

# Part I

## *Persuasive Advising*

# Building trust to get around the hand

## The role of an adviser

Everyone is an adviser. Even if you are the CEO or the Chair of the Board, you are an adviser — to each other, and to other members of the executive team and board. As an adviser you seek to influence key decisions. The people we take advice from most readily are those we most trust. To be clear, trust is contextual. I trust my mum, but I don't rely on her advice when it comes to the internet. In the boardroom, a CEO and Chair who trust each other are more likely to get more done more quickly. And as an adviser to the board, trust is your most valuable asset. Hence the original consultant's bible on influencing, David Maister's *The Trusted Advisor*.

In this chapter I explore the challenge of becoming a trusted adviser through the lens of an internal adviser. If you are not an

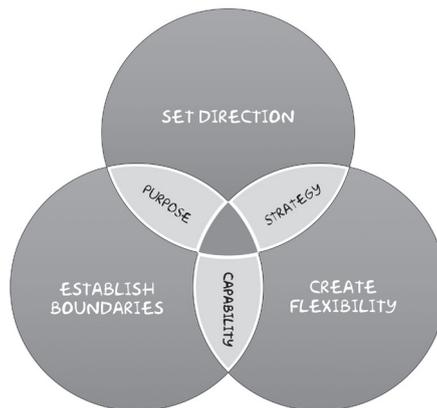
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internal adviser, you will soon appreciate that there is much to be learned from the best of these skilled professionals. So don't skip this section — read on while thinking about when and how you give advice in your own role. You may be surprised by how often you do so!

First let me explain the role of an internal adviser in organisations.

Figure 1.1 captures the essence of an organisation. Based on the organisation's purpose, the leadership will set the direction, giving management the flexibility to create strategies that respond to the complexity of the modern world. Some boundaries are established based on an assessment of overall organisational capability. Your advice on where and how these boundaries should be set and your implementation of them determines whether you are creating red tape or top notch blue ribbon service.

**Figure 1.1:** Essence of an organisation



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When the leadership team sets the organisation's direction, it can be very specific: 'We are going to be the nation's leading manufacturer of quality beds, with market share in excess of 40 per cent by 2020.' Or it can be much less specific: 'Our goal is to disrupt the bed manufacturing industry in this country through technology.'

When developing strategy, management assesses the organisation's capacity to progress in the direction set while at the same time designing a combination of execution and capability-building strategies.

Organisations usually — or they should if you want blue ribbon — define a range of boundaries. Some are hard boundaries, any breach of which is serious. Some are cushioned: warning signals are provided along the way so management can reconsider their approach according to circumstances. And some are flexible, recognising that speed is important so long as little harm can result.

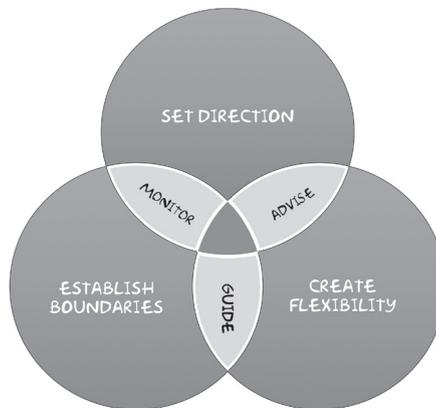
My favourite analogy here is a naval one. Without getting into technical language, the Admiral of the Fleet may provide instructions to a ship's captain along these lines: 'Captain, I want you off the coast of Okinawa by the end of the month. I know the design capability of your ship, though I don't know the current readiness of the ship or of your crew, and of course I can't predict the weather. So I'll leave it to you how you do it. But do not enter the disputed waters of the South China Sea. We don't want a diplomatic incident on our hands!'

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Figure 1.2 depicts the essence of the internal adviser's role, which can be summarised as to advise, guide and monitor. They advise leadership on the direction the organisation should go, based on their specific expertise. For example, an adviser from finance may provide advice based on balance sheet strength, whereas a human resources adviser will have a different view on organisational capability for leadership to consider. And so on.

