

**Ep #26: Creating a Healthy and Smart Practice with
Michael Lorsch**



Full Episode Transcript

With Your Host

Allison Watts, DDS

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Welcome to *Practicing with the Masters* for dentists with your host, Dr. Allison Watts. Allison believes that there are four pillars for a successful, fulfilling dental practice: clear leadership, sound business principles, well-developed communication skills, and clinical excellence. Allison enjoys helping dentists and teams excel in all of these areas. Each episode she brings you an inspiring conversation with another leading expert. If you desire to learn and grow and in the process take your practice to the next level, then this is the show for you. Now, here's your host, Dr. Allison Watts.

Allison: Welcome to *Practicing with the Masters* podcast. I'm your host, Allison Watts, and I'm dedicated to bringing you masters in the field of dentistry, leadership, and practice management to help you have a more fulfilling and successful practice and life.

All right, everybody. So welcome, welcome tonight. I'm so excited to have Michael Lorsch here with me tonight. I just met him on an airplane and I was so excited I got seated between Michael and a guy that was in an MBA program, I think. Is that right, Michael, he was in a leadership course at the time?

It was just the coolest thing because I was sitting there talking to him and asked him what he did. He told me about his work and that he worked with Patrick Lencioni and I said, "Hey, I would love to have you come talk to our group." He was excited to do it. So thanks for being here, Michael.

Michael: My pleasure to be here.

Allison: Okay, I'll go ahead and give a little intro and then we can start the slides, okay?

Michael: Okay.

Allison: Michael is a very versatile executive coach and consultant with 26 years of management and leadership experience. He's held leadership positions in a number of successful organizations.

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Just prior to his work with The Table Group, he served on the senior leadership team of the Make-A-Wish Foundation of America where he led efforts in overall program delivery, which were wishes and was instrumental in initiating their industry leading corporate university. He also oversaw efforts related to Make-A-Wish's interaction with the celebrity industry.

Michael is a pure consultant with a passionate drive to help CEOs and executive teams to overcome team dysfunction and create powerful organizational clarity that leads to profound business and bottom-line impact. His number one goal: that the work that he does with teams sticks. Michael is a highly sought after keynote speaker and is known for his engaging, fast-paced, fun, and highly-interactive sessions. He consistently receives high marks for speeches and to put it simply, he doesn't need a podium, which is good because we don't have one tonight.

Michael: You don't even have one tonight, so that's very good.

[Laughter]

Allison: That is good. Michael has great passion for Patrick Lencioni's methods and he learned them first as a leader and subsequently as a consultant. That's good, you have experience doing this.

Michael: Yeah, to this day I do all this stuff.

Allison: Awesome.

Michael: In my own business.

Allison: Yeah, I think that's really all we need to say about you. I just wanted to mention that you have an undergraduate degree from Brigham Young and I think most people probably know that's in Utah. Then a master's of organization and

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management from Capella University in Minneapolis, Minnesota. Then I know your sweet wife, April. You guys live in Mesa, Arizona along with four children, Ryan, Justin, Hannah, and Patrick. His hobbies include tennis, guitar, BYU football, walking, reading, and mostly spending time with the wife, kids, and grandkids.

Michael: Yeah, we've got some grandkids now too.

Allison: Wow. That's what I was going to say. You don't look like you could be a grandfather yet.

Michael: No, three times now.

Allison: Oh, my goodness. Wow. Congratulations. I know that's supposed to be really fun.

Michael: Thank you.

Allison: Yeah. So hopefully you guys are watching on the webcast. Michael is going to have slides going. If you're not, it's okay. The call will be great anyway. But I'm going to let Michael just kind of take it away. He did mention, Michael wanted to make sure that you guys knew that you could always, he's happy to have you interrupt and ask a question. Okay, Michael, the podium is yours.

Michael: What's that now? What was that?

Allison: The podium is yours.

Michael: Oh, yeah, the podium.

