Guttman Insights

January 2020

Charlie Jacobs is chief executive officer, Delaware North's Boston Holdings and the Boston Bruins Hockey Club. As a member of the senior leadership team for all Delaware North's global operations, a major lifestyle and hospitality company with 60,000 employees, he guides the strategic efforts for the family and company holdings in Boston. These include the Boston Bruins, TD Garden, Delaware North's strategic real estate interests, and the company's ownership share in the New England Sports Network, which broadcasts to over seven million homes.

The Boston Bruins have won six Stanley Cups, beginning in 1929. That's quite a record!

I would also add that the Boston Bruins have been in the Stanley Cup finals twice since we won the 2011 championship, but they fell sixty minutes short of winning in each of these.

In this issue, Charlie Jacobs, chief executive officer, Delaware North's Boston Holdings and the Boston Bruins Hockey Club, continues a discussion that we started in September 2016. Three years later, he reflects on dealing with triumph, loss, and the role of high-performance leadership in building one of the world's great sports franchises. Howard M. Guttman enters the leader-versus-manager fray, arguing that it's a false dichotomy, and, in If I Were You, he outlines five key actions to transform troubled cross-functional teams into high-performance powerhouses.

In This Issue

Delaware North

Leader's Corner: Charlie Jacobs— Blocking, Checking, and Winning the High-Performance Game in Boston
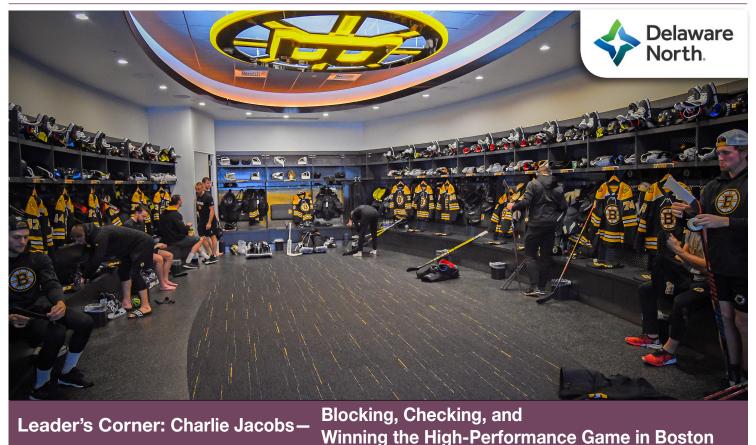
What accounts for such impressive success?

Luck is one factor. Don't discount it! We also have fantastic management. Our C-suite executives are all on the same page. They have the "eyes" and ability to identify the best-of-the-best talent, who can play world-class hockey, lead, and win. We also have one of the greatest head coaches, someone who enables players to make it all happen on the ice.

How have you and the players dealt with the Stanley Cups that got away?

I'm still wrestling with last year's loss in game seven. When it was over, I began to walk home, and I met a lot of fans who were filing out of the arena. I got a lot of "Well done, Charlie," "It was a great season," and "We'll get them again next season." It was a moment that I will never forget! A lot of the fans were appreciative of what we had done, which is not what I might typically get from a very tough and super-dedicated fan base. That said, the loss is still difficult to swallow.

What about the players, how have they coped with last year's loss?

After the final game, the locker room was chaotic, with lots of frustration and anger. But, more importantly, the players showed up for training camp in September ready to play. If you asked the players, they would say that they have turned the page on last year. And they had to. They can't afford to live in last year's results. It's a whole new season.

What's your approach to managing the complex interplay of talent and egos that make up just about any sports franchise?

My approach is consultative. I have empowered a really smart group of hockey minds; they are the cornerstone on which the team's success on the ice has been built. At the beginning of 2017, we sat in a room to identify four specific goals to achieve over the next three years. We included key people in the discussion: everyone from our president and our general manager to hockey operations and building management. We discussed what we were going to do to raise our game, and how we were going to collaborate to make it all work. Everyone understood what it was going to take to win; we had walked the path before, and they had delivered. It's now nearing the end of our plan and, as I look back at the goals, the numbers, and other success factors, we've achieved almost everything we sought to accomplish.

