



Guttman Insights

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Liam Butterworth

is CEO of GKN Automotive, a global automotive-technology company and a global leader in automotive drive systems. GKN Automotive pioneered electric drive systems and is now driving the future of transportation. It is the trusted partner of most of the world's global automotive companies, specializing in developing, building, and supplying market-leading driveline systems and advanced powertrain technologies. GKN Automotive is headquartered in London, has 25,000 employees, 51 manufacturing facilities in 20 countries, and revenues of \$6 billion.



In this issue, Liam Butterworth, CEO of GKN Automotive, recounts his trip to becoming a high-performance leader and the profound difference it has made. Given the swirl, tumult, and challenges facing today's leaders and their organizations, Howard M. Guttman decided to train his sights on the crucial issue of executive coaching in both his columns. His video on the subject reveals three core coaching questions. We ain't telling you what they are. You'll have to watch the video!

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Leader's Corner: Liam Butterworth — Revving Up Leadership at GKN Automotive

GKN Automotive has 25,000 employees but just one CEO. How did you make it to the top?

I started on the shop floor. I left school at the age of 16, was an apprentice toolmaker at the traditional British engineering company, Lucas Industries, then spent five years in a plant. I gradually worked my way through roles in Engineering, Sales, Marketing, Purchasing, then General Management. I was brought on to lead the transformation of one company in 2008, then assumed the role of CEO of another in 2012, and have been a CEO ever since.

What personal qualities helped you along the way to become a CEO?

I like to be pragmatic, transparent, and direct. I say what I see and do what I say. I know my strengths and where I need help. I know how to identify the right talent, put them into key roles, and provide clarity, transparency, and motivation so that we succeed as a team.

What causes you the greatest anxiety about your organization, given everything that is currently happening in the world?

My biggest concern right now is managing our global, complex supply chain, from raw-material acquisition to delivering finished products to customers. Getting the right materials, at the right place, at the right time, at the right price, is challenging, especially today. The system is incredibly complex and can easily be disrupted due to the JIT model that we work to, as COVID-19

demonstrated. Then there's technology risk—how to ensure that we are flawless when launching new technologies into the market. In the automotive industry, there is zero tolerance for failure.

What kinds of questions do you ask when you're looking over the horizon to identify threats or opportunities?

I start with technology trends: What are the industry trends taking place at a macro level? And how does our portfolio of products and technology meet those trends? Is there a potential breakthrough or technology change that could pose a serious threat to our survival? Case in point: The emergence of all-electric vehicles, which, fortunately, we are well prepared for. Once we move ahead with products to meet emerging needs, the question becomes do we have the right talent in our workforce to design, develop, and manufacture those products? Then, how do our global manufacturing footprint and supply chain meet the new needs? Finally, are we doing the right thing to drive future profitable business growth?

Talking about all-electric vehicles, are we "there" with EV technology?

Someone said to me recently that the EV market is like pancakes. The first one is pretty awful, the second is okay, and the third is just about right! The EV market is at the second-pancake stage! Three areas need further development. The first relates to batteries—their cost, raw-material availability, and performance. Second is the infrastructure for recharging EVs. This is arguably the biggest challenge. Right now, the recharging infrastructure is highly fragmented and limited. Third is the availability of a wider range of models, at more affordable prices.

How do you shorten the culture lag between a technological advance such as EVs and its broad acceptance in the marketplace?

EVs have been around for a long time. We supplied our first EV system 22 years ago! In the last 10 years, there has been a gradual culture transition toward accepting EVs. As we make progress in addressing the three areas I just mentioned, we should be able to close the lag time between technology and consumer acceptance. Think about it. Until two years ago, the only viable EV choice was Tesla. Now, there are more options—and many more to come. We're now at a point where consumer acceptance is there. The only question is, how fast will it accelerate?

What is GKN's competitive advantage?

We're not just an automotive-component or product supplier. We're systems engineers. We understand every element of the drivetrain system on a vehicle—from components to software to hardware—and how they interact to give customers a high-performance driveline system. We have a global manufacturing footprint that is far superior to that of our competitors. We have the broadest portfolio of products in the industry, and we can manufacture them anywhere in the world to the highest standards of quality, performance, and delivery. It's why we're number one in the industry, with twice the market share of our closest competitor.

