The 17 Indisputable Laws of Teamwork
- John Maxwell

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THE LAW OF THE COMPASS

Vision Gives Team Members Direction and Confidence

For nearly a hundred years, IBM has been a rock of American business standing firm in a stream of competition. Even during the Great Depression of the 1930s, while thousands of companies were disappearing, IBM kept growing. The source of its strength was business and technological innovation.

INTRODUCING TECHNOLOGY

For a half century, IBM continually broke ground in the area of computers, beginning in the 1940s with its Mark I. In the 1950s and 1960s, the firm introduced innovation after innovation. By 1971, IBM was receiving $8 billion in annual revenues and employed 270,000 people. When people thought of blue-chip companies, IBM is likely the first one they pictured.

But for all its history of advances, by the late 1980s and early 1990s, the company was struggling. For a decade IBM had been slow to react to technological changes. As a result, by 1991, it suffered $8 billion in *losses* every year. And even though IBM fought to regain ground technologically, consumers' favorable perceptions of the company were at an all-time low. Where IBM had once been seen as dominant, people looked upon it as hopelessly behind the times—a slow-moving dinosaur among new companies that moved like cheetahs. If something didn't change, IBM was going to be in big trouble.

Then in 1993, IBM got a new CEO, Lou Gerstner. He quickly began recruiting key members for his team, IBM's executive committee. Perhaps the most important addition was Abby Kohnstamm, whom he invited to be IBM's senior vice president of marketing.

INTRODUCING . . . A COMPASS

Kohnstamm was eager to get started. She believed the company's products were strong enough, but its marketing was weak. When she arrived at IBM, what she found was much worse than she had expected. Not only was IBM failing to reach customers effectively; when it came to the marketing department, employees weren't even sure who did what or why. For example, when Kohnstamm asked how many employees were in the marketing area, she couldn't get the same answer from any two employees. Greg Farrell of *USA Today* described the situation: "The company was a fragmented, decentralized organization with more than a dozen quasi-autonomous businesses, and 70 ad agency partners worldwide."[1]

Kohnstamm immediately dismissed all those agencies and hired one to replace it: Ogilvy & Mather Worldwide. Her desire was to give

the entire IBM team a single unifying theme for the hardware, software, and services they had to offer. Before long, she had found it. The company adopted the concept of e-business. Kohnstamm asserts, "E-business is the single focal point for the company, and is the single largest marketing effort ever undertaken by IBM."[2]

The vision seems to be working. Steve Gardner, an ad agency owner who once promoted Compaq, says, "The most stunning thing about e-business was that it transformed IBM from perceived laggard to leader in the Internet space without any real change in its lines of products or services. That's an astonishing achievement."[3]

Where once IBM was struggling, it now has renewed direction and confidence. Bill Etherington, senior vice president and group executive over sales and distribution, notes that the marketing focus has had an incredibly positive effect on IBM's employees. And he should know. He's been with IBM for thirty-seven years. He says, "We all had enthusiasm for this wonderful campaign. It had an edge to it and portrayed the company in a much more modern light."[4] Maureen McGuire, vice president of marketing communications, agrees: "The campaign has galvanized employees. We're trying to get all those people to sing the same song, read from the same book." For a company that hadn't sung for a long time, that's a momentous achievement. And it just goes to show you, *vision gives team members direction and confidence.* That's the power of the Law of the Compass.

Don't Get Lost

Have you ever been part of a team that didn't seem to make any progress? Maybe the group had plenty of talent, resources, and opportunities, and team members got along, but the group just

never *went* anywhere! If you have, there's a strong possibility that the situation was caused by lack of vision.

Great vision precedes great achievement. Every team needs a compelling vision to give it direction. A team without vision is, at worst, purposeless. At best, it is subject to the personal (and sometimes selfish) agendas of its various teammates. As the agendas work against each other, the team's energy and drive drain away. On the other hand, a team that embraces a vision becomes focused, energized, and confident. It knows where it's headed and why it's going there.

> *Great vision precedes great achievement.*

Field Marshal Bernard Montgomery, a leader of troops during World War II who was called a "soldier's general," wrote that "every single soldier must know, before he goes into battle, how the little battle he is to fight fits into the larger picture, and how the success of his fighting will influence the battle as a whole." People on the team need to know why they're fighting. Otherwise, the team gets into trouble.

