



**Guttman**  
Development Strategies

**30** YEAR  
ANNIVERSARY

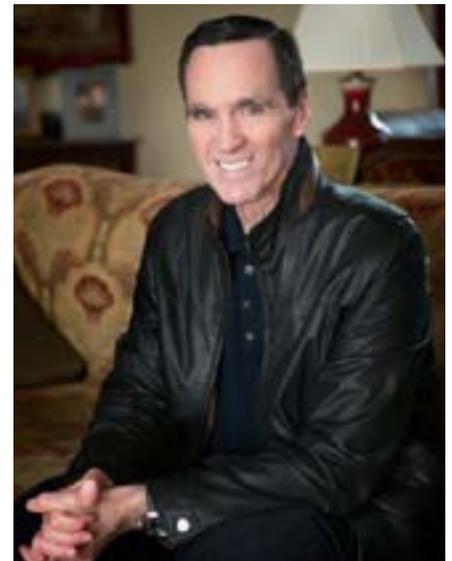
*Building High-Performance Teams and Organizations*

**Guttman**  
Insights

October 2020

Thirty years ago, Guttman Development Strategies was founded as an organization development firm dedicated to working with senior leaders and their organizations to create a new, more effective model for leading, working, and achieving results. Since then, we have worked around the world as partners with many great leaders to create horizontal, high-performing teams and organizations, typically referred to by our clients as the GDS HPT process. It has been quite a journey, and we thank our clients for taking it with us and for teaching us along the way. In this issue, we interview one of those truly great leaders, retired CEO of Mars, Inc. Paul Michaels, under whose leadership the company achieved outstanding success. His interview recounts how he embedded the horizontal, high-performance approach into the global organization, making it Mars' signature process. Howard Guttman shares the key insights that he has gleaned over 30 years about leadership, organizational dynamics, and what sets apart high-performance leaders. And our consultants pause to reflect on the lessons they have learned working alongside our clients. GDS's mission continues...

*Paul S. Michaels was chief executive officer of Mars, Inc. from 2004 to December 2014. Under his leadership, Mars, Inc. achieved outstanding business performance and results. Revenue more than doubled from \$17 billion to \$35 billion, and the company expanded to 70,000 employees. In 2013, Mars, Inc. was selected by Fortune magazine as one of the 100 Best Companies to Work For. Paul currently serves on the Boards of six major corporations.*



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## Leader's Corner: Paul S. Michaels

### **You have been a proponent of the horizontal, high-performance leadership approach for many years. How did it all begin?**

It began in the 1980s, when I met Howard in the Personal Products Division of Johnson & Johnson. He did a really good job making the marketing function that I headed more effective by accelerating team performance and developing leaders. I then worked overseas in London and Ireland for J&J and brought Howard over to do the same there. By 1994, when I left J&J to join Mars, Inc., Howard had already left to start his own consulting firm. I brought him into Mars, Inc. to align Marketing's brand teams. It worked so well that many of the executives in other functions wanted to join one of my brand teams to learn what was going on and be part of the action. In 2004, when I became president of Mars, Inc., I immediately brought Howard in to align my top team. Once this occurred, momentum built for the horizontal, high-performance way of working. It spread through multiple levels of the company and across the international regions.

### **Why did the horizontal, high-performance approach click with you?**

It sped up everything fourfold: communication, alignment, decision making, and performance. There were also important side benefits from going through the alignment process. Whether or not they were on board, you got a clear reading of your people, where they stood, how they really felt, whether or not they were on board, and whether they were aligned on business objectives. You quickly got to know who the players were, how learning-agile they were, and who was frozen in the past. If you went through a standard evaluation process, it would take you years to figure it out!

### **Did team members tend to self-select about playing on a high-performance team?**

The process led people to buy-in or opt-out quickly. Once they realized that the process was not a "flavor of the month," they either decided they were going to play, get the best out of it, and use it for their people, or they were going to opt out. Some were doubting Thomases. They were honest about not being able to deal with the change, transparency, candor, and feedback that were part of evolving to a high-performance team. They moved on with no hard feelings. The "Great Pretenders" were the difficult ones. They were faking it. Howard was really good at identifying these people. He's like a black belt in dealing with stories and resistance. The Great Pretenders had to go.

### **Under your leadership, GDS's HPT approach became Mars Inc.'s "signature process." What did that mean?**

GDS's high-performance team approach became a critical process that was integral to how we did business. It helped us get to where we wanted to go, accomplish great things, and dramatically increase profitability. It worked really well for us. Interestingly, many of the senior executives who left Mars for other ventures brought GDS and its HPT approach with them and made it the signature process in their new organizations.