We talked in 2016 about your dream for transforming the TD Garden. How did you go about getting started with this grand project?

I gathered together 16 of our top executives, from every facet of the business, and we identified milestones that we wanted to hit within our three-year plan. One of the milestones was to create the best experience in North America for an arena event-goer. We first measured ourselves against a number of venues, in a number of different categories, and then focused on two new arenas that opened in the past 36 months or so: one in Edmonton, Canada and the other in Detroit. They moved the needle in terms of providing a best-in-class experience for event-goers. We rolled up our sleeves and worked collaboratively across our organization to create the best possible venue. And we finished the job on deadline, in time for the 2019-20 season.

What makes the TD Garden stand apart?

One question that we asked ourselves in reinventing TD Garden was: "How can we take the strengths of the venues in Edmonton and Detroit and do it better?" Just to mention two features: First, the integration of technology with live sports in our arena is the very best. We put in a new 4K, ultra-high-definition, center-hung scoreboard. And, second, we also built a 30,000-foot sports bar/restaurant that gives event-goers direct access to the arena. They don't have to make multiple stops before getting into their seats.

And now that fans have experienced for the first time your "legendary transformation," what's been the reaction?

Early returns from the fans have been extremely positive. We've created a world-class venue and experience, from car to seat to car and including, of course, the event itself. We've hit our goals!

There's lots of hubbub these days about sports figures dipping their cleats and sneakers into politics. What's your philosophy

Sports are an escape. They are a way for fans to check out, ride the "roller coaster" of professional sports, and root for the team for which they have an affinity.

Let's talk about your top team. Who's on it?

Besides me, the respective presidents of the Boston Bruins, TD Garden, and Patina Restaurant Group, along with the general manager of Sportservice here in Boston.

When you engaged GDS a dozen or so years ago, what were you hoping to accomplish?

Way back then, my father, who founded the business, told my two brothers and me, "You guys need to collaborate better, and, what's more, people don't see you the way you ought to be seen. You need to work on yourselves." Not a great message to receive! At first, we weren't thinking about working with Howard and his group.

Was the approach that GDS took helpful, despite your initial reticence?

Absolutely! The approach that GDS took was "This is all about empowering you. It's not about us or about us giving you anything." It was a great message, especially for the initial sessions with GDS. It signaled that we were going to work on ourselves—how the three of us can communicate better with one another and how we can be stronger and more effective. It continues to be a great message, as we periodically check in, fine-tune how we work with one another, and move forward with Howard's guidance on new best-practices strategies. It's helped us raise our game.

And what about the rest of the organization?

We've worked hard to align the rest of the organization with the GDS HPT approach. And as we onboard new associates, it's important to transfer these practices and skill sets throughout the organization, right down to day-to-day operations.

What was your biggest challenge in becoming a leader in the horizontal, high-performing mode?

It takes a long time to adapt to the HPT ways of working and claim them as your own: working horizontally, collaborating, being transparent, and the like. The notion of one guy in a star chamber, throwing thunderbolts from Mount Olympus, making all the calls—that doesn't exist here. What makes this job so much fun is that we get to collaborate with really talented people. As we bring on new talent, we look for associates who are able to operate in a horizontal environment. HR plays a key role in identifying and screening candidates for these attributes.

What about the challenge for your senior leaders?

Our subsidiaries had operated as silos. The attitude was "Let me stay in my own lane and be accountable for my own bonus and long-term incentive plan." We had to move from a silo mentality to one where there is collaboration and accountability to one another, whether you work for Sportservice, Patina Restaurant Group, TD Garden, or the Boston Bruins. It took time for the message to sink in and cross-pollinate. But the mentality shifted from "me" to one where our leaders appreciate that the whole can be greater than the sum of its parts.