When you engaged GDS two years ago, what did you want to change about your leadership and those on your senior leadership team?

Two years ago, my leadership style was very directive. I made all the decisions and told those reporting to me to just execute. That style led to my success earlier in my career, but only up to a point. When you have to turn around a faltering business, you need to be directive. But I recognized that I had to evolve away from the "I tell, you do" style to give my team the space to be more independent in their thinking and leadership style. I needed to be more of a facilitative than directive leader and to create the right environment for my team to perform.

So, you wanted to move from your winning formula of being directive and your team's winning formula of following? That's profound change!

Yes, it has been a profound personal journey. I wanted to give my people the freedom and safety to challenge some of my decisions and to have productive, open debates on issues. The biggest change was changing how I question, facilitate, and orchestrate the decision-making process. I now ask questions and facilitate my team's decision-making rather than give answers.

Let's say I'm a fly on the wall observing you and your team. What before-and-after-GDS difference would I observe in you and your team?

Before going through the GDS alignment process, you would have seen me sitting at the head of the table as team members presented to me. I'd be asking all the questions and giving all the answers. Those around the table would be

nodding in agreement, saying, "Yes, we agree. Let's go do it." Now, you'd see me at the back of the room while someone is presenting. Team members would be asking questions and discussing ideas as a collective group. And you'd hear me ask my favorite question: What do you think about this issue? You'd also hear me challenging and probing to help the team look at all sides of a situation. You'd also hear lots of debate!

When you look back at the last two years, what were one or two most important things that helped you make the profound transformation you describe?

First, I brought on the very best people I could identify and trusted that they had the capability to do the job properly. Building trust was key. I had to make the team feel that they had my support and encouragement to do what they needed to do without my micromanaging them. Second, Pete Elder, GDS's lead consultant, played a key role. He spent a lot of time upfront, observing my style and that of the team. He encouraged us to give and accept feedback and to speak openly and candidly about who each of us was, what concerned us, and what motivated us. He also focused on aligning the team in terms of the company strategy and how we work together as a team to achieve it. When team members come to one of our team meetings, they walk in as leaders who are part of a team to drive the enterprise forward, rather than as functional representatives. We've become crew rowing together in the same direction!

What's on your unfinished agenda?

If you were to ask me to rate where we are as a high-performing team, I'd say 4 or 5. One measure I use is that my team could function and move ahead without me showing up. They're aligned, and they are crystal clear on the company's direction. I never have had so much time on my hands! I can now focus on company strategy, dealing with shareholders, and talent management. The next step is to move from a high-performing team to a high-performing organization. Our senior team must broaden the transformation by evolving their teams into high-performance ones.

Any big aha! that you got going through the alignment process?

People actually perform better when I'm not micromanaging them. I realized that it was better for me to step out of the day-to-day activity and give people the freedom and space to perform, while at the same time having absolute clarity on what's expected of them. That realization was at first very uncomfortable for me. But the more I stepped back, the better they performed, and the more motivated and driven they were. They still know that I'm there to support them whenever they need me, but I now have the time to focus on the larger issues relating to strategy, competitive advantage, and the next round of innovation. I've also taken on a non-executive Board role in an FTSE100-listed UK company.

Would you recommend the high-performance approach to other senior leaders?

I'd recommend the GDS approach without hesitation to any senior team. We worked with another company that was very theoretical. It used a lot of models and theories. GDS came in with a very practical, hands-on, human approach and worked intimately with the team. It has made a huge difference for me, my team, and our organization. 🌟

If I Were You:

High-Performance Coaching: What Does It Take?

by Howard M. Guttman



At a recent GDS quarterly meeting, the CEO of a major fabric manufacturer spoke on a number of leadership issues, including executive coaching. “Too often,” he pointed out, “coaching has been treated as either a charm school or a fix-it shop for leaders.”

If I were you, I’d avoid these approaches. Better to think of coaching as an opportunity to accelerate the individual’s capacity to work in a high-performance environment than as a cosmetic makeover or a repair job. True, coaching might require polishing a leader’s rough edges or helping her or him avoid performance flameout, but the core of effective coaching should focus squarely on accelerating the journey toward high-performance leadership.