### **What was your biggest challenge in becoming a high-performance leader?**

It was the willingness to accept feedback. Once you become a CEO, you can choose whether or not to accept the suggestions of those around you. There are some leaders who just don't want feedback. It's not always easy to accept the fact that you're far from perfect. Is it worth going through the pain of hearing suggestions about how to improve? The answer is yes.

### **What's the gain for the pain of feedback?**

You avoid unforced errors, for one thing. You also send an important signal to the organization that you want people to be honest and straightforward, and by role-modeling the acceptance of feedback you encourage others to do the same.

### **What's the "secret sauce" for keeping the high-performance transformation alive?**

First, you need a committed "client" who is high up in the organization: someone like the CEO or a division leader. When you have a committed leader at the top, everyone realizes that change is not optional. For example, when I led brand teams at J&J, everyone knew that the high-performance approach was for real. And they quickly saw the benefits of changing behavior. I remember attending a management meeting and being asked, "Why do so many people want to join one of your teams?" I explained that it was because people felt they were connected to the business; they were making a difference, and they were learning new skills. When you have a committed client-leader, people who know that change is not optional, and when everyone sees tangible benefits, then change will be lasting.

### **Silos shackle organization change. How do you loosen their grip?**

The high-performance process helps break down silos. It treats leaders not as players on a relay team in which the main action is a series of handoffs, but as players on a rugby team, where everyone advances on the field together, supporting each other, ready for the "pass," right in the middle of the action. The high-performance process also enables people to see interconnectivity; it fosters honesty and truth-telling; it encourages learning agility, and inquisitiveness. People want to know "why" things work and how the organization wheel spins and balances. Silos inhibit this kind of thinking and behavior. Things get out of balance, and change is unlikely.

### What difference did being a high-performance leader make to you personally?

Everyone gets promoted based on their functional ability, but as they advance they reach a point where reliance on the functional ability of others is critical. I used the horizontal, high-performance leadership approach with my senior team to reinforce the point that not just being technically proficient or functionally competent, but leading strategically across the organization was key. It also helped me to gain immediate feedback from the organization. Was I making mistakes and being unrealistic, or was I doing things right? While I didn't always agree with the feedback, everyone knew that I listened and that they had a voice. It allowed us to work to resolve issues and commit to the outcomes.

### Did you set your sights on becoming CEO when you joined Mars, Inc.?

I've always felt that the best qualified candidates for the top position actually don't want it; they don't want to be king. They focus on getting things done. In my case, I never wanted to be the lead guy. I was trained to give other people the credit for accomplishments. While I became comfortable being CEO of Mars, Inc., I was actually much more comfortable doing the work a level or two down and having fun every day. As you rise to the top, you have to have fun through other people!

### What was the biggest challenge you faced in becoming one of our country's most respected business leaders?

I was always very competitive and learning-agile, but I had to learn to be empathetic, especially in interacting with others in the organization. I recall an important incident in my personal development that involved the Make the Difference Awards at Mars, Inc. We'd bring in the best teams from around the world that had been nominated for one of the awards. Each team presented its work to upper-level management. We had to sit through 20 presentations during the day, making it difficult to stay focused. I recall one of the organizers of the awards starting off the review process by saying, "I know you'll be going through lots of presentations and probably hearing the same thing over and over again. It might not mean much to you but, to the members of these teams, many of whom are lower down in the organization and come from all over the world, this will be the most important day of their lives. How you behave today—if you pay attention, listen, and give them respect—could literally change their lives. If you don't, it could still change their lives—but negatively." I thought, "Oh, my God, that's powerful." As someone who likes to cut through things and get to the answer, being an empathetic listener, which means putting yourself in someone else's shoes as if you were the one up there presenting, was also important and my biggest leadership challenge.

### Is luck a factor in driving career success?

Machiavelli felt that "fortuna"—luck or fortune—often plays a decisive role in human affairs. While this is true, I have always believed that luck favors the bold. It's Napoleon's concept of "L'audace, l'audace, toujours l'audace," or as General Patton

put it in English: "Audacity, audacity, always audacity." Be the aggressor! I'm a big believer in going big or going home! As a leader, I took calculated risks. I was also lucky to have worked at three companies during my career where I learned a tremendous amount. I got my basic training at Procter & Gamble. At J&J, I got significant P&L and international experience as a brand manager responsible for building many of the company's flagship brands. At Mars, I learned to work in a new segment: food. I turned down job offers at Coca-Cola and Disney. Who knows how those would have worked out? I was fortunate enough to choose really great companies, where I could learn a lot, make a contribution, and have fun. And all along the way I was willing to take calculated risks.