The Leader's Responsibility

Field Marshal Montgomery was adept at connecting with the soldiers on his team and casting vision for their battles. That ability brought him and them success. He understood that leaders must be vision casters. Author Ezra Earl Jones points out,

> Leaders do not have to be the greatest visionaries themselves. The vision may come from anyone. The leaders do have to state the

vision, however. Leaders also have to keep the vision before the people and remind them of the progress that is being made to achieve the vision. Otherwise, the people might assume that they are failing and give up.

If you lead your team, then you are responsible for identifying a worthy and compelling vision and articulating it to your team members. However, even if you are not the leader, identifying a compelling vision is still important. If you don't know the team's vision, you can't perform with confidence. You can't be sure you and your teammates are going in the right direction. You can't even be sure that the team you're on is the right one for you if you haven't examined the vision in light of your strengths, convictions, and purpose. For everyone on the team, the vision needs to be compelling.

Check Your Compass!

How do you measure a vision? How do you know whether it is worthy and compelling? You check your compass. Every team needs one. In fact, every team needs several. A team should examine the following six "compasses" before embarking on any journey.

A team's vision must be aligned with:

1. A Moral Compass (Look Above)

Millionaire philanthropist Andrew Carnegie exclaimed, "A great business is seldom if ever built up, except on lines of strictest integrity." That holds true for any endeavor. There's only one true north. If your compass is pointing in any other direction, your team is headed the wrong way.

A moral compass brings integrity to the vision. It helps all the people on the team to check their motives and make sure that they are laboring for the right reasons. It also brings credibility to the leaders who cast the vision—but only if they model the values that the team is expected to embrace. When they do, they bring fuel to the vision, which keeps it going.

2. An Intuitive Compass (Look Within)

Where integrity brings fuel to the vision, passion brings fire. And the true fire of passion and conviction comes only from within.

In *The Leadership Challenge,* James Kouzes and Barry Posner explain that "visions spring forth from our intuition. If necessity is the mother of invention, intuition is the mother of vision. Experience feeds our intuition and enhances our insight." A vision must resonate deep within the leader of the team. Then it must resonate within the team members, who will be asked to work hard to bring it to fruition. But that's the value of intuitive passion. It brings the kind of heat that fires up the committed—and fries the uncommitted.

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>
> —ANDREW CARNEGIE

3. A Historical Compass (Look Behind)

There's an old saying that I learned when I lived in rural Indiana: "Don't remove the fence before you know why it's there." You never know: There might be a bull on the other side! A compelling vision should build on the past, not diminish it. It should make positive use of anything contributed by previous teams in the organization.

Anytime you cast vision, you must create a connection between the past, the present, and the future. You must bring them together. People won't reach for the future until they have touched the past. When you include the history of the team, the people who have been in the organization a long time sense that they are valued (even if they are no longer the stars). At the same time, the newer people receive a sense of security, knowing that the current vision builds on the past and leads to the future.

> *People won't reach for the future until they have touched the past.*

What is the best way to do that? You tell stories. Principles may fade in people's minds, but stories stick. They bring relationships to the vision. Tell stories from the past that give a sense of history. Tell stories about the exciting things that are happening now among team members. And tell the story of what it will be like the day that the team fulfills the vision. Stories are like thumbtacks that help to keep a vision in front of people.

4. A Directional Compass (Look Ahead)

Poet Henry David Thoreau wrote, "If one advances confidently in the direction of his dreams, and endeavors to live the life which he has imagined, he will meet with a success unexpected in common hours." As I already mentioned, vision provides direction for the team. Part of that direction comes from a sense of purpose. Another comes from having goals, which bring targets to the vision.

A goal motivates the team. NFL referee Jim Tunney commented on this when he said, "Why do we call it a goal line? Because eleven people on the offensive team huddle for a single purpose—to move the ball across it. Everyone has a specific task to do—the quarterback, the wide receiver, each lineman, every player knows exactly

what his assignment is. Even the defensive team has its goals too—to prevent the offensive team from achieving its goal."

5. A Strategic Compass (Look Around)

A goal won't do the team much good without steps to accomplish it. Vision without strategy is little more than a daydream. As Vince Abner remarked, "Vision isn't enough—it must be combined with venture. It is not enough to stare up the steps; we must step up the stairs."

