

## CHAPTER 9

# THE MEETING

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Between business school and Green Leaf, there was another time I was in charge, when I worked with a development team in Surat, India to get a shopping center built. During the final three months of construction, I was there to help lead it to opening day by accelerating decision-making between headquarters in Mumbai and the staff on the ground.

We had the construction, leasing, marketing, finance, HR, and IT teams on-site all getting prepped for the big day, but we still had a lot to do. Because I came at the end of the project, everyone already had a level of understanding between them. They all worked well together and, being in one office, could communicate effectively and quickly among themselves.

Here are a few issues we had to deal with:

- We used a top-up card system for all the restaurants in the food court, but the smaller mom-and-pop shops did not know how the system worked and did not trust the funds to be transferred in time. How could we convince them it was in everyone's interest to follow the same protocol?

- A clothing store thought it was situated too close to one of its competitors. Could we reshuffle other tenants to give them a different space?
- We had three anchor tenants, and they were fighting to have their logo appear the biggest on the outside wall. What could be considered fair?
- How could we go about training the hundreds of staff we needed to run the center?

All these were finishing problems, and although not always easy to fix, I was surrounded by a motivated and cohesive team ready to tackle the problem from every angle to find the best solution together.

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As I reflected on all the issues I saw these past few months in Dar, my experience in Surat was coming back to me. How did we manage to get such a huge and complex project done on time? There were so many decisions with so many options. What did we do right?

The common thread between all the issues I heard at Green Leaf was communication. People worked in silos and did what was best for themselves.

This meant that the best ideas in one store were never seen by other stores. You could have a great Easter display put together by Neema in the Peninsula branch, but over at the Bongoyo Road branch, no one would have heard about it.

Or the warehouse would suddenly find that a case of mayonnaise expired this month. They sent it straight

to the closest store in Kimweri, which already had an excess, without realizing the Peninsula branch had run out completely.

These issues happened all the time. Instead of using our scale to our advantage, each store was running as an independent fiefdom and didn't care to know what others were doing.

I spent nearly three-quarters of my time in the stores and started to get a good sense of what sold better in each. I also started noticing when a product was in big quantity in one store but was certain to run out shortly in another. When I saw such things, I took pictures and messaged them to the other store managers to ask if they needed it. Most of the time the answer was yes, as I had guessed, and we arranged for one of our vans to coordinate the transfer.

When I saw a nice display at Bongoyo, I took a picture and went to the Kimweri branch to show our staff what the other branch had done. They loved getting those ideas and would do the same or try to do even better.

This gave me an idea. Instead of me serving as an intermediary, why not create a WhatsApp group with all the stores so everyone could see what everyone else was doing?

Initially, we had only one for the branch managers and myself, but I quickly realized it was not enough. That group was good to send stock around the branches, but not much else, so we created another one between the warehouse and receiving managers to push and pull stock around. Then we did another one with the head merchandisers of each store so they could exchange photos of their product display. Finally, we had another one between our bakers in different stores so they could share recipes and cake decoration tips.

**Lesson #1: By using WhatsApp, we were able to accelerate spreading best practices in the company.**

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In the beginning, I was doing all the picture taking and sharing. No one wanted to put their names out there, thinking what they shared was not important and that others would make fun of them for being unable to sell certain products.

A long weekend was coming up with a public holiday that Friday. Nane Nane, which means “eight eight,” is celebrated on August 8 every year. It recognizes the important contribution of farmers to the Tanzanian economy, so we usually made displays of gift baskets with a theme around agriculture and farming.

That Thursday, I showed up at the Peninsula store but left my phone in the car on purpose. Neha had been to the store that morning and told me of the nice display they had done. I was keen on replicating the same in the other stores, so when I walked in, I immediately told Neema, the assistant manager in charge of displays, that I wanted to share it on our WhatsApp group.

“Oh, oh, I can’t find my phone.”

“Oh no, sir, was it stolen? Did it happen in the store? Quick, let us call security.”

“No no, Neema, don’t worry. I remember I left it in the office. It’s ok, but we need to share this with the other branches. Do you have your phone with you?”

“Ugh no, sir, I don’t come to the floor with it.”

She must have sensed what was coming because she started to take a few steps away from me. I wouldn't let her go so easily.

"Ok, can you bring it please? Why don't you take a photo and send it to me so I can share it with the group?"

My lie worked and she was relieved. She went to the office, grabbed her phone, and came back to take a few pictures. She showed them to me.