[Laughter]

I'll actually, here's the thing. I love questions and I want you to feel very comfortable about chiming in and asking anything you want and stopping me. In fact, for the first person that asks a

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question, who gets kind of involved, I will send them an autographed copy of Pat's newest book *The Advantage*.

Allison: Oh, cool.

Michael: It's autographed by Pat. So that's even better. But the question cannot be, "Can I have a book?" That wouldn't be a good question. It's got to be about the content.

Allison: Okay.

Michael: That's how that works.

Allison: That was a nice thing to do.

Michael: All right, just so you know. Well I'm really glad to be here on the call. I'm grateful to have been able to meet Allison and hear about what she's doing. She's a very good advocate for what she's trying to accomplish and very compelling. So I just told her, "Whatever you need, love to do it." So this is what we're going to do. So it's exciting to be here. There will be contact information on the last slide if you have follow-up questions.

Sometimes people don't want to ask questions when they're on one of these calls. They're a little tentative about that. So if you have questions, you can just reach out and call me and we can talk. My assistant, April, who's also my wife, will get you if you need some time to chat, she can get that all set up. Happy to do that too.

The final thing I'll tell you is that I'm feeling fine now but over the holidays I got sick. Now I just have this nagging cough that just won't go away. So on occasion, I'll try to remember to mute it when I hack away.

Allison: Okay.

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Michael: I also do have, I have like a Halls in my mouth. So it's not like I'm eating candy or having dinner here. It's just me trying to soothe my throat.

Allison: Okay.

Michael: So let's get into it. No time to waste. Let's get started. In order for an organization to be successful, and this could be any organization that we're talking about. You know, Fortune 100 Company to a mid-sized company to a little tiny mom and pop kind of home business, it really doesn't matter what kind of business you're in, the organization needs to be smart. What we mean by smart is that you know the organization has some strategy.

In other words, they have a way to get from point A to point B. They also have some marketing, they have some finance systems. They pay their bills and they pay their employees. You're going to have technology. You're going to have HR. You're going to have all those typical things, typical functions that show up in organizations. We consider that to be the smart side. This is kind of the language we'll use.

Now in any particular organization, in addition to those things that show up pretty commonly, other organizations are going to have their own functions that will also show up on the smart side of things like depending on, maybe the company does research. Maybe they have sales. Again, those are all just smart parts of the organization, smart functions. It's really good to have those.

No one can tell you that they're not necessary because they total are. In fact, the smart side gets a lot of attention. Most people in business want to focus on those things. They want to look, they want to focus on strategy and marketing and

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technology and all those things that we get kind of excited about.

Also, organizations have a tendency to compete with one another on the smart side. So they say to themselves, “We will rule our market if we can have a better strategy. If we can market better. If we can take care of the money better. If we can have the best and the most relevant technology.” All those things are where most organizations compete against one another. We think it’s really important but we don’t think it’s all of what needs to happen.

We also believe that that organization needs to be healthy. For an organization to be healthy, it really means that they really need to do those first two things. They need to be able to minimize organizational politics and minimize organizational confusion. Politics and confusion. So let me just a question here. Allison, let me ask you. Do you know what I’m talking about when I say organizational politics? Have you ever heard of that?

Allison: What I think of when I hear that, I think about gossiping, that kind of stuff. Like talking about people behind their back. I mean, when I hear the word, that’s what I think of but then I start thinking that maybe it has something to do with hierarchism, I don't know. But that’s what I think of.

Michael: No, it’s just as simple as you make it. It’s absolutely that stuff. It’s people talking about people behind their backs. It’s about gossip. It’s about all this kind of drama that shows up in organizations. It’s about changing what you say because of who’s in the room. It’s favoritism, inconsistency, all those things are politics. It really can make the workplace a very miserable place. Then the same with you, Allison. What do you think we

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mean by confusion? What is there to be confused about at work?

Allison: Oh my gosh, the first thing I think of because I think I have some of this in my office is lack of job descriptions, priorities, even is kind of lack of communication between people is how I think of it.

