



# Guttman Insights

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Pinnacle Foods is a leading producer, marketer, and distributor of branded food products. Its many iconic brands include Armour, Birds Eye, Duncan Hines, Log Cabin, Mrs. Paul's, Van de Kamp's, and Vlasic. The \$2.6 billion business is owned by the private-equity firm Blackstone Group and employs

more than 4,500 people at 21 sites throughout North America. Bob Gamgort, former North American President of Mars, Inc., became CEO of Pinnacle Foods in the summer of 2009. He recently spoke to us about his first 100 days in his new position.

**As the new leader in the corner office, what questions did you ask to size up the situation and find out how the “real” organization operated?**

I immediately set up one-on-one interviews with all my direct reports. I wanted their views about what made the company unique, what they would change—and what they would protect at all costs. I also wanted their help identifying the “land mines” I needed to watch out for. I gave them a dozen or so questions in advance and asked them to really think about the answers, then set up two-hour meetings with each.

In our latest issue, Bob Gamgort describes the challenges he faced during his first 100 days as CEO of branded-food giant Pinnacle Foods; Howard Guttman puts leaders to the high-performance test; and Ted Gerber reflects on the fine art of negotiation.

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### The First 100 Days at Pinnacle Foods

#### **How did you get them to open up and be candid with you?**

I knew that if I could get them to depersonalize, I would get more objective answers. I didn't ask them what they were doing right and wrong, but rather what was working and not working in the company. I started the conversation by saying, "If you were looking at this company like a case study . . ." Then, when the conversation moved to what they were doing and what role they were playing, they spoke quite openly.

#### **And what did you learn?**

In many cases, I got the same answers from everyone on the team; in others, the opinions were dramatically different. The areas of misalignment were very clear, and I realized that this is where we were going to have to focus our efforts.

The process also gave me a lot of insight about the individuals I was going to be working with: how seriously each of them took the conversation, how they thought, whether they could look at the situation from a broader vantage or if it was all about them. I also tested their sense of accountability by asking, "What role did you play in the last CEO's not succeeding?" That question changed the game. They realized that I was saying, "Our success doesn't depend just on me. I'm just part of this team, and my success will depend on you."

#### **What did you do during your first 100 days to start moving toward the horizontal, high-performance model?**

If you want to start seeing high-performance behaviors, the team needs to go through an alignment, so we held one in the first couple of months. Because it is a professionally facilitated process, what might take 100 days to do on your own can be accomplished in just two.

#### **What were the biggest insights that came out of the alignment?**

Although there were going to be some challenges from a management standpoint, the alignment convinced me that the team was capable of becoming a high-performance one. These were people who all had an average of 25 years of experience in the industry, all from different companies, and they weren't at all threatened by the process. In fact, for the most part they were liberated by it.

I also realized that the hardest thing for them was to hold one another accountable. I told them that we were going to be operating differently: like a board that is fully responsible for the success of the company. I also told them that they were not going to be able to rely on me to call out the problems or congratulate people for doing a good job. They were going to have to do that.

**How do you convert those words into meaningful behaviors?**

You must immediately start finding ways to live your words. If someone is speaking and another person is rolling his eyes, you have to say, "Clearly you don't agree; this is the environment in which you need to talk about it." It's also critical to encourage the team to provide feedback directly to you, as the leader. Sometimes that feedback is not easy to hear; however, you need to accept it with grace and act upon it.

**What else was needed to achieve this dramatic cultural change?**

Holding the alignment in the first 100 days paints the picture for everyone of what the future is going to be, and they begin the journey toward that future. But after you leave the session, you have to have a lot of practice, coaching, and encouraging. This can come from the leader or from peers. There are some people who are naturally good at this, so you can use them to lean on the others. I believe that there is a critical mass: When you get enough people acting the new way, those who aren't either change their game dramatically or they opt out. And they often opt out on their own, either because they don't want to do it or because the team starts to put pressure on them.

**As a new leader coming in from the outside, how did you build trust?**

I knew that I wasn't going to gain people's trust instantly. I made sure that I was 100 percent authentic and transparent. No one ever had to guess what I was thinking. Some leaders play the power game by keeping people guessing about what they are thinking. If you do the opposite, you can earn trust quickly even if people don't agree with you.

**What's the most important lesson you've learned about transitional high-performance leadership?**

You've got to move fast. You must identify and prioritize the mission-critical issues. You have to say, "These are the things that are important, and these are the things that are not. We are going to focus on the important things and not the others." When I first joined the company, I told the team, "We can do anything, but not everything." When you try to do everything, you fail miserably.

When it comes to people, you've also got to move fast. You must make it clear that this is the new way, and you are not going back to the old way. If you don't do this quickly, you run the risk of not getting a high-performance team. You lose your momentum, and you risk the business.