"Is this ok to send you, sir?"

"Yes, it's good, but since you're sending them to me, just send them directly on the group to avoid the extra step."

She was cornered. She had her phone out and the pictures taken and ready to be sent. There was no excuse now; she couldn't back off and had to send them to the group. She was anxious, sweating in anticipation of the responses (or lack thereof) she would get from sharing them. That feeling didn't last long.

"Neema, this display is amazing. Congratulations!" read the first message.

Another one came within seconds: "Oh wow, super display, Neema! I told my guys, and they are doing the same right now."

The shyness turned into pride. My little trick worked and started a chain reaction of everyone in the WhatsApp group communicating directly with each other. After all, it made more sense to have the branches talk to each other. They knew what sold and what didn't better than anyone else, so having them take this responsibility of exchanging ideas and products was for the best.

Of course, I was a bit concerned that people replied so quickly on their phones, but one problem at a time.

The creation of group messaging helped spread positive ideas faster between the teams, but that was not the only communication problem we had.

People still worked in silos and sometimes made decisions without informing anyone else. Unfortunately, what made someone's life easy did not necessarily translate to everyone else, and often it was just the opposite.

For example, the Procurement team would get a promotion from our supplier. If we bought double our normal quantities, we would get a big discount. They processed the order without ever informing the Accounts team. When Accounts received the invoice, they were furious because they had not budgeted for it and now didn't have the funds planned for such a big order. It might have made sense from a commercial point of view, but perhaps not when you take into account our bank costs.

The supplier, in turn, sent angry emails to Accounts asking for the payments they were promised, and our following orders would not be honored. What should have been a win-win became a nightmare situation to manage.

At lunch with Neha, after getting wind of such an incident for the third time that month, I told her about it.

"So you're saying that Kabir from Procurement decides on his own to buy more quantities of a product without checking in with anyone?" Neha repeated.

"Yes, that's right."

"And he doesn't even check with you? Don't you get a notice of the order at least?"

"Hmm, no I don't... why should I?"

"Well, you're the CEO of the business. You should empower people to make decisions in the normal course of business, and of course, if they're in alignment with the company's mission statement, but I don't think this action from Kabir falls under either, so why aren't you consulted?"

“I guess I’m not in the Procurement decision-making.”

After a short pause, I added “You’re right. Perhaps I should integrate myself into the procurement process and check every order that is outside of the normal course of business.”

“Well, for starters, duh! But also, that’s only giving you more work. In any case, you can’t make that decision by yourself. You need Balendra’s help from Accounts.”

“Yes, but there’s a weird tension between everyone, and I’m not sure how I can get those two to communicate.”

“Why don’t you guys discuss it at your next executive meeting?”

I must have looked at Neha like a deer in the headlights when she said those last two words. In all these months, we never had a meeting with all the senior leadership. How was that possible?

I had been so busy running from store to store that talking individually with each manager felt like I’d had a meeting with everyone... which, of course, was not the case!

Neha added, “If you haven’t had a meeting all this time, it says a lot about the leadership vacuum in the company and explains why people work in silos.”

That was so true. The various departments lacked cohesive decision-making, and we held no strategy meeting to decide on the direction of the company or talk about short-term and long-term goals and, most importantly, where we resolved our differences.

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We had to organize this meeting, and do it fast. That Thursday afternoon, I called Balendra (Finance & Accounts), Kabir (Procurement), Kondo (IT), Samir (Warehouse), Marcus

(Bakery), Sandra (Pricing), and Ali and Jeremy (Store Managers) and told them to come to the office the following Thursday afternoon for a meeting.

Although this meeting was long overdue, I still needed a few days to organize a game plan. It was critical that the meeting go in the right direction; otherwise, I could end up making things much worse.

I needed to establish centralized leadership without anyone feeling like their powers were taken away. At the same time, I wanted to empower people to figure out how to solve problems among themselves, which required them to get on the same page and communicate. Considering how much infighting had been built up over the years, was that even possible? Could they move away from years of passive-aggressive behavior?

I leafed through my Leadership class notes from business school. We had learned about five different types of power a manager can exhibit:<sup>5</sup>

- Positional – derived from your authority
- Coercive – ability to punish
- Reward – ability to confer value
- Expert – through your skills, expertise, and experience
- Referent – through your personality & charisma

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5 Heidi K. Gardner, “Leadership and Organizational Behavior” (lecture, Harvard Business School, Boston, MA, Fall 2009).