### What's your winning formula for managing people?

For a leader to be successful, he or she has to be brave enough to get rid of the people who are really nice but ineffective. And you have to get rid of the "jerks"—even those who are effective. Good leaders look for "win/win" people—those who are both good and highly effective. I spent about 80 percent of my time picking and nurturing the right team and keeping the focus on results; the other 20 percent was devoted to strategy. Strategy, people, and results—get these right and you have a winning formula!

### If you had to do "it" all over again, would you?

The only question I have is: Should I have taken the several offers made by Disney? It could have been fun, but I'm not sure it would have been any more fun than Mars, Inc.

### How are you spending your time these days?

I'm keeping busy serving on six Boards of Directors. For example, I'm on the Boards of Keurig, Dr. Pepper, Krispy Kreme Doughnuts, and Coty. I'm working with people with whom I used to work and for whom I have great respect. They're fun companies to be part of, and they're doing very well. It's been very rewarding.

### What's your advice to senior executives who are facing retirement?

Each year that I was in a leadership position, I would reflect on the previous year and write down the things that I enjoyed and the things that I didn't. I then tried to do more of the former and less of the latter. It was revealing! When I analyzed the list, I discovered that the "story" I had about liking to be a loner, a Clint Eastwood-type of guy, wasn't true. It turns out that I preferred being part of winning teams. Before you retire, write down what you enjoyed and what you didn't enjoy doing and analyze the list. Use this as part of your transition strategy. 🍎



## GDS at 30

by Howard M. Guttman

### What was your original vision for Guttman Development Strategies?

In 1989, when GDS was founded, our goal was to lead an international consulting firm that focused on management and organization development and was prepared to take clients where other firms didn't feel comfortable going—or didn't know how to go. Jackie [Guttman] and I envisioned GDS becoming a trusted “MD/OD” extension of a company's capabilities. In the late 1980s, the concept of outsourced services was gaining popularity, and we knew that MD/OD was easy to outsource. More importantly, it was more effective to offer such services externally because, as an outsider, you could remain agenda-free and speak truth to the organization. Imagine someone who reported to the president or a member of his or her senior-leadership team trying to align that team. Not possible!

### What specific services did you envision—and with what competitive advantage?

We wanted to provide services focused on coaching, management training, and supporting teams. At the founding of GDS, I had not yet fully developed a systematic approach to developing high-performance teams, which has since become the basis of just about everything we do. I felt that we had two competitive advantages. First, I knew quite a few top professionals in the MD/OD field who were available to work part time and whom I could deploy as needed, without going down the slow and costly employee-based hiring route. Secondly, and most importantly, our advantage rested solidly on our ability to cut through “noise” and call a spade a spade. We were more powerful than many of our competitors and spoke in a way that especially resonated with senior-level executives.

GDS Goes  
There

### What made you think that you could actually be successful?

When I was at Automatic Data Processing from 1979-1982, I was mentored by Dr. Bernie Kessler, who at that time was vice president of human resources and quite the innovator in the field of management and organization development. He believed that if you wanted to be a great *internal* consultant you had to first be an effective *external* consultant. This led me to expand my external-consulting activities on vacation time and weekends and through the years deploy seasoned colleagues of mine who were also working part time as independent consultants. I began to gain experience dealing with companies such as AT&T, L'Oréal, and The Royal Bank of Scotland. After being at Johnson & Johnson for seven years, I decided to go on my own full time, with J&J becoming one of our biggest clients. By then, we were in effect running, with some success, a kind of “Model-T” version of what GDS would become.

### What were the biggest steps you took to get the Model T up and running?

We needed a name. I remember Bernie advising me to use my own name. We were initially skeptical. Guttman wasn't exactly a household name in

consulting! “That's true,” he countered and then added, “but someday it will be, and the brand will then be connected to a live person rather than some generic term.” A second key decision involved the brand. We wanted GDS to be known squarely as an OD firm, not merely a training house, coaching company, or reengineering firm. We wanted the GDS brand to stand for organization-wide impact, using an integrated approach. Having Jackie manage the company's finances and legal affairs and run the office, administration, and infrastructure was a third key step. Fourth, Jackie and I decided to make GDS an independent consulting firm, giving us access to the very best consultants, with a broad range of client experiences, without having to deal with the usual overhead and bricks-and-mortar challenges. Initially, GDS operated from a one-room office. We then graduated to a 2,500-square-foot office that we added onto our house. Then

we moved into our current office suites. Fifth, we began a campaign of public speaking before a wide variety of groups, like ASTD, The American Management Association, The Conference Board, OD Network, Human Resources Planning Society, etc. People began to take note. The books I subsequently wrote for major publishers and the numerous articles I bylined took GDS to another level. And we added deeper consulting capabilities and support staff to meet growing client demand.