Michael: That's perfect, that's perfect. So yeah, it is. It's all those things. We are absolutely in most cases, most organizations are really confused. In fact, all of the companies that I work with have this confusion going on. It's also about even fundamental things like, does the organization know, do people within the organization even know why the organization exists? Do they know what business that we're really actually in?

Do they know what kind of behaviors are okay at work and which behaviors are not okay at that particular company? How do we leverage strategy and defeat our competition? How do we differentiate ourselves from competition? What's the most important thing for us to focus on right now as a company? All of those things are questions that most organizations don't have answers to. So that does create politics and confusion.

So you look at those first two, if you show up for work every day in an environment is kind of infected with politics and confusion, then you're going to have a struggle with that third bullet, which is high morale. In other words, organizations that can minimize politics and confusion are going to have people that actually just feel better when they're at work. They feel more confident. They feel more excited about being there.

They don't have this concept I heard about recently called the Sunday blues. That apparently around 4:00, 5:00 in the afternoon on Sunday, where people start to kind of dread going back to work. It kind of ruins the rest of the evening and they

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feel the blues. They even say that serotonin levels actually kind of drop during that period. So people aren't going to feel good about walking in every day to a place mired in politics and confusion.

But I was reading a little article the other day, something about 70 percent of people come right out and say that their workplace is full of politics and confusion and people are demoralized by it. If people don't feel good about where they work, they will not be as productive as they could be. That's that fourth bullet. So people with low morale are going to be less productive.

Then finally, we see that last bullet which is low turnover which means the good people in the organization, the very best you have are not going to actually hang around for politics and confusion for very long. Does anybody know what those folks do?

Allison: They leave.

Michael: Yeah, they leave.

Allison: Yeah.

Michael: Yeah, they leave. They're done. They say to themselves, "I'm going to go find myself another job where..." They don't say it this way, but basically what they're saying is, "I'm going to go find another job where there's a lot less politics and a lot less confusion. Where I can feel better about what I'm doing." Then they take all the training you've given them and now they're going over to the competition and benefiting from the training that you've so kindly given that employee.

So those are the two issues. Smart and healthy. Now where do you guys think most organizations spend most of their time focusing their efforts? On the smart side or the healthy side?

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Allison: Smart.

Michael: Yeah.

Allison: Yeah.

Michael: They do. It's like 90 to 95 percent of all the effort we put in goes on the smart side. Now why would that be? Anybody have any ideas of why? Why would we focus on the smart side if the healthy side is so important?

Allison: I don't know. I did that for the longest time. I didn't realize how important the human part of it is. I thought that it was all about the systems and the, I don't know, just what you said. You've got to make the business run smoothly and you've got to have a plan and goals and all that stuff. But if the people aren't—if you don't have the people on board, then all that stuff doesn't matter.

Michael: Yeah, that's exactly it. The thing is the smart side is the easy side.

Allison: Oh, yeah.

Michael: The smart side is where we feel like we can see it better. There's data that can support how we're doing. How many marketing touches? What do our financial numbers look like? How much downtime with the technology? Those are very numerical things. We're kind of drawn to that. This is the stuff that we learned about in school. It's really hard to find any major college or university or even any kind of business school that actually focuses hardly at all on the healthy side. It's the smart side.

When I got my masters, I had classes on all four of those things. I had a strategy class, a marketing class, a finance... then I had a bunch of HR classes and all these things that were

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really focused more on the smart side. We always say that the light is better on the smart side and that's why people want to focus over there.

There's an old *I Love Lucy* years ago where Ricky comes home from work and he sees Lucy on the floor in the living room. She's looking around for something and he says, "Lucy, what are you doing on the living room floor?" She says, "I'm looking for my earring." He says, "Oh, you lost your earring in the living room?" She goes, "No, I lost them in the bedroom but the light is so much better out here." That's just it. It's just so much easier to focus on that smart side.

