



A Counterintuitive Approach That Pays Off for Companies

By Dev Patnaik

Regardless of the economic climate, it pays dividends to assume the best of your team and the worst of your strategy. This article outlines how leaders can adopt the right mindset to drive growth and ensure that their businesses can withstand disruption.

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There's a surprising benefit when leaders take this approach to their current business strategies and teams

As leaders jump into 2023, they're asking themselves these two questions: "Do we have the right strategy?" and "Do we have the right team?"

Surprisingly, the answers don't really matter. Regardless of how well your business is – or isn't – performing, the best approach is to treat your strategy as if it's wrecked and your team as if it's packed with superstars.

Why? Even the best strategy is vulnerable – eventual failure is only a matter of time and competition. Just ask the owner of any record store. Being in a constant state of fear and paranoia over the adequacy of your approach is a very healthy place to be.

With teams, it's the other way around. Treating your team as sub-par becomes self-fulfilling. It leads to low morale and underperformance. Every team contains at least some gold that will shine through when leadership champions them.

Why it's so important to champion your team

Take the current turmoil at Twitter. New CEO Elon Musk is certainly following the Silicon Valley mantra of “move fast and break things” but not in a good way. His demands and ultimatums on staff have conveyed a message of “this team stinks”, resulting in predictable disillusionment and mass resignations. To be fair, it's too early to declare his approach a complete failure: Let's see whether Musk is able to revamp Twitter with what's left of his team.

Having a great team can cover up a multitude of sins. Netflix is a shining example of a company that's thrived on the strength of its winning culture despite a litany of strategic missteps, ranging from its proposed, then killed, “Project Griffin” set-top box to the “Qwikster” debacle when it backtracked on plans to separate its DVD mailing and streaming services.

The coming year will bring more technology upheaval, likely recession and other business challenges that are almost impossible to predict. This is a time you need to champion your teams more than ever.

Sure, firing, hiring and reassigning is often necessary. But the vast majority of employees don't wake up and decide to put in a bad day's work. Most can improve their performance and productivity if their leadership recognizes their talents and gives them opportunities to shine.

Teams may look inadequate on the surface, but often they've just been held hostage by poor systems or a lack of investment.

Years ago, a then C-suite exec at enterprise software giant SAP told me how amazing the company's products were, but that 90% of the employees were terrible and needed to be replaced. My reaction to that wrong-headed approach was that only one person needed to go – him!

Managers should, at every level, project this confidence by encouraging talented team members to try new things without fear of failure, building a culture of experimentation. Disney's returning CEO Robert Iger embodied this message when he told employees that he'd empower the company's creative teams.

At the same time, employees must be ready to grab this opportunity. Understandably, they might be nervous, so leaders should also get in the habit of vociferously applauding their teams for what they're doing well. Tell them you appreciate their speed, their intelligence, their out-of-the-box suggestions. When good work is acknowledged, you'll get more of it. These two management techniques are crucial for building future focused teams and businesses.

The benefits of trashing your strategy

On the strategy side, leaders should always be assuming the worst and acting accordingly. Especially now. New AI could come out of nowhere and wipe out the need for your company's services. A global shock could halt your access to critical supplies. The most successful companies are constantly scouting the competitive landscape for emerging threats that could derail their otherwise impressive master plans.

Consumer packaged goods companies like Kraft always have their ear to the ground, monitoring global shoppers, paranoid about the next cool product that could disrupt

their business. They don't have to look far to see how apparently rock-solid strategies can be toppled by upstart rivals.

The poster child for this is Chobani, which came out of nowhere to displace General Mills' Yoplait as the country's biggest yogurt brand in the space of just 12 years. And of course there is Blockbuster's infamous refusal to buy scrappy upstart Netflix for \$50 million in 2000, a decade before the former filed for bankruptcy as the online streaming revolution steamrolled its business.

That's why the most successful companies move quickly to identify competition and head it off when they can – while also supporting their employees. Microsoft, which has one of the best team cultures in America, led a more than \$264 billion buying spree of smaller rivals by major tech firms last year.

Given the known, and unknown, challenges of the coming year, it's time to stop asking those inadequate questions: "Do we have the right strategy?" and "Do we have the right team?"

The trick, instead, is to always force your brain into the mindset of "right team, wrong strategy." Start now. Once you apply that vector to your strategy, communications, leadership, even your five-year plan, you'll find that your people grow to meet your confidence in them. And your business assumptions are shaken out of complacency.

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