's activities or outcomes?**

    a. To find potential champions who will support the project.
    b. To ensure that the project objectives meet everyone's expectations of success.
    c. To be politically astute and identify possible obstacles early.

3. **This book advises you to beware of "scope creep." What is scope creep?**

    a. Unwittingly giving in to pressure to do more than originally planned for.
    b. Agreeing to extend the schedule without a corresponding increase in funding.

4. **When you are defining project objectives, what three variables most often determine what you can achieve?**

a. Resources, how realistic the project is, and availability of team members.
b. Complexity, time, and the expectations of stakeholders.
c. Scope, schedule, and budget.

5. **What are you doing when you create a Work Breakdown Structure?**

a. Dividing the overall project into smaller tasks and then subdividing those tasks further until you get to the desired task size.
b. Distributing the funding you have across the project objectives in order to anticipate personnel and activity costs.

6. **When assembling a team for your project, make sure you have a group that:**

a. Will get along during the project.
b. Is dedicated to the success of the project.
c. Has all the skills needed for the project.

7. **You need to track what has to be done, how long each activity will take, in what order everything has to happen, and who is responsible for what. Which project management tool will do this?**

    a. Work Breakdown Structure.
    b. Gantt or PERT charts.

8. **Complete this statement: "A budget is not only a list of all the costs involved in executing a project but also _____."**

    a. A summary of all the skills you need to complete the project.
    b. A tracking tool that allows the manager to monitor implementation.
    c. The tool that you as manager use to justify any future need for additional funds.

9. **When developing budgets, project managers frequently overlook which of the following variables?**

a. Personnel
b. Travel
c. Supplies
d. Maintenance
e. Research or training

10. In the best of all possible worlds, who conducts the evaluation of a completed project?

a. The project manager, with all stakeholders providing input.
b. An independent person who can be objective.
c. The individual(s) who identified the initial problem and project.

Answers to test questions

1: **b.** Confirm that the project will indeed meet the organization's underlying need. The expectations can be clear yet still not go to the heart of the issue. If that's the case, you run the risk of wasting time

and money on a project that is headed in the wrong direction.

2: **b.** You need to know exactly what success on the project means to people or departments who will be affected by its outcomes. One of your critical tasks in the planning phase is to meld stakeholders' expectations into a coherent and manageable set of project objectives.

3: **a.** As you learn each stakeholder's definition of success, you can get caught up in trying to solve problems that are beyond the scope of your project. Don't give in to pressures to expand the project's mission unless a majority of stakeholders see that expansion as essential, and even then, be sure you are given the additional time and budget required.

4: **c.** Scope, schedule, and budget are tightly linked. You can't change one without changing at least one of the others and, potentially, the outcome of the whole

project. The quality of the project's deliverables depends heavily on the available time and funding.

5: **a.** You use a Work Breakdown Structure, or WBS, to subdivide a complex activity into smaller and smaller tasks until you reach a manageable task size. This becomes the basis for developing estimates, assigning personnel, tracking progress, and showing the scope of project work.

6: **b.** Your team needs to be committed to the project. The members may not always agree, but they have to trust that they are all working toward the same goals. A team is usually assembled according to its members' skills, but having all the skills required is not necessarily the top priority when assembling a productive team. People can gain skills through training, and the team can supplement its skills with outside help when needed.

7: **b.** Both Gantt (bar) and PERT (flow) charts are generally accepted methods of scheduling projects.

Use the method that suits you and the project; there's no "right" way to schedule.

8: **b.** Experienced project managers monitor their budgets week in and week out to make sure their projects stay on track financially.

9: **d.** Maintenance is often forgotten because it's not a standard budgeting category. But once you've completed a project, you may incur ongoing costs for maintenance and support, so it's important to factor those in during budget development.

10: **b.** An outsider is usually the most objective evaluator. But if one isn't available, the project manager should do the evaluation in a spirit of learning, not with an attitude of criticism and blame.

Learn More

Introductory books

Harvard Business School Publishing. *HBR Guide to Project Management*. Boston: Harvard Business Review Press, 2013.

This practical handbook will help you: (1) build a strong, focused team, (2) break major objectives into manageable tasks, (3) create a schedule that keeps all the moving parts under control, (4) monitor progress toward your goals, (5) manage stakeholders' expectations, and (6) wrap up your project and gauge its success.

Haynes, Marion E. *Project Management: From Idea to Implementation*. Menlo Park, CA: Crisp Publications, Inc., 2009.

This step-by-step guide to project management is designed to help readers conceive, plan, implement, and evaluate any project from initial planning to finalization.

Knight, Joe, Roger Thomas, and Brad Angus, with John Case. *Project Management for Profit: A Failsafe Guide to Keeping*

Projects on Track and on Budget. Boston: Harvard Business Review Press, 2012.

This book shows every company owner and project manager how to run projects differently. You'll benefit if you've ever: (1) been over budget on a project, (2) exceeded a time line on a project, (3) worked on a project that completely stalled as you neared the finish line, (4) lost money on a sure-thing project and had no idea why, (5) noticed that scope and feature creep held you back, (6) watched a project take three times as long as planned, (7) felt too embarrassed to perform a review of your successes and failures, (8) wondered whether your project actually made any money.

Shenhar, Aaron J., and Dov Dvir. *Reinventing Project Management: The Diamond Approach to Successful Growth and Innovation*. Boston: Harvard Business Press, 2007.

Projects are the engines that drive innovation from idea to commercialization. But most projects fail, largely because conventional project management concepts cannot adapt to a dynamic business environment. Based on an unprecedented study of more than 600 projects in a variety of businesses and organizations worldwide, this book provides a new model for planning and managing projects to achieve superior business results.