What we always say is that healthy—this is a very key point of this whole presentation—healthy is the great multiplier of our smart. It's the accelerator of our smart. It's the magnifier of our smart. You take those things on the smart side, if you're really going to hit them, it's because you have a healthy company that has the ability to hit those things and really drive those kinds of things. So the organizations, we work a number of organizations that are really really successful. I mean, we work with Southwest Airlines.

Some of you are probably familiar with Southwest, really good airline. Makes money every year. Defeats the competition pretty handily now for 45 years. But the CEO over there, he tells us all the time when we're working with them, he says, "We are not the smartest airline." But he really does believe that they are the healthiest. Politics and confusion and low morale and low productivity and all those pieces are almost non-existent in that organization.

So that means that they can turn around and really kick hard on those smart things and really execute them. Because they're not mired up in politics and confusion. That's the way we have

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to look at it. We really feel like the healthy organization has the advantage these days.

With ubiquitous information and nanosecond technology, people can replicate anything they want on the smart side. It's the healthy side that is the tricky part. That's what makes it such an advantage. That's what makes it so rare. When you can do something that's valuable and you're the only person in the market doing it, that's when you're going to win. That's win you're going to defeat your competition.

So the question for you guys then, imagine what you might be asking yourself is, "How do we build the healthy organization? That sounds completely reasonable what you've just been telling us for the last ten minutes. That, yes, we have to be not only a smart organization but a healthy organization." So then the question really is, "Well how do we do that?"

With The Table Group, we really try to keep things as simple as possible. All our books are just in fable format except for the most recent one. They're not full of charts and graphs and studies. We don't study anything. All we do is just observe. When we see enough of something, we talk about, and Pat writes about it. I mean, it's very simple. So what we've noticed is, and these are the four things that Southwest does extremely well.

Number one, these are the four steps to a healthy organization. Number one, build a cohesive leadership team. You must have it at the top of your organization. Even in a dental practice, I work with a dental practice. There is a leadership team there. It may not be big like in a Fortune 100 company, but there is a leadership team.

That leadership team, in this case, it's the doctor, it's like an operations manager, and someone who does kind of on the

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floor leadership. That's their leadership team. But those three people have to be absolutely cohesive with one another. On the same page. Working together. We'll talk about how we approach this whole concept of teamwork later on here in the presentation. So that's number one.

You can't have the Keystone Cops running around at the top of the organization messing everything up. People need to feel like they are working for an organization where the leadership team has got their act together. So that's job number one. The second thing we do, and we kind of do it at the same time that we do this first one, is to create clarity. It's the ability to answer, actually five simple questions about your company.

We believe in order to build a healthy organization you have to be able to have crisp, clear, undeniable answers to some questions. Let me show you what those questions are. Here they are. These are the five questions. These are the big, hard ones that are very important for an organization. Again, I don't care whether you are a dental practice or an airline, you've got to answer these five questions.

Number one, what is the core purpose of the organization? Which really answers the question, why do we exist? You guys, depending on your practice or whether you're in orthodonture or dental, just a regular family practice, or all those different disciplines, you've got to know why you exist. It probably won't be necessarily anything really about the business you're doing, the teeth part of it. It's why do you even bother getting up out of bed in the morning and do what you do every day?

So for The Table Group, for instance, we think that the core purpose of The Table Group is to transform organizations. That's why we do this. Now there's nothing in that core purpose, "we transform organizations," there's nothing about

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consulting or writing books. Do you see that? None of that stuff is in there. We have to have kind of an overarching, real reason for getting up in the morning.

When I worked at Make-A-Wish, their core purpose was to infuse into the life of a child hope, strength, and joy. Hope, strength, and joy. There's no mention of wish granting in there, charity work, raising money, fundraising, none of that. They exist because they want to infuse into the life of a child hope, strength, and joy. That is how important core purpose is. It's kind of like the bedrock of the organization's reason for existence. That's one.

Number two is core values. Now that's an important one. You might say to yourself, oh wait, good, we've got core values. Most organizations do. They've made a list of really good things, behaviors in most cases, that people should follow. Core values really answer the question, how do we behave? What are the limits of our behavioral kind of diversity within this organization? What do we all agree on need to be those core values?