Being the CEO, I automatically had the first three. My title gave me authority, and I could punish or reward employees by firing them or giving them bigger bonuses at the end of the year.

I didn't have too much expert power yet, except perhaps in the field of finance.

And I had never heard anyone call me charismatic before, so scratch that! But as I read that definition more, I realized it was as linked to personality as to the trust derived from it.

I didn't have a full jar of the last two, but I was building my experience and had gained a lot of trust by working all those jobs in each store.

I think I have all five. Now what to do with that power? Having it is not an end in and of itself. You need to use it in times of crisis or instability, to fill a void in authority, when you see things out of balance with your values, or if there are conflicts.

You use it to influence people to get the outcomes you need. In this case, it means that from the power you wield, people listen and trust what you tell them. You can push them to work toward a common goal, yours. That's the panacea of effective leadership, and I needed some tools to give me more confidence and eventually drive the changes we needed.

In class, we had gone through a dozen or so principles that help us gain influence, but those that marked me the most were:<sup>6</sup>

- Build trusting relationships: one of the best strategies is to use active listening. It helps you gain power via information acquisition and trust and does not give away power (contrary to what people think when they ask questions related to topics they don't know about).

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6 Amy Cuddy, "Power and Influence" (lecture, Harvard Business School, Boston, MA, Fall 2010).

- Be the change: walk the walk of who you want to be.
- Be a lovable star: project both warmth and competence. Being the smartest person in the room isn't enough or even necessary if you're not trusted.

Ok, so if I had those three things, along with the power identified above, I could influence the outcome.

Next, I needed one more tool from my class to resolve disputes. The key to managing conflicts is the concept of advocacy vs. inquiry.<sup>7</sup>

Managers are trained to be advocates for themselves as they are rewarded for decision-making. They are not usually rewarded for inquiry or asking questions about how things can work or improve.

We needed to achieve in this meeting a balance of advocacy—ensuring all voices are heard about the issues faced in each department—and inquiry—asking colleagues how a team's decision impacts their department's work. How is it done? By using the Ladder of Inference. Put simply, it means we all look at the same data, select the metric that matters, interpret it, and draw a conclusion from it.<sup>8</sup>

Dramatically different conclusions can be reached from the same data, but that's the point. We all approach problems from a different angle, and it has nothing to do with personality but, rather, where we sit in the organization and the situation we are facing.

Now it was time for the show.

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7 Heidi K. Gardner, "Leadership and Organizational Behavior" (lecture, Harvard Business School, Boston, MA, Fall 2009).

8 Ibid.

Before the meeting, I told everyone who the participants were and that we would focus on ways to reduce stock-outs. They should come ready with ideas and ready to vigorously debate them. I was somewhat vague so no one would feel like they were targeted but also gave enough direction so everyone had something to prepare.

I also didn't want to give specific sales goals or cost reductions. I remembered an article I read about when Paul O'Neill became the CEO of Alcoa, the aluminum manufacturing giant, in October 1987. Investors were nervous since Alcoa had faltered with failed product lines, but when O'Neill met with them, he didn't talk about profit margins or revenue projections. Instead, he talked about worker safety. "Every year, numerous Alcoa workers are injured so badly that they miss a day of work," O'Neill stated. "I intend to make Alcoa the safest company in America. I intend to go for zero injuries."<sup>9</sup>

Investors in the room immediately fled to their telephones to sell their stock and advise everyone they knew to do the same, but they didn't understand that fundamentally rethinking the approach to safety led to managers rethinking dozens of systems and processes they had in place. And forcing that rethink led to an increase in the bottom line.<sup>10</sup>

Over O'Neill's tenure, Alcoa dropped from 1.86 lost work-days to injury per 100 workers to 0.2. One year after O'Neill's speech, the company's profits hit a record high. When he

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9 Drake Baer, "How Changing One Habit Helped Quintuple Alcoa's Income," *Business Insider*, April 9, 2014.

10 Ibid.

retired thirteen years later, Alcoa's annual net income was five times higher than when he started.<sup>11</sup>

That's what I was going for with reducing stock-outs.

As that Thursday afternoon approached, I was getting nervous. It was not an exaggeration to say the fate of the entire company and our vision for the next five years depended on this meeting going well.

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It didn't start well at all.