Verzuh, Eric. *The Fast Forward MBA in Project Management*, 4th ed. New York: Wiley, 2011.

A comprehensive introduction to project management, updated to reflect changes in the business environment over the past few years. Comes with downloadable forms and spreadsheets to help you implement the techniques described. Also offers updated advice on getting the most from Microsoft Project.

Professional and reference books

Cleland, David I. *A Guide to the Project Management Body of Knowledge*, 5th ed. Newtown Square, PA: Project Management Institute, 2013.

The Project Management Body of Knowledge is an inclusive term that describes the sum of knowledge within the profession of project management. This guide provides a common lexicon for talking about project management. Includes an extensive glossary of important concepts, terms, and phrases.

Cleland, David I., and Lewis R. Ireland. *Project Management: Strategic Design and Implementation*, 5th ed. New York: McGraw-Hill Professional, 2006.

This updated classic offers guidance on applying the theory, processes, practices, and techniques of project management to support strategic planning. It includes the latest methods for using flexible teams to implement organizational

strategies—especially changes to products, services, and processes.

Dinsmore, Paul C., and Jeannette Cabanis-Brewin. *The AMA Handbook of Project Management*, 3rd ed. New York: AMACOM, 2010.

This comprehensive handbook on project management is a source for project management techniques for both traditional and emerging industries. Presents critical concepts common to all projects, as well as in-depth solutions for specific areas such as change management, research and development, and international projects.

Kerzner, Harold. *Project Management: A Systems Approach to Planning, Scheduling, and Controlling*, 11th ed. New York: John Wiley, 2013.

Project management as a discipline grew out of the need during World War II for a system to manage the schedule, cost, and specifications of large multitask projects. Since that time, it has largely been employed in the construction industry. Over the past decade, however, the use of project management techniques in general business methods (planning, scheduling, and controlling) has risen sharply.

Lewis, James P. *Fundamentals of Project Management*, 4th ed. WorkSmart Series. New York: AMACOM, 2011.

Based on best practices of experts in the field, this book explains how to set up project plans, schedule work effectively,

establish priorities, monitor progress, and achieve performance objectives, while working faster and more profitably.

Lewis, James P. *Project Planning, Scheduling, and Control: A Hands-On Guide to Bringing Projects in on Time and on Budget*, 5th ed. New York: McGraw-Hill, 2010.

This application-oriented guide can be used to manage many different types of projects. Topics addressed include: how to decide if project management is needed; setting up the seven components of a project management system; applying the method of paired comparison to establish priorities and objectives; the eight areas for planning; and the project manager's role.

Articles

Barrows Jr., Edward A., and Andy Neely. "Managing Projects in Turbulent Times." *Balanced Scorecard Report*. January 2012 (product #B1201D).

Many initiatives suffer from poor project management: They are launched without clear business cases, paid too little attention by senior leaders, and managed without strong project governance. The costs of these and other mistakes are significant. The authors of this article describe four practices organizations can implement right away to improve their project management and their overall execution of strategy.

Johnson, Lauren Keller. "Close the Gap Between Projects and Strategy." *Harvard Management Update*. June 2004 (product #U04060).

Companies must rein in and give focus to their ever more disparate arrays of projects. The key: managing projects in portfolios that both recognize the relationships between distinct projects and align them to corporate strategy.

Klein, Gary. "Performing a Project Premortem." *Harvard Business Review*. September 2007 (product #F0709A).

Projects fail at a spectacular rate. One reason is that too many people are reluctant to share their reservations during the all-important planning phase. By making it safe for dissenters who are knowledgeable about the undertaking and worried about its weaknesses to speak up, you can improve a project's chances of success.

Matta, Nadim F., and Ronald N. Ashkenas. "Why Good Projects Fail Anyway." *Harvard Business Review*. September 2003 (product #R0309H).

Big projects fail more than half the time, by some estimates. It's not hard to understand why. Complicated long-term projects are customarily developed by a series of teams working along parallel tracks. If managers fail to anticipate everything that might fall through the cracks, those tracks will not converge successfully at the end to reach the goal. To uncover unanticipated problems while the project is still in development, inject into the overall plan a series of mini-projects, or "rapid-results initiatives," that have as their goal

a miniature version of the overall goal. The World Bank, for example, used rapid-results initiatives to great effect to keep a sweeping 16-year project on track and deliver visible results years ahead of schedule.

Schlesinger, Leonard A., Charles F. Kiefer, and Paul B. Brown. "New Project? Don't Analyze—Act." *Harvard Business Review*. March 2012 (product #R1203R).

How do you get a new initiative off the ground in an unpredictable environment? For insight, the authors look to experts in navigating extreme uncertainty while minimizing risk: serial entrepreneurs. These business leaders act, learn, and build their way into the future. Managers in traditional organizations can do the same, starting with smart, low-risk steps that follow simple rules: Use the means at hand; stay within an acceptable loss; secure only the commitment needed for the next step; bring along only volunteers; link the initiative to a business imperative; produce early results; and manage expectations. You gain momentum by acting on what you learn in each step.

Harvard Business School Publishing. "What You Can Learn from Professional Project Managers." *Harvard Management Update*. February 2001 (product #U0102B).

Companies that manage large capital projects or a multitude of simultaneous projects—manufacturing, engineering, and construction firms—have long recognized the need for expertise in the techniques of planning, scheduling, and controlling work. Even if you're not a certified project manager, you can benefit from the professionalization of the field.

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Harvard Business School Publishing. Harvard Manage-Mentor. Boston: Harvard Business Publishing, 2002.

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Harvard Business School Publishing. *Pocket Mentor: Managing Projects*. Boston: Harvard Business School Press, 2006.

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