So you take Southwest Airlines, their core values are a service heart, they have really cool way of talking about it. One is a service heart, which means they just have this kind of obsession about serving and about trying to make sure that they're reaching out to people and taking care of them, helping them with their problems. Another one that they have is fun loving. You think, "Woah, wait a minute, that sounds right" because they're always—you know, they make jokes on the flight. They use humor. They're pretty relaxed and all that stuff. So they're good with that.

The third one is, okay, I did say a service heart, fun loving, and oh gosh, I don't work there so I don't have to memorize them

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but I know I know them. A service heart... fun loving... oh my gosh, I'll come back to it. Now that I'm focusing on it I can't remember it.

Allison: Does it have something to do with that they make things easy for the customer?

Michael: Yes, yes it does. Oh gosh, they have a term for it. A service heart... fun loving... and... oh, it's on the tip of my tongue. It will come to me in a minute. You know, it's funny because they don't have 16 of these things. It's not the more the merrier. It's not like medicine or something. Just because medicine works doesn't mean we should take more and more and more of it, you know? They keep those very simple.

At The Table Group, ours are humble, hungry, and warm. Humble. Hungry. And warm. And we all know what that means at The Table Group. We know exactly what that's about. Let me go back here. So then, so you have to have have those. They have to be kind of born from the behaviors of your finest people.

Then the third one of those five questions is the business definition. In other words, what do we do? Now ours is kind of interesting, our business definition is we consult. Two words. We consult. That's what business we're in. I'm in the business of consulting. So you would want to look at yours and say, "What is the actual business that we're in?" Now you might say, "Well what's the difference between core purpose and business definition?" Business definition is what we do to fulfil our core purpose.

So the business definition of Make-A-Wish is it's a wish granting organization. That's how they define the business. It's a wish granting organization. What they do when they do wish granting, they actually are able to fulfill their core purpose which

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is to infuse into the life of a child hope, strength, and joy. That's how they infuse hope, strength, and joy is through the wish. Does that makes sense to everybody so far?

Allison: Yep.

Michael: Then we go onto this other piece which is strategic anchors. That answers the question, how will we succeed? So what we're looking at there is, and again, this is a very small number. Maybe three. Maybe four on the outside. But what are the three approaches, organizational approaches that we take that not only differentiate us from the competition? What separates you from the dentists from the office, someone else's dental practice down the road or across town? What differentiates you?

The question you really have to say is how is it that we succeed? What are we doing strategically when we are actually knocking it out of the park? That's the question that's answered there. So in the case of Southwest Airlines, they have three, now you're probably thinking, "Yeah, but he's only going to get two because he's not getting it tonight."

[Laughter]

But they have three strategic anchors: on time, low fares, and fun. Those are the three strategic anchors. On time. Low fares. And fun. Every decision they make in that organization is filtered through those three items. If they're going to make some sort of decision, maybe they are going to buy an airline. They would have to run through those three things. Will we be able to maintain our record of being on time if we do this? Will we be able to keep our fares low if we do this? Will we be able to maintain our sense of humor if we do this? That's how they make decisions.

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See the funny thing is, that doesn't take long to do. That's why Southwest can make decisions faster than the other airlines. That's one of the reasons they succeed. It's not because they're the smartest. It's because they are actually the most nimble because they don't have to have conversations over and over and over again. They have their anchors and they know what they are. They run possible options through those anchors and they make decisions and they stick to them. That's the real secret there. This is an amazingly successful company. They're not just kind of hanging in there. They really rule the roost, you know? That's how they do it.

Then the last question down here is, what is the most important thing right now? In other words, great organizations can always tell you, "Here's the most important thing we're working on right now. Here's the most important change that we're in the process of making to make our company better." It's not a big strategic plan, some big giant binder full of pages and goals and objectives and milestones.