The value of a strategy is that it brings process to the vision. It identifies resources and mobilizes the members of the team. People need more than information and inspiration. They need instruction in what to do to make the vision become reality and a way to get there. A strategy provides that.

6. A Visionary Compass (Look Beyond)

The vision of the team must look beyond current circumstances and any obvious shortcomings of current teammates to see the potential of the team. A truly great vision speaks to what team members can become if they truly live out their values and work according to their highest standards.

If you are your team's leader, getting people to reach their potential means challenging them. As you know, it's one thing to have team members show up. It's another to get them to grow up. One of the things about having a far-reaching vision is that it brings "stretch" to the team.

> *"You must have a long-range vision to keep you from being frustrated by short-range failures."*
>
> —CHARLES NOBLE

Without a challenge many people tend to fall or fade away. Charles Noble observed, "You must have a long-range

vision to keep you from being frustrated by short-range failures." That's true. Vision helps people with motivation. That can be especially important for highly talented people. They sometimes fight lack of desire. That's why a consummate artist like Michelangelo prayed, "Lord, grant that I may always desire more than I can accomplish." A visionary compass answers that prayer.

Someone said that only people who can see the invisible can do the impossible. That shows the value of vision. But it also indicates that vision can be an elusive quality. If you can confidently measure the vision of your team according to these six "compasses," and you find them all aligned in the right direction, then your team has a reasonably good chance at success. And make no mistake. Not only can a team fail to thrive without vision—it cannot even survive without it. The words of King Solomon of ancient Israel, reputed to be the wisest man who ever lived, are true: "Where there is no vision, the people perish."[5] *Vision gives team members direction and confidence,* two things they cannot do without. That is the critical nature of the Law of the Compass.

Coffee Magic

Some people capture a vision, as Abby Kohnstamm did at IBM, and they use it to focus their teams. Others are captured *by* a vision, and the power of it changes the courses of their lives.

That was certainly the case for Howard Schultz, the man who bought Starbucks Coffee Company in 1987.

Schultz was no stranger to Starbucks. In 1982, just six years out of Northern Michigan University, he had walked away from a great job as vice president in charge of U.S. operations at Hammarplast,

a Swedish company that specializes in housewares, to join Starbucks. He had discovered the Seattle coffee retailer when he saw that their four stores sold more of Hammarplast's drip coffeemakers than Macy's in New York.

Schultz remembers the vision he had for Starbucks the day after his first visit to the company:

> It was like a shining jewel . . . There was something magic about it, a passion and authenticity I had never experienced in business. Maybe, just maybe, I could be part of that magic. Maybe I could help it grow. How would it feel to build a business? . . . How would it feel to own equity, not just collect a paycheck? What could I bring to Starbucks that could make it even better than it was?[6]

Schultz was captivated by a vision to expand Starbucks beyond Seattle, perhaps even across the entire country. When he began working for Starbucks as their director of retail operations and marketing, he started helping them to expand. But after Schultz had been with Starbucks for about a year, his vision for the coffee business itself also began to expand.

Make Mine a Grande!

After a visit to Italy, Schultz saw the huge potential of putting a coffee bar with espresso drinks in each Starbucks location. He believed that move held the greatest promise for the company, but he couldn't convince the owners to buy in to his vision. Since its inception in 1971, Starbucks had been a retailer of fresh whole coffee beans, not a seller of coffee by the cup.

Despite his love for Starbucks, Schultz left after three years to start his own company, which he made into a success. But two years later, when the owners of Starbucks let him know they wanted to sell the company, Schultz jumped at the chance. In 1987 the two companies merged and became the Starbucks Corporation.

