

want three months' severance, all my stock options vested, and the official record to show that I resigned on my own accord."

Relieved, Kathryn was more than happy to give Mikey everything she asked for. But she knew better than to say so right there. "I'm not sure about all of that, but I'll see if I can make it happen."

A few more awkward moments of silence passed. "So, do you just want me to leave right now? I mean, should I not even stay for dinner?"

Kathryn nodded. "You can come get your things at the office next week. And meet with HR to work out your exit package, assuming I can get you what you want."

"You know you guys are screwed, don't you?" Mikey was going to punish Kathryn one way or another. "I mean, you have no sales or marketing people left. And I wouldn't be surprised if you lost some of my staff members as a result of this."

But Kathryn had been through this kind of situation plenty of times before, and she'd spent enough time with Mikey's staff to know they saw many of the same flaws in their boss that everyone else did. Still, she felt it would be best to demonstrate some degree of concern. "Well, I would certainly understand if that happened, but I hope it's not the case."

Mikey shook her head again, as though she were about to launch into another tirade. And then she picked up her computer bag and left.

# FLACK

**K**athryn spent the rest of the break taking a long walk around the vineyards. When the meeting resumed, she was refreshed—but completely unprepared for what was about to happen.

Before Kathryn could raise the subject, Nick asked, “Where’s Mikey?”

Kathryn wanted to deliver the message without seeming too relieved. “Mikey isn’t going to be coming back. She’s leaving the company.”

The looks on the faces of the people around the table didn’t seem to fit Kathryn’s expectations. They appeared to be surprised.

“How did that happen?” Jan wanted to know.

“Well, what I’m about to say needs to be confidential because of legal issues relating to departed employees.” Everyone nodded.

Kathryn was direct. “I didn’t see Mikey being willing to

adjust her behavior. And it was hurting the team. So I asked her to leave the company.”

No one spoke. They just looked at one another and at the brochures still sitting on the table in front of them.

Finally, Carlos spoke. “Wow. I don’t know what to say. How did she take it? What are we going to do about marketing?”

Nick continued the list of questions. “What are we going to say to employees? To the press?”

As surprised as Kathryn was by their response, she quickly summoned an answer. “I don’t want to say a lot about how Mikey responded. She was a little surprised, a little angry, neither of which is rare in situations like this.”

The group waited for Kathryn to address the other issues.

She continued. “And as far as what we’re going to do about marketing, we’ll start looking for a new vice president. But we’ve got plenty of strong people in the organization now who can step up and keep things moving until then. I have no concerns about that.”

Everyone seemed to digest and agree with Kathryn’s explanation.

“And we’ll have to simply tell employees and the press that Mikey is moving on. We don’t have a lot of flexibility there, in terms of getting into sensitive information. But I don’t think we should be intimidated by anyone’s initial reactions. If we get our act together and make progress, employees and analysts alike are going to be fine. And I think

most people, especially employees, won't be all that surprised."

As confident as Kathryn was and as logical as her reasoning seemed, the mood in the room remained down. Kathryn knew she would have to push them hard to focus on real work. She didn't realize how much more work she had to do to put the Mikey issue to rest.

## HEAVY LIFTING

**F**or the rest of the evening and into the next afternoon, the group focused on the details of the business, with special attention on sales. Though they certainly made progress, Kathryn could not deny that Mikey's departure was continuing to dampen the general atmosphere. She decided to enter the danger.

When lunch was over, Kathryn addressed the group. "I'd like to take a few minutes to deal with the elephant that's sitting in the corner. I want to know how everyone is feeling about Mikey leaving. Because we need to make sure that we deal with this as a team before I stand in front of the company and explain it to them next week." Though it always amazed her, Kathryn knew from past experience that the departure of even the most difficult employees provoked some degree of mourning and self-doubt among their peers.

Team members looked around at one another to see who would go first. It was Nick. "I guess I'm just worried about losing another member of the executive team."

