

# The playbook

WHY YOUR TOP EXECUTIVES SHOULD WRITE A TEAM CHARTER THAT SETS OUT WHO NEEDS TO DO WHAT TO PUT THE BALL IN THE END ZONE

BY PAUL TREMLETT

**IS YOUR FIRM HAVING A WINNING SEASON?** Will you win the cup this year, and next, and the year after that? You can, but only if your team is in peak form when it's on the field. And for your leadership team, that's every working day!

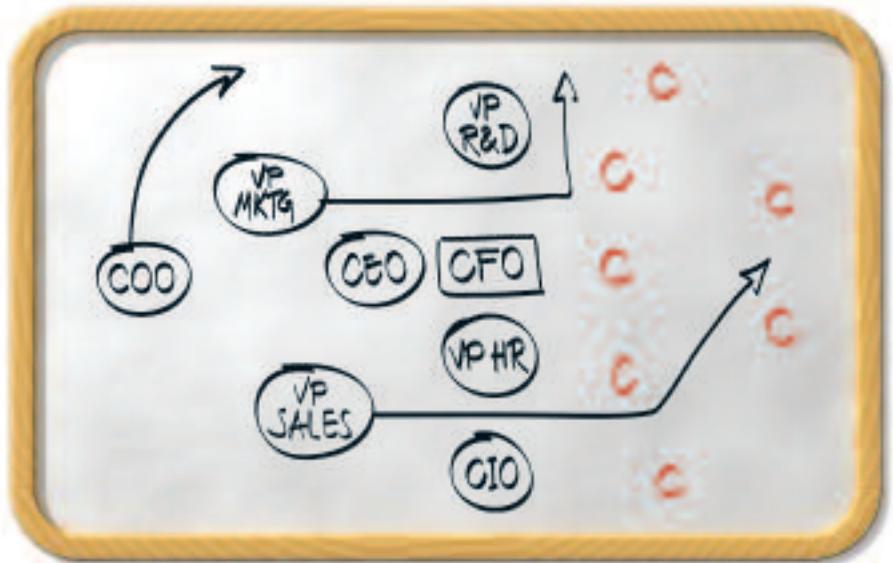
On the best football teams, everyone is clear about the goal, each player knows his or her position, and they know how to play together seamlessly. They know what to do if they've thrown for a loss or the quarterback is on the bench. And they especially know what to do if there's a fumble. As the CEO/coach, you can help create these conditions for your squad by developing a team charter.

As in the game of football, there are fundamentals to hone in the game of management. A crucial one is to establish and maintain absolute clarity within the senior leadership team about who does what, with whom, with which decision rights and within which rules of engagement. A team charter, which you can write in a few days, sums up this understanding in language clear to everyone. It can help your team work together to make better decisions and respond with agility to ever-changing competition.

One CEO found out what can happen when a team charter is *not* in place. His Internet services provider had a solid value proposition and a plan to build a business that would attract a buyer. But it was falling down on the execution: launching products late, ramping up channels too slowly and delivering inadequate customer service—all while costs rose and margins shrank. The CEO was frustrated at having to deal personally with details that his vice-presidents should have been handling.

Working with my consultancy to analyze the problem, the CEO uncovered conflicting internal priorities, gaps and overlaps in work between functions and levels, and breakdowns in key processes. New-product launches, for

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example, were a disaster area. The VPs for marketing, sales and operations were so focused on their respective silos that their departments were way out of sync with each other. The VPs were confused about what each was accountable for doing and when, forcing their staff to pick up the pieces. One launch went so badly the CEO had to step in and compensate a key customer, eroding margins.

He concluded that his senior executives needed to write a team charter, clarifying their roles and how they should work together. The CEO hired our firm as a facilitator, and we gave him and each of five VPs two homework assignments. The first was to rethink their jobs by completing a one-page worksheet on their respective role, its purpose, what it included and excluded, and key output accountabilities (not job duties but, for example, that you must launch product X by time Y). The section on what the role excluded was more revealing. The ISP's structure hadn't kept up with its hypergrowth from 20 to 1,200 staff over four years, leaving the VPs unclear what they were accountable for. For some key outputs, no one was.

The other assignment was to fill out a worksheet, our Six

Box Model for developing a team charter, by answering the following:

1. What is the role of our CEO that differs from, and adds value to, our roles as VPs and the company as a whole?
2. What is the role of a VP as the leader of a specific function as well as a "vice-president" over the whole company?
3. What work does the group do as a team?
4. What work can the team do when our leader isn't present?
5. What work can I do with other team members, and how must we co-ordinate it?
6. What can I do only by working directly with the CEO?

The senior team then met for two days at a private venue off-site. They checked their cellphones and BlackBerrys at the door and limited contact with the office to a few set times. They began Day 1 by reviewing and affirming the firm's mission statement and key goals, which required only minor tweaks. They then spent until dinner affirming, clarifying and renegotiating each team member's role. By doing so together, everyone knew what they had agreed to and the CEO could set out his expectations for each role.

That evening, the team agreed on the values and operating principles that would govern their work together and act as a model for the rest of the firm. They committed to the collaborative

behaviour needed to make the team charter work. This included assuring fellow team members that if they raised an issue with you, you'd hear them out and grant an assumption of goodwill.

On Day 2, the group worked through the Six Box Model, which, once completed, became the team charter. They did some of this in subgroups, with the CEO at times a group of one. Inevitably, there were tense moments. But the facilitator ensured everyone's views were aired and

things moved at an acceptable pace.

The most important product of a team-charter exercise is the shared understanding participants reach of their roles and how to work together. Also important, of course, is the team charter itself. It's best to keep it to two pages or less and to use short, clear, bulleted points. The box labelled "CEO work," for example, might include "Manage succession planning" and "Expand the business beyond its current core but within our strategy." And

the box labelled "Work the team does with the CEO present" might include "Allocate resources so the firm can execute its strategy" and "Regularly monitor which work we should keep doing ourselves and which we should delegate." Most companies also add context by placing the team charter between a one-page statement of the firm's strategy and a closing page on its values and operating principles. That limits the total to four pages.

This team wrapped up Day 2 by crafting a plan to communicate what they had learned to the rest of the firm and agreeing on changes in roles and structures resulting from their meetings. The VPs then repeated the team-charter process within their own teams to spread clarity down through the ranks.

The exercise led to numerous changes. For instance, it persuaded the CEO to green-light a move he was considering to unite sales and marketing under a single VP to make these functions easier to coordinate. The team also addressed the botched product launches by spelling out which VP needed to do what when. The VP of operations said sales and marketing needed to involve him far sooner in its five-stage process for developing new products. The team agreed to bring him into the loop in Phase 2 so he could start lining up resources and decide whether he needed to fine-tune the production process. In turn, he agreed to bring the VP of finance in sooner to plan for the capital needs this would create.

The ISP's next two product launches were big hits, and the team charter was crucial in ensuring these great products were rolled out flawlessly. The lack of co-ordination that had plagued previous product launches was a fading memory.

This success re-energized staff about the firm's potential. And it freed up the CEO to focus on his key priorities, knowing he could trust that his team members were "playing their positions" well. They scored a championship-winning touchdown when the company was sold at a high price, yielding a big payoff for its management and investors. \$

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