If I were a mid-level manager in your company, what difference would working in a horizontal, high-performance company make to me?

For one thing, you would see senior leaders modeling high-performing behavior. You would also have received the skills that would enable you to operate effectively within the changed environment.

What have been the financial results of your investment in the GDS high-performance model?

We have had year-over-year historic financial returns over the past three years.

What advice would you give to other CEOs who are contemplating making a similar high-performing journey as the one you have undertaken?
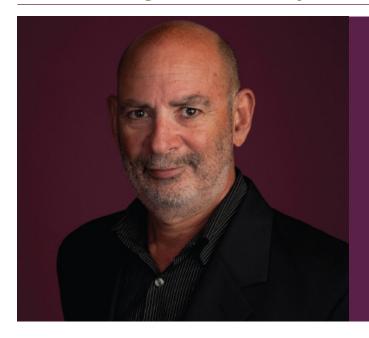
It works! If you're open, willing, and able to bring in a professional firm like Howard Guttman's, I'd highly recommend that you do. I've used other processes, and they're nowhere near as effective.

Leader vs. Manager : False Dichotomy?

by Howard M. Guttman

Business organizations tend to treat leadership in one-dimensional terms. Many executives consider leadership to be a positional attribute rather than a set of attitudes and behaviors. Leadership is for the anointed few, the denizens of the C-suite, the "them" and not "us" of organizational life.

In his book, *On Becoming a Leader,* management guru Warren Bennis juxtaposed the role of manager with that of leader. Some of his comparisons include:

> **It's time to reframe the old leader/manager paradigm.**

- The manager administers;   the leader innovates.

- The manager maintains;   the leader develops.

- The manager focuses on systems and structure;   the leader focuses on people.

- The manager relies on control;   the leader inspires trust.

- The manager imitates;   the leader originates.

- The manager accepts the status quo;   the leader challenges it.

- The manager is the classic good soldier;   the leader is his or her own person.

While the leader/manager juxtaposition makes for interesting reading, there are difficulties with the formulation. For one, the delineations are too clean cut: Managers/leaders come off as opposites, when in fact successful managers must also be leaders. If, as Bennis contends, managers are systems bound rather than people oriented; if they focus on control more than on inspiring trust; and if they are imitators, not originators; they are unlikely to be successful—or to be long for today's skinnied-down organization.

More importantly, the old manager/leader dichotomy no longer applies to today's complex, high-wired organization. Everyone must become a leader within his or her area of responsibility. True, not everyone is expected to look into the future and do big-picture strategic thinking, but no matter what ecological niche one occupies organizationally, we must all look beyond the horizon to anticipate future problems and opportunities. To Bennis's point about the status quo: Any manager stuck in "now" won't take his or her function "there." Think about any job in an organization, and chances are that it's very different now than it was even a few years ago. There's player churn, technology shifts, resource and supply dislocation and change, new consumer and service demands, etc. What status quo?

It's time to reframe the old leader/manager paradigm. There is a new breed of leader-manager emerging, especially in horizontal, high-performing organizations. These leader-managers think of themselves as owners of the business they run. They keep a sharp eye on the bottom line—not only on the budgets they manage, but on the continuing value they bring to the organization. They take calculated risks; look for ways to innovate, engage, and develop their people to become both "good soldiers" and superb leaders; challenge the status quo; and ratchet up performance.

In *Great Business Teams,* I quoted a comment made by David Epstein, former CEO of Novartis Oncology. "When I turn around," he said, "what I want to see is leaders, not followers." Managers were fine in a bygone era. Now it's leader-managers down through the ranks who will push the envelope, bring productive energy to their tasks, and keep their organization ahead of the curve. If you turn around and see managers, it's time to move to the horizontal, high-performance model—or head to an organization that embraces it. You'll find teams of leaders, along with greater excitement and likelihood of reward.