**Can you point to a specific business result that you achieved as a result of transitioning to an HPT?**

Once we became a high-performing team and organization, we were able to move quickly to optimize the value of an acquisition—one that was 60 percent of our size. We went from identifying the acquisition to closing it—including raising over a billion dollars of financing from the outside market—in three months. We went from separate entities to full integration in six months. We never missed an order, we never had a quality issue, and we exceeded the acquisition plan. To do this, you have to be really clear about your priorities; everyone must be moving in the same direction; you have to create an environment where when things go wrong the issues are put on the table and resolved immediately, and you move on. A lot of great things have happened here, but that is the one that is most impressive to outsiders. 🍀

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**Speaker's Corner**

**Howard M. Guttman**

**"Developing Bench Strength Through Self-Coaching: HR's Role"**

May 3, 2011

SHRM members: Register at [www.shrm.org](http://www.shrm.org)

**Howard M. Guttman**

**"Creating Performance Breakthroughs Through Self-Coaching"**

AMA Webcast

May 25, 2011





## Are You a High-Performing Leader? Let's Find Out.

by Howard M. Guttman

PwC recently issued a report on the key questions that audit committee members should be asking senior management. The questions related to issues dealing with accounting and disclosure to risk management to compliance. The report got me thinking about a different type of audit: one that might be conducted by an audit committee on high-performance leadership. What kinds of questions would such a committee put to you to test your high-performance leadership capability?

Close your office door, and candidly answer these 10 questions:

1. Have you led an alignment effort to ensure that everyone on your team is clear and committed to a common strategy and set of operational goals, to clear roles and accountabilities, to ground rules for decision making, and to transparent business relationships?
2. Do you require that your team act as if it were a mini board of directors, on which each team member puts aside functional self-interest and "owns" team results?
3. To what extent have you encouraged your team members to hold one another accountable for business success? And that they hold you accountable—and say so?
4. How attuned are you to the leader/player dynamic of each of your team members? Do you adjust your behaviors—directing, coaching, collaborating, delegating—to player and situational needs?
5. Do you cling to the old leadership story, "As a leader, I get paid to make the decisions?"
6. Do team members view you as answer man, night watchman, referee, an enabler—or as a questioner/coach with a maestro's baton?
7. Do you role-model effective leadership behavior in leading your team—and in how you manage upward: say, to your board of directors?
8. Think about the last time a team member disagreed with you: Did you (a) say thank you and dispassionately assess the contrarian position; (b) use sarcasm, avoidance behavior, or seek rescuers from your team; (c) become unglued; or (d) press the eject button?
9. When was the last time you asked your team to give you a reality check as to whether or not you are a leader who contributes to the team's ability to reach high-performance goals and expectations?
10. When you look behind you, do you see a team of leaders—or followers?

There is, of course, one high-performance leadership question that's missing: What results have you and those you are leading achieved? I've omitted the question for good reason: Results tend to be a derivative occurrence. If your answers reveal that you are a high-performance leader, then chances are that high-performance results have followed. ●



## From a Consultant's Notebook:

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### Ted Gerber

Here are field notes from an assignment led by Ted Gerber, GDS associate senior consultant and expert in business negotiation.

#### Presenting Situation

A major pharmaceutical company in the northeast U.S. sought to break the cycle of its contentious, acrimonious, “win-lose” negotiating sessions with a major supplier. Both sides’ focus on “CYA” had led to broken promises, product-delivery delays, and lack of transparency.

#### Charter

One week before the next negotiation session with the supplier, the company's director of OD asked us to facilitate a strategy and skill-development briefing for its negotiating team. On the table: a \$350 million contract. Aim: transfer negotiation skills and processes to the team, set a negotiation strategy and tactics, and specify the behaviors and outcomes needed to avoid the “same old/same old” results.

#### Process

- Step one: Interview players on the company team to do a situation appraisal....What were the pinch points in past negotiations? Where did discussions break down? What types of issues are “up” this time around?
- Then, meet with the team, probe its goals and objectives, needs and wants—and those of the supplier's team....Try to get “inside” the heads of those on the other side of the table: What preparations are they making? What do they want from the negotiation? What corporate objectives do they want to achieve? What personalities and behaviors will we have to deal with?

- Next, help the team take a deep dive into tactics....How will issues be negotiated: one by one or as part of a package? What about timing: When do we make an offer or counter offer? What are the countervailing pressures—on our team and the supplier's—for a deal? What kinds of information will likely help move issues to resolution? Which are the power relationships?

#### Results

Team members gained deep understanding of the negotiating process, especially need to set a clear end game, understand the objectives and constraints of the other side, along with power relationships, pressures, timing, and information requirements. . . . During the actual negotiations, the team felt it could be more flexible and creative because it had a clear handle on the other side's needs. . . . The three negotiating sessions went off smoothly. . . . Both sides walked away satisfied and fully committed. . . . Each team was a winner.

#### Insights

Preparation is next to godliness. . . . Negotiation isn't merely about tackling issues and muscling your way to victory. . . . you've got to understand strategy, tactics, human dynamics, and information requirements. . . . It's also an attitude. . . . If you think negotiation is a winner-loser, zero-sum game you might get compliance but never commitment. . . . Think of negotiation as a “win-win” process, and both sides will walk away from the table eager to go from inking the deal to implementing it.