### **I know you have long been interested in personal growth. Did this have an influence on your OD approach?**

I was steeped in the work of Albert Ellis, Peter Block, Werner Erhard, and others. Our unique strength has always been a melding of the best practices of OD and work directed toward personal development. The latter enables us to delve deeply into people's mind-sets.

### **Could you give us an example of this mind-set delving?**

If we were interviewing someone who stated that she was having an issue with a colleague, rather than offering gratuitous advice we would start probing: Why are you choosing to have the breakdown? What part do you play in it? How does it serve you not to handle the situation? We take our clients into depths where they are typically not used to going, unless they've been with us for a while. By such deep probing, you ultimately reach the place where change can occur. A client once observed, "GDS Goes There." And "going there" is the essence of the GDS brand.

### **Did you accomplish what you originally hoped to?**

We're very proud of GDS and what the brand stands for. In fact, protecting the brand has been our life's mantra. Thirty years after its inception, we're looked upon as a trusted, powerful, and game-changing brand in the marketplace. It's why much of our business comes from current clients who migrate to new companies and refer us to other firms. And it's why we continue to get a steady stream of unsolicited calls inquiring about our capabilities, without having to resort to the usual direct mail, telemarketing, sponsored marketing events, and other new-business development tactics.

### **What does protecting the brand entail?**

It means having the right consultants in place. They must be trustworthy, bring new insights, be coachable, and be congruent with our work, or there is no place for them at GDS. We also "qualify" clients to make sure that they have what it takes to go down the high-performance road. This is what Paul Michaels mentions in his interview. It's crucial. And we must continually live up to brand expectations: We care deeply about our clients and are at stake for their business success. We are in it to make a significant difference. This engenders trust.

### **What's on GDS's unfinished agenda?**

We always want to be in play, which means I'm continually looking for new client challenges and opportunities. We still find it an adventure to create new and different types of relationships, new programs, and new technologies to extend our impact. It's the best way for us to learn and grow, as we work as partners with clients in a fast-changing environment. I will be forever and ever spreading the gospel of horizontal, high-performance teams. There are always new worlds to introduce it to.

### **In what ways are the challenges facing today's leaders different from those of 30 years ago?**

It takes a much more sophisticated leader to make it in today's world. You're dealing with global, matrixed, horizontal organizations. Yesterday's siloed, hub-and-spoke, co-located organizations operated on positional authority. Today's organizations hinge on a leader's ability to influence others—and often to do so at a distance. In addition, with the growth of private-equity firms, there's an urgent expectation for leaders to deliver rapid results—no fooling around or excuses. It's a relentless push for success, which fits squarely with the GDS brand promise. No question, leaders today must be learning-agile and comfortable with ambiguity and change. And they have to bring on and grow talent that can work effectively on the shifting sands of today's organizations.

### **You've worked with all manner of leaders during your 30-year career. What's surprised you the most?**

When I was younger, I used to think that the higher you go up the ladder, the more you're dealing with people who dwell on Mount Olympus: individuals who come endowed with all the gifts and skills! This might be true in some cases, but not always. Many top leaders whom I have encountered had exceptional strategic capabilities and technical skills, but in terms of dealing with the human factor they were not "camera ready" for the job. They had to improve in order to better manage change, deal with conflict, sharpen their EQ, and acquire the sensitive radar to read below the surface. My biggest "aha!" was that leaders, no matter how high up they have climbed, still have to grow!

### **What separates the truly successful executives from the rest?**

Their continuing coachability! Their ego doesn't run them. They recognize that there is still room for growth. The truly successful leaders are fundamentally "okay" and without underlying behavioral issues, are vulnerable, and are eager to learn.

### **What's the key lesson you have learned in working with leaders to build high-performance organizations?**

Keep the process simple and transparent. The simpler, the better. The less academic and conceptual, the better. Changing human and organization behavior is hard enough! And if you don't have a client who is at stake for the transformation to a high-performance organization, you are doomed to failure. The only thing worse than having no client is having the wrong client!

### **What's ahead for GDS over the next 30 years?**

Wow! Stay tuned. 🎯

We at GDS have learned a great deal about performance, human behavior, and organization dynamics in working intimately with clients during the past 30 years. We've asked our associate senior consultants to reflect on their work with GDS clients and share an important insight that they have gleaned while helping clients evolve into high-performance leaders. Here goes...