If I Were You: Tips for High-Performance Leaders

by Howard M. Guttman

Let's assume that you completed the Cross-Functional Team Scan presented in the September issue of Guttman Insights and discovered, alas, that your cross-functional team resembles one of those in the consumer-goods industry with which we worked a while ago. That team was thought to be camera ready; After all, the players on the team were all director level. No need for prep or training there. Just let nature take its course, and let the team do its thing.

It wasn't that easy. Players on the team immediately felt trapped between the proverbial rock and hard place. Who had the "D" or decision-making responsibility: the team or the VPs of the functions represented on team? No one knew.

At its root, there were no agreed-upon ways of working or protocols that were clear to the team, never mind key to stakeholders in the organization. Lacking clarity, expectations on how the team should function were inconsistent. Not surprisingly, decision-making paralysis set in. There was plenty of that old dysfunctional "agreeing to disagree," and nothing got done.

Once the team's role, accountabilities, impact, ways of working, and composition were all made crystal clear and communicated organization wide, team performance shifted immediately. Decision making accelerated, and the team went from being a value drag on the organization to becoming a value-added contributor.

If you are the leader of a cross-functional team who is facing a similar situation as this team—and if I were you—I'd begin by "pulling the cord" and calling a team time-out. Be straight with your team by acknowledging that things aren't working.

As you begin the process of moving from being a functionally driven to a horizontal, high-performance team, consider taking these five actions.

1. *Meet with key functional stakeholders to understand their expectations.*

   Communicate to the team a clear, consistent picture of the expectations and recontract with key stakeholders, letting them know your team's plan to bridge the expectations/reality gap.

2. *Construct ways of working that are explicit and transparent, so that everyone on the team knows how things should work.*

   Given the centrifugal forces naturally at work on cross-functional teams, one of the most important ways of working, or protocols, involves conflict resolution. When there is a difference of opinion between where the team and functions want to go, knowing how to escalate the disagreement to get closure is essential. A second key protocol: how team decisions get made. What's the role of the team leader? Should the team function as equals, or does the leader have greater decision-making clout?

3. *Build a compensation plan that reflects performance as a team member rather than as a functional player.*

   Make no mistake about it, breaking the iron grip of functional thinking on a cross-functional team is a big challenge. You're asking team members to play the role of a dual citizen, which is something of an unnatural act. A compensation system that optimizes cross-functional behavior provides the "WIFM" logic needed to shift mind-sets.

4. *Be sure that you, as the team leader, understand and are adept at handling the complexities of the inter- and intra-team environment.*

   Team leaders provide strategic leadership to ensure alignment with the overall organization strategy; stakeholder management to ensure that leaders across relevant functions are in sync on expectations and issue resolution—especially those dealing with resource allocation; and provide feedback to team members regarding results, along with monitoring behavior for signs of functional "creep."

5. *Make sure that team members "get it" and have the skills to operate cross functionally.*

   In a sense, cross-functional teams are similar to other teams in terms of their skill requirements. They require the same repertoire of leadership, conflict management, influencing, assertion, and listening skills.

   In addition, two other skills are paramount. First is stakeholder management. Team members must be adept at knowing who beyond the team should be brought into the decision-making and issue-resolution processes. And they must be equipped with keen conceptual skills to anticipate the impact of their actions across the organization: how the dominoes will likely line up, resist, or fall.

A cross-functional team is a constructed workgroup, blended from different functions, with shared accountability for playing by the ground rules and meeting key deliverables. Think e pluribus unum, and you've nailed the cross-functional concept.

It's a delicate construct, requiring vigilance to avoid functional regression. "How are we doing, in terms of outcomes?" "Are we adhering to agreed-upon protocols?" "What about managing key stakeholders?" Simple questions? Undoubtedly so, but when asked as part of a periodic self-assessment, such vigilance proves invaluable and key to achieving rapid results and lasting value in the demanding cross-functional environment.