We just say to people, "Decide what's the most important thing in the organization and tell everybody and get everybody engaged in it. Create a rallying cry in the organization. Not just a binder full of charts and graphs and Gantt charts. Create a movement within your organization so that you can get things done that will continue to better the organization." That's how that happened. So then let me see, I'm going back here.

Okay, so again, let's remind ourselves, build a collegiate leadership team. Create what we call organizational clarity. Again, that's the ability to answer those five questions: what's our core purpose, business definition, core values, strategic anchors, and thematic goal. Then we go to the third one down here, lower right-hand corner. We take that clarity and we over

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communicate those things. Literally, we talk about them over and over and over and over and over and over and over again.

They say people have to hear things seven times before it even starts to sink in. Over at Southwest Airlines, they talk about it constantly, year after year after year, same stuff. They're not apologetic about it. They're not like, "Sorry we're talking about the great stuff again." They don't mind that. Nobody minds that because it's manageable. They don't just keep changing everything. They don't keep reading a new book and trying to change everything.

They actually have the ability just to say, "You know what? Nothing is changing here, guys. Here's what we're focusing on." And they communicate extremely well. It's effective because they're not like pouring tons of detail over people. They're just saying on time, low fares, and fun. Ready, break, off to work. On time. Low fares and fun. Do it. It's not 19 things, it's three. Let's kick them out. Day after day after day.

Then the fourth of those things is to reinforce clarity and we reinforce the clarity through what we call human systems. You might say, "Well what's a human system?" A human system is anything on that list on the left there. It's things like recruitment, that's a human system. It's any kind of system within the organization that the employees experience. It's the selection process. How do we hire people? Who do we hire? We hire people who are aligned with the clarity that we've already been very very clear about.

It's about performance management. I'm sure in some of your practices you've got people that do their work and every once in a while, maybe once a year you come back and you give them a little evaluation. Maybe you give them a raise or something like that or not. Have a conversation about that. So what we say

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is you've got to take the answers to those five questions and embed them in all of those systems.

So we put it into the selection route. We only hire people who behave the way we do. Or who can demonstrate that they behave the way we do. We only hire people who really connect with the reason for our existence. We wouldn't bother hiring anybody else. When we orient them, when we do the orientation, you know, the onboarding process, bringing someone into the practice and starting to work with them. We have that orientation process. So we inject and infuse that orientation process with the answers to those five questions in quadrant number two.

So in other words, most of my organizations I work with, literally orientation starts and they talk about these five things the very very first thing. Before they start talking about, "Here's where the autoclave is," or whatever you call that thing that really cooks your instruments.

Allison: That was good. That was good.

Michael: You know, here's where the fire extinguishers are. Here's your paperwork, please fill it out. Here's your benefits. No, none of that. They don't talk about any of that. They come up to people and in a lot of cases, Gary Kelly himself will walk into that room and say, "Listen, I want to tell you five things. Here's why we exist. Here's how we behave. Here's what we..." And he literally spends some time on those.

So those people are unambiguous about how, even at the very top of the organization. The cool part, as soon as they leave the orientation and they go to their department to work, everybody is talking about it there. Then they go to the next department next door, everybody's talking about it over there. Then you see on that list "discipline." So it would be, "Why would we discipline

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someone? Why would we correct an employee's behavior?" It would be because they're not doing one or more of those five things that's in that upper right-hand corner. Even, why would we even have to terminate someone?

A lot of times people wait for the person to do something on the smart side before they terminate them but we actually have organizations that actually say, "We don't have to wait for that. If someone does not live the values of our company, we will correct it." If they won't be corrected, we will send them packing.

Even if they're really good, like the banking situation, even if they're a super good teller, if the person doesn't live the core values, even if they're the best teller in the company, if they don't live the values of the company, they're probably leaving a wake of politics and confusion behind them. If they won't make the correction, then they need to go. That's how you do that.

So it's build a great leadership team. Answer those five questions. Over communicate the answers to those questions, forever and ever and ever. Then reinforce that clarity through the human systems of the company. That's how you make it stick. It's because that clarity is embedded in the very systems that will live beyond all of us. That makes sense? So what are your questions so far?