Kathryn nodded to acknowledge his concern but really wanted to say, *But she was never a member of this team!*

Jan added, “I know she was a difficult person, but the quality of her work was good. And marketing is critical right now. Maybe we should have just tolerated her.”

Kathryn nodded to indicate that she was listening. “Anyone else?”

Martin sort of raised his hand, making it clear that he was about to make a statement that he didn’t want to make. “I guess I’m just wondering who’s next.”

Kathryn paused before responding. “Let me tell you a quick story about myself. One that I’m not too proud of.”

That got everyone’s attention.

Kathryn frowned, as if she didn’t really want to do what she was about to do. “While I was in my last quarter of graduate school, I took a job as a contractor at a well-known retail company in San Francisco, where I ran a small department of financial analysts. It was my first real management position, and I was hoping to land a permanent job with the company after graduation.”

In spite of her limitations as a public speaker, Kathryn had a knack for telling stories. “I inherited a pretty good group of people. They all worked hard, but one guy in particular cranked out more reports, and better ones, than anyone else. I’ll call him Fred. Fred took any assignment I gave him and became my most reliable employee.”

“Sounds like a problem I’d like to have,” Nick commented.

Kathryn raised her eyebrows. “Well, there’s more to the story. No one else in the department could stand Fred. And to be honest, he annoyed the heck out of me too. He didn’t help anyone with their work, and he made sure everyone knew how much better he was at his job, which was undeniable, even to the people who hated the guy. Anyway, my staff came to me a number of times complaining about Fred. I listened carefully and even spoke to Fred half-heartedly about adjusting his behavior. But I mostly ignored them because I could tell that they resented his skills. More importantly, I was not about to come down on my top performer.”

The staff seemed to empathize with her.

Kathryn went on. “Eventually, the output of the department began to slide, and so I gave more work to Fred, who complained a little but managed to get it all done. In my mind, he was carrying the department. Pretty soon, morale in the department began to deteriorate more rapidly than ever, and our performance slid further. Again, a number of analysts came to me to complain about Fred, and it was becoming clear that he was indeed contributing to the problems of the group more than I had thought. After a tough night of thinking and losing sleep, I made my first big decision.”

Jeff guessed, “You fired him.”

Kathryn smiled in a shameful kind of way. “No. I promoted him.”

Jaws around the table dropped.

Kathryn nodded her head. “That’s right. Fred was my first promotion as a manager. Two weeks later, three of my seven analysts quit, and the department fell into chaos. We dropped way behind in our work, and my manager called me in to talk about what was going on. I explained the Fred situation, and why I had lost the other analysts. The next day, he made a big decision.”

Jeff guessed again. “He fired him.”

Kathryn smiled in a painfully humorous way. “Close. He fired *me*.”

The staff seemed surprised. Jan wanted to make her feel better. “But companies don’t usually fire contractors.”

Kathryn was suddenly a little sarcastic. “Okay. Let’s just say that the assignment ended abruptly, and they never bothered to have me back.”

Nick and Martin smiled, trying not to crack up. Kathryn completed their thoughts. “I definitely got fired.”

Everyone in the room laughed.

“What happened to Fred?” Jeff wanted to know.

“I hear that he quit a few weeks later, and they hired someone else to run the department. Performance improved dramatically within a month of his departure, even though the department now had three fewer analysts than before.”

“Are you saying that Fred’s behavior alone hurt the production of the group by 50 percent?”

“No. Not Fred’s behavior.”

People seemed confused.

“My tolerance of his behavior. Listen, they fired the right person.”

No one spoke. They seemed to be feeling their boss’s pain, and making the obvious connection between Kathryn’s story and what had happened the day before.

After a few moments, Kathryn brought her lesson home. “I don’t plan on losing any of you. And that’s why I did what I did.”

At that moment, everyone in the room seemed to understand her.