There were nine of us, but our only meeting space was an area right outside my office with a small glass round table that could seat, at most, five people. As people walked in, there was already a power play as to who would be sitting at the table right next to me and who would be left standing.

The air conditioning was going at full blast, but in the hot Dar es Salaam weather, even in the cooler month of August, you could see beads of sweat rolling down everyone's face. It might have been the heat or the anxiety of being called into this meeting next to the CEO's office, who just spent the last six months trying to figure out all the things going wrong in the company.

I couldn't start on such a bad note and definitely didn't want anyone to feel like those sitting at the table had a more important voice than others. So I got up and ran out.

No, I didn't run away from the meeting! I simply went over to the store and got a cold soda for everyone. Then got one of the staff to help me bring additional chairs from the Accounts office.

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<sup>11</sup> Ibid.

Now we had eight chairs, so instead of one of the managers standing, I decided it would be me.

If I didn't have any referent power before, this would surely help!

Now we were all settled, and there was a deafening silence. The atmosphere was so tense you could cut a knife through it. I could see Kabir looking down at his feet, almost waiting to be singled out. Ali looked annoyed to be there. He was the only one to ask me how long the meeting would be, as he had lots of things to do at the store.

Sandra looked perplexed as to why she was included in this meeting. She had an important role, some would say the most important, as it determined the profit we made on each product. But somehow, she never felt like she was part of leadership. Then again, since there never were any such meetings before, no one was part of leadership.

The only relaxed person in the room was Kondo from IT. He was always jovial, and everyone in the company trusted him. I'd had a good chat with him the previous day about this meeting.

Although most people in the room had started to trust me, they clearly did not always trust each other.

To break the ice, I started by doing a round of introductions and asking everyone to tell one story they heard or saw of a positive customer experience and a negative one. The introductions were silly since everyone knew each other, but I thought it would be an easy way to ensure everyone spoke at least once.

We went around the room, starting with Jeremy, then Kondo, Balendra, Sandra, and then Ali. He had a good positive story, but the negative one started the personal attacks.

"I had a customer who came in yesterday and requested sparkling water. I have been asking Kabir to order and send

me more, but every time he sends me small quantities, and so many customers leave disappointed.”

Kabir didn't wait for his turn to reply.

“Ali, you place orders directly with the supplier without informing me. I told you many times the supplier doesn't have that many in stock and we have to split this between all the stores.”

“And I told you, Kabir, my store is the best performing one so you should send me all the stock. I can sell them, but right now so many of my customers leave disappointed. Next time, I will just pay the supplier cash out of that day's sales and I will show you we can sell more.”

Hearing this clear contravention of cash policy, Balendra leaped up from his seat.

“You can't do that. Don't use cash to pay for suppliers; that is difficult to track and can lead to a double payment.”

Kabir muttered under his breath, “Typical,” except in such a small space, it easily echoed through the entire room and Balendra started turning red.

“What do you mean typical? All of you think our job in Accounts is only to stop you, but we have to report the sales and profit of the business. We have to justify all your purchases and deal with all the suppliers. None of you ever tell us, ‘There was such and such issue, so the cash balance did not reconcile for that day.’ Instead, we have to look at the files you send us three days late and reconcile everything manually. Think about our difficulties.”

Things were spiraling out of control. I had to say something and see if we could practice some inquiry.

“Yes, actually you all bring up a good point. We are clearly missing sales, as Ali said, but if the supplier doesn't have the product, then what? There is a process for a reason, so we can't just circumvent it. What else can be done?”

Silence again. Kabir, Balendra, and Ali's face were red with anger. To defuse the tension, I volunteered Sandra into the conversation as a neutral third party.

"Sandra, what do you think?"

"Me, Mr. Ram?"

"Yes, you Sandra. You know all the products we have in the system. Is there something else we could do for our customers?"

"Actually, Mr. Ram, we used to import this sparkling water. It sold very well, and the profit margin was higher, but I'm not sure why we stopped importing it."

"Kabir, you know all about our imports. Do you know why we don't bring it anymore?"

"Actually, we still do, but we have this customer, a high-end lodge in the Serengeti. Whatever stock we have, they buy it all. So we're never left with anything for the stores."

"Balendra, is that right?"

"Yes, that is right. Once I even spoke to their Accounts guy and he said that they would even be willing to pay a deposit if we brought in more."

"Balendra, did you share this information with Kabir? Kabir, did you know that?"

Before Kabir could say anything, Balendra replied, "No, I didn't. I should have and I'm sorry."