Drawing on their specific expertise, advisers also propose strategies for management to employ. An adviser from procurement might share information on the strength or otherwise of a supplier market. A compliance adviser might spell out the costs of complying with relevant legislation in pursuing a strategy proposed by the management team.

**Figure 1.2:** Essence of internal advising



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Advisers also offer counsel on the boundaries that need to be established in organisations, from travel and sick leave policies to critical areas such as safety or consumer protection laws, and everything in between.

While advisers guide people in meetings and in one-on-one conversations, they also contribute through the design and implementation of policies, frameworks and processes. In finance, for example, delegation and budgetary frameworks are established, along with processes for reporting on budgets and applying for budget variations. These are all critical enabling systems for organisations and must be blue ribbon and not red tape for your organisation to be as agile as you want it to be.

Advisers monitor the boundaries they have established. Monitoring occurs through a variety of mechanisms, from online, real-time oversight to formal audits.

The critical question for an internal adviser is what happens when a manager, a staff member or a whole business unit breaches one or more of these boundaries? Depending on whether it is a flexible, cushioned or hard boundary, you may be able to work together with the business unit in a cordial and collaborative way to help move things back within acceptable boundaries. It could be as simple as recasting a budget forecast and working out which line items need to be addressed over time to bring the budget back under control.

Sometimes, though, you will need to report a situation to the leadership team. It could be a sudden, unexpected breach that

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you are obligated to report, or it could be that despite your best efforts, the person or business unit has failed to heed your advice and it is time to escalate the issue. In either case this is a problem for you, because it likely creates conflict and affects the trust the person or business unit has in you.

### **The trust factor**

If your organisation is a well-oiled machine, then providing advice is often the easy bit. What can be harder is designing policies, frameworks and processes that establish boundaries that operations people and staff are generally happy with. Most people resent restrictions that they perceive as obstructing their ability to get on with the job. That's why it is imperative to ensure that when you communicate the need for the boundaries, you show them they are actually blue ribbon and not red tape. Even if you do this well, the most troublesome part is monitoring. Just ask an internal auditor.

I once talked with a head of audit of a top 100 listed company who also had responsibility for risk management. I raised the challenges of the risk management role, when an adviser needs to work closely and collaboratively with a business unit. Because of the audit role, management and staff may be more apprehensive about divulging vulnerabilities. Her reply was, 'I couldn't agree more. I know when I walk through the door they see a big A (for auditor) stamped on my forehead. Their defences are up immediately.' When, soon afterwards, I relayed this story to the head of tax of another large company, he laughed and said, 'You

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always game the auditor. You can never be sure what they're fishing for.'

It's the fate of the auditor to be seen almost exclusively as a corporate cop rather than as a performance coach. If you are responsible for one of the many support functions that exist in organisations — from finance to HR to procurement and risk — I'm sure you see yourself as a coach rather than a cop, but picture this situation...

You are in charge of business planning and performance reporting, and you are about to meet with Maria, a senior manager, to introduce her to the new business plan format and the process to be followed to create the business plan for her division. Only ten minutes ago Maria had been chewed out by the boss over an issue you escalated last week. What do you think your reception will be? Will she welcome you with open arms? 'Come on in, my trusted adviser!' I think not. There will likely be some hostility there. No matter what you have prepared, how compelling you feel your case is, they will find fault with it, and will likely be vocal about it.

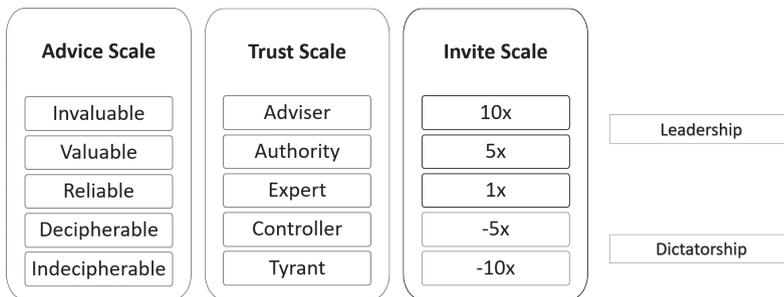
This example points to a couple of central truths about internal advising: it is incredibly hard to be someone's trusted adviser if you are also designer of boundaries that are often seen as red tape by operations people, and it is even harder if you have to play corporate cop!