## RALLY

**B**ack at the office, Kathryn held an all-hands meeting to discuss Mikey's departure and other company issues. In spite of her typically tactful and gracious demeanor, the news provoked more concern among employees than the executives had expected. And though they agreed that the reaction had more to do with its symbolic meaning than with losing Mikey in particular, it dampened the enthusiasm of the team.

So during the next staff meeting, Kathryn had the group spend more than an hour discussing how they were going to replace their head of marketing. After a heated debate about whether to promote one of Mikey's direct reports, Kathryn stepped in to break the tie.

"All right. This has been a good discussion, and I think I've heard everyone. Does anyone have anything else to add?"

No one spoke, so Kathryn continued. "I believe that we need to find someone who can grow the department and help us with branding. And as much as I would prefer to promote someone internally, I don't see anyone in the department who is close to being able to do that right now.

And so I think we should begin a search for a new vice president.”

Every head in the room nodded support, even those who had argued against an outside hire.

“But I can assure you that we’re going to find the right person. That means everyone here will be interviewing candidates and pushing to find someone who can demonstrate trust, engage in conflict, commit to group decisions, hold their peers accountable, and focus on the results of the team, not their own ego.”

Kathryn was certain that her staff had begun to buy in to her theory. After asking Jeff to organize the search for the new VP, she shifted the topic to sales.

Nick reported that progress had been made with a few key prospects, and that some regions of the country were still struggling. “I think we need more feet on the street.”

Jan knew that Nick was asking for more money and tried to put a quick halt to his thinking. “I don’t want to add more expenses because that only means your quotas will go up. We don’t want to get into a death spiral here.”

Nick breathed hard and shook his head in exasperation as if to say, *There you go again*. Before anyone knew what was going on, Nick and Jan were pounding on the table trying to convince one another, and the rest of the group, that their approach was right.

During a brief pause in the action, Jan threw herself back in her chair in frustration and proclaimed, “Nothing around here has changed. Maybe the problem wasn’t Mikey after all.”

That sobered the group.

Kathryn jumped in, smiling. “Hold on. Hold on. I don’t see anything wrong here. This is the kind of conflict we’ve been talking about for the past month. It’s perfect.”

Jan tried to explain herself. “I guess I just don’t see it that way. It still feels like we’re fighting.”

“You *are* fighting. But about issues. That’s your job. Otherwise, you leave it to your people to try to solve problems that they can’t solve. They want you to hash this stuff out so they can get clear direction from us.”

Jan seemed tired. “I hope this is worth it.”

Kathryn smiled again. “Trust me. It will be worth it in more ways than you know.”

Over the next two weeks, Kathryn began to push her team harder than ever before around their behavior. She chided Martin for eroding trust by appearing smug during meetings. She forced Carlos to confront the team about their lack of responsiveness to customer issues. And she spent more than one late night with Jan and Nick, working through budget battles that had to be fought.

More important than what Kathryn did, however, was the reaction she received. As resistant as they might have seemed in the moment, no one questioned whether they should be doing the things that Kathryn made them do. There seemed to be a genuine sense of collective purpose.

The only question that remained in Kathryn’s mind was whether she could keep it going long enough for everyone to see the benefits.

PART FOUR



# Traction



# HARVEST

**A**lthough the last of Kathryn's Napa Valley off-sites had a different atmosphere from the others, it began with a familiar speech. "We have a more experienced set of executives than any of our competitors. We have more cash than they do. Thanks to Martin and his team, we have better core technology. And we have a more connected board of directors. Yet in spite of all that, we are behind two of our competitors in terms of both revenue and customer growth. And I think we all know why that is."

Nick raised his hand. "Kathryn, I'd like you to stop giving that speech."

A month earlier, everyone in the room would have been shocked by such a blunt statement. But no one seemed to be alarmed at all.

"Why is that?" Kathryn asked.

Nick frowned, trying to think of the right words. "I guess it seemed more appropriate a few weeks ago when we were a lot more . . ." Nick didn't need to finish the sentence.