There it was. A turning point. The realization that a mistake was made.

Balendra continued, "Actually, after I spoke to that person, we had these auditors from the Labor Department to check our employee records. I was so tired at the end of the day, so it completely skipped my mind to inform Kabir."

And now they realized the mistake was not personal. Balendra had a lot on his plate. On top of doing all the accounts work, he dealt with various ministries who often

come to do spot checks—whether the tax authority, immigration department, occupational health and safety, food and drug board, or, in this case, the labor department—he dealt with them all in the background so everyone else could do their work in peace.

Kabir quickly picked up from there.

“It’s ok. It happens. You do a lot, and I also sometimes fail to tell you when I speak to suppliers and negotiate with them. From now on, if it’s ok, I will come by your office once a week so we can update each other.”

They themselves figured out that communication was the key. The breakdown of communication had led to mistrust and suspicion among them, and they were keen to resolve it. We had a breakthrough.

Ali was still not convinced since we hadn’t formally resolved his problem of missing sparkling water, but that’s when I thought my conversation with Kondo the previous day would pay off.

I had anticipated the meeting would be tense and wanted to find a win, something everyone could easily rally around and that would break the cycle of mistrust. Kondo had been trying to make everyone’s life easier with some of his solutions for our IT system, but it never went anywhere because there was no leadership to back him up either with capital or pushing it to the teams.

I gave him the floor, and he put an Excel report he had created on the screen.

“I wanted to show everyone a dashboard of our sales figures per store for the last month. You can see the sales per store and per category. This can immediately give you a sense of what is selling and how fast.”

Jeremy raised his hand with a question.



“We have seen this before; it is not helpful because the categories are all wrong and the sales data is never up to date.”

Kondo had anticipated the argument.

“With Mr. Ram’s help, we spent the last few months cleaning up the entire database. Now you will see all products are properly categorized and we even reordered all the categories so they make more sense. Also, we have been working on an automated module, so as soon as you turn off the system at night with the day’s sales closed, it automatically uploads the information to this dashboard so you can see all this by the next morning when you arrive at the store.”

The looks on everyone’s face was priceless. They didn’t know such a thing was possible. Kondo had been lobbying Amir to do this for many years, but without success. Amir was old school and operated with his gut, preferring to visit each store to figure out what was selling and what was not. That worked when there was one store to manage, but with the scale of operations now and the technology available, you needed to complement physical visits with actual data.

While we were recategorizing the database, Kondo came up with this solution and I gave him the budget to execute it. Now here we were with an effective solution everyone could use.

Balendra could check the sales amount from the prior day and compare it to the cash deposited in the bank accounts. With updated real-time sales information, Kabir could see what products were selling and place orders. Ali and Jeremy could deep dive by category for their stores to check what was moving. And with the weekly sales information, Sandra could verify that the price she assigned for certain products was not too high or too low whenever she had any doubts.

This was a win for all, and the idea had been sitting there this whole time. While we talked about the benefits of this

report for everyone, it also helped the managers hear and learn about the other functions within the company—what they did, why this helped them, and what else they could do with this new information.

Communication was finally happening. This meeting was a real turning point, and despite the difficult start, it ended up going even better than I expected.

All these seemed simple in retrospect, but years of communication neglect resulted in people developing their own internal procedures disregarding the organization's overall needs. Without communication, everyone thinks the other person is out to “get them,” as absurd as that sounds.

The executive meeting helped start a change in mindset. Getting this new report was important, but even more critical was the simple fact of establishing healthy and effective communication. Having others with whom you could share your issues, and knowing they have your back, helped you feel more connected to your work, which meant better decision-making.

That's what effective leadership combined with open communication was all about. Managers were less stressed, the different departments were interacting, morale was on the rise, and people were smiling again. Well, this is Tanzania, they never stopped smiling, but at least they had one more reason to do so.

### **RAM'S TIPS:**

- Finding ways to accelerate communication will encourage the spread of best practices across the company.
- A manager can exhibit five types of power: positional, coercive, reward, expert, and referent. Figure out which ones you have and which you need to work on.

- To gain influence as a leader, build trusting relationships within the company, be the change you want to implement, be a lovable star, and project warmth and competence.
- Don't play the blame game. Use the concept of advocacy and inquiry, and the Ladder of Inference, to find ways to move forward.
- Use all of the above in your leadership meetings to pursue your goals!