Consider the stakeholder ladder diagram (Figure 1.3). When the corporate cop element is strong for one reason or another, there is a tendency for advisers to dictate terms when they have

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the authority to do so. They can soon get a reputation as a bit of a tyrant. Or, as the term *financial controller* implies, they will use their policy and framework tools to control behaviour. When advisers are in dictator mode, staff avoid them. Most advisers, especially those with little natural authority in the organisation, will rely on their expertise. People will come if they need your expertise; the problem is, they may approach you *only* because of company policy. The classic example is the organisation's risk adviser. Their advice is most commonly sought when the business unit has been directed by management to conduct a risk assessment. Usually, this will occur because management aren't confident about what they are being presented with, or because the business unit didn't follow a policy (for example, that all new budget requests over a certain amount need to be accompanied by a risk assessment).

**Figure 1.3:** Stakeholder Ladder



If you provide consistently valuable advice over time, you will become known as an authority and staff will seek you out. As an adviser your main goal is to become trusted, to be seen

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as someone whose advice has proved invaluable and is sought out time and again. In fact, staff will line up for your advice! But be careful. As one senior leader once told a colleague of mine bluntly, 'Don't call yourself my trusted adviser, please. You become my trusted adviser *at my invitation*, because you have earned it!' Think about the stakeholders with whom you have achieved trusted adviser status, and you'll probably be able to recall how you earned it. Am I right?

So how did you earn it? The answer is through persuasion. Whether you realised it or not, through carefully articulating your case, you persuaded them that they should rely on your good advice. Having arrived at this judgement, they subsequently made decisions based on your advice and had great outcomes. For each stakeholder with whom you have yet to attain trusted adviser status, you must first persuade them to take your advice. If they take it, and it's good, they will learn to trust you.

In the following chapter I will introduce you to the Pathfinder Model, which we will explore in detail throughout this book. This model will help you find the powers of persuasion you are seeking to convince business that what you are offering is blue ribbon and not red tape. I will start with a warning, though. Use what you learn about persuasion in this book with caution. Persuade because it is in the best interests of those you serve. US President John F. Kennedy explains why:

It is much easier to make the speeches than it is to finally make the judgments, because unfortunately your advisers

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are frequently divided. If you take the wrong course, and on occasion I have, the President bears the burden of the responsibility quite rightly. The advisers may move on to new advice.<sup>1</sup>

## Finding a path

### The Pathfinder Model

The Pathfinder Model (Figure 1.4) is the key to winning conversations. The model is based on the following three premises:

- Being able to help those you need to influence means getting inside their head so you can find a path through the barriers each one of us puts up to protect ourselves from a poor decision.
- Gaining their trust in your advice is about using tools and techniques to enable them to connect and work with you in a collaborative way.
- Gaining their agreement is about patiently working through options to the point where their choice becomes clear.

The model is simple to remember, so even if you are given only short notice of a prime opportunity to influence a key stakeholder, you can prepare, deliver and walk away satisfied, knowing you not only gave it your best shot, but that you maximised the likelihood they will follow your advice.

If you have the luxury of time, the Pathfinder Model (Figure 1.4), as will be explained more fully in the following

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chapters, will allow you to build a compelling case in almost any situation. Here I will offer a short summary of the model and what you can expect in the following chapters.

**Figure 1.4:** The Pathfinder Model



### ***STAND in their shoes***

The first step is to stand in the shoes of the person you wish to influence. You cannot align your goals with theirs if you don't fully appreciate their personal and business objectives. Nor can you get past the time-wasting niceties and into genuine collaboration if you don't understand their challenges. And you won't have their full attention if you don't cause them to think differently.