## What GDS Clients Have Taught Us



I worked with a major player in the hospitality space who was obsessed with the metrics of his business, using them to achieve his goals at all costs, even at the expense of his people. Although it was difficult for him to change his perspective, he eventually realized that to achieve the stretch goals that he so earnestly sought required

creating a high-performing organization, with high-performing people. You can't measure your way to high-performing behavior.

—Jim Bennett



During a coaching session that I held with the CEO of a global consumer-products company, she told me that she felt that she shouldn't be making all the decisions. When members of her team tried to push off important decisions to her, she asked herself

whether they were aware that decision making was a required competency for their position and whether they were confident in their ability to make decisions. She wondered whether, in the past, there had been insufficient consequences (negative and positive) for the choices they had made. And, lastly, she tried to determine how she would assure that in the future skills and consequences would support desired behavior. Conceptually, this CEO was on target. But why, then, the "push-off" behavior by team members? Intellectual understanding and effective leadership behavior can sometimes be miles apart.

—Carol Bocchino, Ph.D.



When I see the results of our work with senior teams, I see empowered people. There is excitement and efficiency in the air—and a greater level of business results within reach!

—Gregory Brewer



All team members choose to deal with conflict. It's one of the attributes of high-performing teams. At the core of team behavior, this translates into team members who are truly able to listen, take feedback without personalizing, and work together for solutions that are best for the enterprise. And moving teams in this

direction hinges on the coachability of each player on the team.

—Laura Christenson



Members of a senior leadership team of a healthcare organization with whom I worked found the five levels of accountability to be very helpful. Specifically, they were captivated by Level-5 Accountability, where everyone on the team is at stake for the enterprise, as if they were

co-owners of the business. This became the gateway to this team's accelerated performance—and to the performance of many other teams that I have worked with.

—Pete Elder

## What GDS Clients Have Taught Us



I learned from one client that we need to “slow down to speed up.” This is especially true for leaders who have proactively invested time in building their team and aligning processes. When a crisis or urgent issue occurs, as it inevitably will, taking a “time out” to reflect on the team’s contracts, commitments, and ways of working can actually speed up

issue resolution and the ability to quickly move beyond the crisis.

— Cynthia Goins



I conducted an alignment with a team whose members had issues with their leader’s style. He was more directive than collaborative. During an alignment, a profound moment occurred when the leader, for the first time, became vulnerable, expressed his acceptance of the team’s feedback, and

invited the team to “hold up the mirror” if his old behavior should resurface and impede team performance. This completely shifted the atmosphere and allowed the team and the leader to have truly honest dialogue at a much deeper level. For the leader, exhibiting such vulnerability showed great strength, and for the team witnessing such vulnerability proved deeply enlightening.

— June Halper



While I was working with an executive team, the leader remarked, “Trust and being at stake for each other is the ‘secret sauce’ for us to accelerate as a team, become more change-agile, and win together.” The leader and team then went about building trust in a very disciplined way—aligning the team and acquiring the skills and tools needed to win

in a tough, competitive marketplace. They demonstrated what can be done when a team moves smartly to build trust and the leadership muscle needed to accelerate performance.

— Cindy Herman



When leaders transition between roles and companies—and this is especially true in today’s turbo-charged and lucrative M&A space—they face significant challenges, not the least of which is the need to recalibrate their leadership style. Coachability is key. Evolved corporate

leaders are shifting to be their authentic selves through in-depth listening, vulnerability, and the ability to build strong relationships. In addition, the successful leaders with whom I’ve worked in the M&A world have learned to balance the excitement of a start-up with the discipline of a turnaround and to temper operational speed with the necessity for transformative employee engagement.

— Mark Landsberg



The regional president of a consumer-goods company whom I was coaching once said to me, “It’s not the content or HPT models or techniques that you offer. Rather, the fact that you personally model HPT behavior allows me to trust you. That, in turn, has enabled me to achieve a breakthrough and recognize the role that I had played in the breakdown of my relationship with

a significant colleague.” There’s just no substitute for walking the talk.

— Thom Radice



When working with teams or coaching individuals, there is always one leadership quality that I look for: the ability to be vulnerable. Can they put their imperfections, their quirkiness, and their blinders aside to hear the tough feedback? Are they able to get out of their comfort zones and

make the real changes needed for their own development, their team’s development, and the development of the enterprise? If “yes,” their HPT journey has begun.

— Wendy Weidenbaum



Very few teams currently operate face to face; most have at least one remotely based team member. This makes the skills required to build effective working relationships in a virtual work environment critical to both the client’s and GDS’s future success. As one executive stated, “It’s no longer an option to say, ‘I’m not comfortable with technology’; instead, we must

embrace and use virtual tools every day.” Amen!

— Jay Redman