Allison: I don't have any questions right now. I'm just looking at this and thinking it's super simple but there's a lot to it.

Michael: Yeah. We always say it's simple to understand, hard to do.

Allison: Yeah.

Michael: There's no question. It's not easy. This is not easy. But that's why it's an advantage because if it were easy, everybody would be doing it. We've heard that phrase and it's so true in this

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situation. If it were easy, everybody would be doing it. But you know what? It's not. But it is what separates us from the pack. This is how organizations create the kind of cultures that you guys hear about, that most organizations only dream about. This is the process for getting it done.

Allison: Michael, we do have a question.

Michael: Yes, please.

Leanne: Hello, you talked about—Michael, this is so awesome. I can't type fast enough.

Michael: Oh, good, good. Thank you.

Leanne: It's fantastic. Back earlier when you were talking about the disciplines of a healthy organization you talked about the four that were just in that circle. Then you also added that people, and I underlined need to feel that the leadership team has their act together. That's really resonating with me. When you talk about leadership teams having their act together, what does that look like for you?

Michael: Yeah, that's a great question. That's a great question, great enough to receive a book with Pat's signature in it.

Allison: Woo-hoo.

Michael: Allison, if you could give or get me a good mailing address, or however you want to do that. Leanne can just send that directly to me or however.

Allison: Okay.

Michael: And we'll get that right off to you. Yeah, you'll enjoy it. It's the book that kind of explains all this. So I did kind of brush over that. Let me show you a slide because that's exactly what we need to talk about. We need to talk about that first discipline.

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So you know, what've noticed over the years, Pat wrote the book *The Five Dysfunctions of a Team*. It's that little red book up in the corner. He wrote that in 2002. That's when it was published. Here it is 2014 and almost every week, like 95 percent of the time, the book *The Five Dysfunctions of a Team* is on *The Wall Street Journal* bestseller list top ten. Every week.

In fact, this year we had a lot of weeks where we had two titles on there. One of them was *The Five Dysfunctions* and the other one was *The Advantage*, the book we're talking about now. People always say, "What is it about that book?" A lot of people have it on their top ten leadership books, management books of all time.

I think there's a couple of things that really draws people towards this. First of all, it's a very very, it's a fun read. It's a fable. It's just a story. So people kind of enjoy that because there's a little bit of intrigue because there's a story to it. It's also very short. I always say to people, "A moderate reader can get that thing done from Phoenix to Orlando on a plane, not in a car, but on a plane."

The other thing is it's not, again, just like everything we do, it's not complicated. It's just very straightforward. What we've noticed is there's these five kind of irrefutable problems that keep showing up with teams all the time. Let's start at the bottom of the pyramid.

So the first one is trust. Now you might be saying, "Oh, yeah. Yeah, I've heard that people need to trust each other. That's why would make a human pyramid or go outside and blindfold each other and catch each other falling out of the trees and do some sort of ropes course or get on some go carts," or whatever those things are, because that will help us to trust one another. I'm not totally disagreeing with that. But the fact of the

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matter is is that sometimes those things need to be retranslated into a business setting. We're not really talking about that kind of trust.

What we're really focusing on here is a particular kind of trust that Pat talks about in the book which is vulnerability-based trust. The ability for members of team, your team, to be absolutely vulnerable to one another. Open and willing to say things that vulnerable people on a team say. Things like, "I'm stuck. I don't know what to do. I need help. I wish I could do that as well as you do that. You do that so much better. Can you help me with that? I apologize. I'm sorry." All of these are very very vulnerable statements that most people on teams are not willing to utter.

So there's this underlying kind of mistrust that exists on the team that's really huge. I don't know what your politics are, it doesn't really matter, but if you look back in the past one of the things for presidential candidates, one of the things that presidential candidates would always do, and I remember this as a kid. It was almost like we would put into the White House the person who could show that he had made the least amount of mistakes. It's the squeaky, cleanest that we can absolutely find. That's kind of how that went.