As President Obama said about his change of policy on Cuba, 'When what you're doing doesn't work for 50 years, it's time to try something new.'<sup>2</sup>

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Just as important, your ability to influence others will be determined by how well you are able to understand their personality. We all have our likes and dislikes, and our own particular point of view. Knowing what exasperates them is as critical as knowing what sparks their interest. In the chapters that follow I will offer some practical tools and techniques to accelerate your understanding of those you wish to persuade.

### ***PAINT them a picture***

We have all heard it: ‘a picture is worth a thousand words.’ If you ask a room full of people if they are a ‘visual’ type of person, most will hold up their hand. The reason they do so is not because they are necessarily artistic, but because diagrams and images help them to understand ideas. Intuitively we all know this. I suspect those who claim not to be visual are simply saying they are not ‘artistic’. When I have used diagrams or images to explain a concept, those I have spoken with afterwards *always*, without exception, point to or reference those diagrams or images.

I will introduce you to a range of tools and techniques that will help you to present your message in a visual way to those you wish to persuade. I will also do my best to infuse you with the courage to try them out, sooner rather than later. I used to be convinced I could not draw — then I learned I could.

### ***TELL them a story***

Decision making is usually a highly emotive process. We make most decisions to make us feel better, whether it is to satisfy

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a personal desire or, as any CEO would hope, to advance the organisation's purpose. A key component of persuading someone about a decision is to use the art of storytelling to connect with them emotionally.

Everyone loves a good story, but not everyone is a great storyteller, right? Well, that may be true, but you will learn in this book that everyone, even you, can learn to tell a story that has impact.

### ***MAKE them believe***

The person you are seeking to persuade must believe in the solution you propose. If you have done everything right in terms of understanding them, used diagrams or other imagery effectively to clarify your argument, and connected with them emotionally through your stories, then the only thing between you and a positive outcome is your credibility.

Credibility has many forms. Reputation is a strong source of credibility. So is the ability to marshal all the relevant facts and figures. What is even more powerful is, having analysed all the pros and cons of a decision, being ready to speak convincingly to each and every one of them.

You will learn about building both instant credibility and credibility over time. More importantly, you will learn that the final element of a winning conversation is to ensure you demonstrate additional credibility at the time a decision is to be made.

## **The MCI Decision Model**

You have probably read quite a lot about communication, influence and negotiation. You may well have participated in programs that aim to teach these critically important skills. So you may look at the Pathfinder Model and say, ‘That’s what I was taught — and what I do.’ Well, let me challenge you on that line of thought.

Persuasion is all about influencing decision making. Do you have a really clear understanding of how people make decisions and of the most common errors made? If not, then my MCI Decision Model will provide you with a critical new piece of the persuasion puzzle.

Decision making is a process. Understanding that process, and where an error has occurred or is likely to occur, is critical to the preparation, flow and conclusion of a winning conversation. Later in the book, when I discuss the first part of the Pathfinder Model, ‘Stand in their shoes’, I will introduce you to the MCI Decision Model and explain how you can use it to:

- identify the potential error in a person’s decision-making process
- create an intervention using the Pathfinder Model.

## **Chapter summary**

This chapter explored the unique challenge of internal advisers in organisations. On the one hand, you want to be trusted by the

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business leaders you serve; on the other, your role is to put into place policies, frameworks, processes and systems that are often perceived as unnecessary red tape. Worse still, sometimes you need to report that a business leader or their team has overstepped a boundary, which creates the potential for conflict and certainly does not build trust.

I reminded you that sometimes it is easier to get the job done by using whatever level of authority you have to ensure requirements are met, and that this also does not build trust. It drives people away, whereas the trust you build through providing invaluable advice draws people to you.

I introduced my Pathfinder Model. This model, with its four components of Stand, Paint, Tell and Make, will guide your preparation for a winning conversation and ensure what you show and say in that conversation is compelling enough to convince your audience that what you are offering is blue ribbon and not red tape.

My MCI Decision Model, with its three key components of Motivation, Clarification and Implementation, will help you to stand in the shoes of your audience. When getting inside the heads of those you are advising to understand where they may be making an error in their decision making, you can plan your intervention using the Paint, Tell and Make elements of the Pathfinder Model.

Now it is time to remind you about the secrets behind the art and science of persuasion.