Two factors drove Howard Schultz as he began the work of expanding Starbucks. The first was his love of coffee. The second was his desire to create a workplace that valued people and treated them with respect and dignity. That mattered to him greatly after a childhood of seeing his father struggle to support his family. Schultz says,

> I have a lot of respect for my dad. He never finished high school, but he was an honest man who worked hard. He sometimes had to take two or three jobs just to put food on the table. He cared a lot about his three kids, and played ball with us on weekends . . . But he was a beaten man. In a series of blue-collar jobs—truck driver, factory worker, cab driver—he never made as much as $20,000 a year, never could afford to own his own home. I spent my childhood in the Projects, federally subsidized housing in Canarsie, Brooklyn, [New York] . . . He had tried to fit into a system, but the system had crushed him.[7]

When it came to the coffee part of his vision, Schultz didn't worry about Starbucks. However, the working environment was another matter. In the two years he had been away from the company, the employees at Starbucks had become demoralized. Schultz says, "People were cynical and wary, beaten down and unappreciated. They felt abandoned by previous management and anxious about me. The fabric of trust and common vision that Starbucks had when I first joined had frayed badly." [8]

Recasting the Vision

Schultz began to address the issues immediately—starting with this statement to employees:

> Five years ago, I changed my life for this company. I did it because I recognized in it your passion. All my life I have wanted to be part of a company and a group of people who share a common vision. I saw that here in you, and I admire it.
>
> I'm here today because I love this company. I love what it represents . . . I know you're scared. I know you're concerned. Some of you may even be angry. But if you would just meet me halfway, I promise you I will not let you down. I promise you I will not leave anyone behind.[9]

Schultz had cast the vision. And in the coming months, he proved that he still valued great coffee. But he also went further. He began doing things that showed he valued the team. He called the people working for Starbucks "partners," and he backed it up with how he ran the company. He created a health plan that covered everyone, including part-timers. He clarified the company's mission and put into place a system in which hourly employees could hold management accountable to them. He even offered stock options to everyone, right down to the hourly employee who worked twenty hours a week making cappuccinos.

Schultz was trying to create the kind of company that people wanted to work for, the kind of place where someone like his father could have worked with dignity and respect. And he did it while making the company highly profitable. Starbucks is now a publicly traded company worth over $6 billion.[10] It serves more than 20 mil-

lion people each week in more than 5,000 stores around the globe with plans to keep growing.[11] And it ranks high on the Forbes list of the best companies to work for.

Schultz sums up his role at Starbucks this way:

> I started off as a dreamer . . . Then I moved to entrepreneur . . . Then I had to become a manager, as the company grew larger and I needed to delegate more and more decisions. Today, my role is to be Starbucks' leader, its visionary, cheerleader, and keeper of the flame. [12]

Today Starbucks' customers, partners, and stockholders can clearly see the company's direction and have confidence in it. That's what vision does for a team. That's the power of the Law of the Compass.

Teamwork Thought

When you see it, you can seize it.

Becoming a Better Team Member

What is the vision for your team? You'd be surprised how many individuals are part of a group that works together but isn't clear about why. For example, that was the case when I became the leader of Skyline Church in the San Diego area. The church's board was comprised of twelve people. When I asked each member to articulate the church's vision the first time we met, I got eight

different answers. A team can't move forward in confidence if it has no compass!

As a member of your team, you need a clear understanding of its vision. If the team doesn't have one, then help it to develop one. If the team has already found its compass and course, then you need to examine yourself in light of it to make sure there is a good match. If there isn't, you and your teammates are going to be frustrated. And everyone will probably be best served by a change.

Becoming a Better Team Leader

If you are the leader of your team, then you carry the responsibility for communicating the team's vision and keeping it before the people continually. That's not necessarily easy. Jack Welch, CEO of General Electric, observed, "Without question, communicating the vision, and the atmosphere around the vision, has been, and is continuing to be, by far, the toughest job we face."

I have found that people need to be shown the team's compass clearly, creatively, and continually. Whenever I endeavor to cast vision with the members of my team, I use the following checklist. I try to make sure that every vision message possesses . . .

- ❑ *Clarity:* brings understanding to the vision (answers what the people must know and what I want them to do)
- ❑ *Connectedness:* brings the past, present, and future together
- ❑ *Purpose:* brings direction to the vision
- ❑ *Goals:* bring targets to the vision

- ❑ *Honesty:* brings integrity to the vision and credibility to the vision caster
- ❑ *Stories:* bring relationships to the vision
- ❑ *Challenge:* brings stretching to the vision
- ❑ *Passion:* brings fuel to the vision
- ❑ *Modeling:* brings accountability to the vision
- ❑ *Strategy:* brings process to the vision

The next time you prepare to communicate vision to your people, use this checklist. Make sure you include each component, and I believe your team members will find the vision more accessible and will more readily buy into it. And if they do, you will see that they have greater direction and confidence.