If you are contemplating engaging a coach for yourself or others, I’d first begin with the questions: What change or changes are required to drive performance to a higher level? and What evidence indicates that change is needed?

Next, think carefully about the qualities that make for an effective coach at senior-executive levels. There is a yin-yang quality to great coaches: they balance being assertive and willing to “go there” with being depersonalized and neutral; being invested in the success of the coachee, yet staying away from feel-good collusion; understanding the business context, while avoiding falling into the content-prescription trap; and being flexible but staying focused on taking the coachee where he or she needs to go.

Ideally, a coach should not be a one-man band. We were working with a senior-level executive who required a number of key skills to improve his EQ, decision-making, and giving and accepting feedback. The coach with whom he was working brought in several of his colleagues, who were better equipped than he to upskill the executive in some of these areas.

Then there’s the elusive but critically important element of “fit” in terms of style, gender, values, and personal qualities such as forcefulness, expressiveness, and sensitivity. Can I or an executive whom I have targeted for coaching build a solid, trusting relationship with this coach?

As part of the initial contracting process between coach and coachee, the coach must determine if there’s a game there. Assuming, of course, the coach intends to be more than a sounding board or echo chamber. How coachable is the coaching candidate? Is he or she able to take a leap and go beyond the comfort zone? Has the candidate gone through prior, unsuccessful attempts at coaching? What’s the tolerance for accepting feedback? Does the person tend to get wrapped up in stories to shift blame or justify dysfunctional behavior? In consulting terms, candidates for coaching need to be carefully qualified.

Robert Browning said it well: “A man’s reach should exceed his grasp, or what’s a heaven for?” Setting expectations is important. Setting *realistic* expectations is crucial. The core questions are: What does winning look like? And is it within an individual’s grasp?

Answering these questions takes research. An effective coach collects data from other key players who routinely interact with the coachee. I was recently coaching a freshly minted CEO. We decided to collect data from 25 people in the organization, including Board members. Granted, this is an unusually large data sample, but it provided an opportunity for the CEO to get input on his leadership, gave him an understanding of many of the challenges the organization faced, and enrolled a wide swath of executives who felt that the new leader valued their viewpoints.

After the initial research has been conducted, feedback needs to be given to the coachee, and agreements need to be gained on the expectations for and details of the engagement, including who should be in the feedback loop. Then it’s laying out the specific “deliverables” of the engagement.

There is a yin-yang quality to executive coaches.

Think about how to measure coaching success. In our work, we use a five-point scale to assess a number of items, depending on the situation. For example: coachability, willingness to accept feedback, willingness to change, and quality of business relationships. We also provide a comprehensive assessment based on our observations and on colleague-perceived progress toward “delivering on the deliverables.”

Like measurement, the issue of confidentiality in coaching merits much more attention than it often receives. If I were you, I’d pay close attention to it. Compromise confidentiality, and you bust trust, risk causing irreparable damage to a relationship, and potentially wind up in legal jeopardy. Rule of thumb: Whatever a coach and coachee discuss is confidential, unless the coachee grants permission to break the seal! So, if you’re tempted to finesse or strongarm a coach to gain private information about a member of your team who is being coached, fuggedaboutit!

And, finally, if I were you, I’d think more broadly about coaching. It’s not just for senior leaders, especially when the nettlesome issue of talent succession and bench strength emerges, as it always does, and often when it’s too late to solve. It’s important to think about ways to coach the next generation of leaders, even if it isn’t realistic to engage a coach for each high-potential player.

One way to start your future leaders on the path to high performance is to provide them with a structured *self*-coaching process. The seven-step program that we have developed, “Coach Yourself to Win,” which is also the title of my book on the subject, engages high potentials and those around them in a collective professional development process. ●

Three Dynamite Coaching Questions

by Howard M. Guttman

If you could ask only three questions about your own—or a colleague’s—need and readiness for coaching, what would they be?

Tune into Howard M. Guttman’s three-minute video for the three dynamite questions that executives should be asking themselves and that great coaches should be posing to them. 🎧