And that's how they attacked. It's like, "Well he did this and this" so all of a sudden, boom. And we still do that obviously. We still attack people's character and do that to be able to get what we're kind of trying to get accomplished. So what happens is it's really difficult to maintain that kind of perfection.

But then came along Bill Clinton. And Bill Clinton was a guy who basically said, he was different. He approached this whole thing differently. He said and I'll try to say it in my Bill Clinton imitation here, he'd like, "I've made a few mistakes." Right? He

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said that. He came right out there in the process of trying to get elected he admitted to having made mistakes. That actually endeared him to people. People are like, “Oh my gosh, he’s kind of like me. He’s a human being. I like that.”

Now later on down the road he said, “I made a few more mistakes.” That kind of went over and over and over again. That’s not what I’m talking about. What I’m talking about is the ability for him to be—he actually demonstrated that kind of vulnerability. Or he was willing to communicate that kind of vulnerability. That’s really important for leaders.

I work in the dental field a little bit, I work with a few organizations that do work in your field and you know I know that there’s kind of an almost like a hierarchical kind of feel that I run into a lot of organizations. I have one right now that every time I hear it it still kind of hits me, but everybody calls each other by their first names but when we talk about the doctor, we call the doctor, doctor. “I don’t know if doctor will like that” or “I don’t know if doctor will be able to attend that meeting” or whatever.

I don’t know if it creates anything—maybe it’s totally important that you do that. I wouldn’t know. But some of the best leaders I know are willing to just be vulnerable, open, and not try to be the smartest person in the world or the most credentialed. They are willing to kind of be open and vulnerable. That’s the kind of trust that we’re talking about at the bottom of the pyramid.

So, Leanne, this is the answer to the question. Have their act together? Well one of the things about having your act together is the team has vulnerability-based trust right there on that team. And the leader’s job then, you can see the role of the leader in the white section there. The leader’s job is to go first. The leader’s job is to show that vulnerability first. I know it

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sounds counterintuitive but ... walk through a wall of fire for a vulnerable leader. But mostly just think it's the opposite. They think that you must be the smartest, the biggest brain the room, and it turns out that that ain't the case.

If you can do, now this model works off itself. Trust is at the bottom for a reason because it's the foundation of this process. So if you can develop vulnerability-based trust on the team, then you won't struggle with the second of the five dysfunctions which is the fear of conflict. When I say the fear of conflict I'm talking about, I'm not talking about mean-spirited yelling and screaming and fighting and calling names, none of that. That's all unprofessional. That's not ideological conflict. That's just mean-spirited attacks.

I'm talking about good, constructive ideological conflict about the issues. That means who person who just does sterilization can actually disagree with the dentist or a person who puts on bands can disagree with the person who does the sales process of the orthodonture. They can actually just disagree with each other.

But the reason they can do it is because they have this base of trust that supports that kind of interaction. So you can't just go after conflict. You can't just say, "Okay, tomorrow we'll start arguing with each other." It won't work. You have to have vulnerability-based trust underneath it. Conflict without trust is just politics. But conflict with trust is to search for truth and that's what you're trying to do. You use conflict as a search for truth and the highest level of thinking. And frankly, most of the highest level of thinking comes when everybody at the table doesn't feel like they have to agree with one another. It's got to have trust underneath it.

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If you can get that conflict down you won't struggle with the third of the five dysfunctions which is what we call the lack of commitment. Now this is not commitment to the organization. This is not commitment to the dental practice or to Make-A-Wish or anything. What we mean by commitment is the ability for the team to actually commit to the decisions that they make, now we're going to go back down the model, when they're in conflict because they trust one another. You see that?

So commitment is the ability to actually make a decision and follow that decision through. Not make a decision and then start talking to your buddies about it after the meeting at lunch when the rest of the team is not around. It's the ability to say, "Yes." This doesn't even mean that you have to agree with it. Sometimes you have to actually say, "I disagree with this decision but when we leave this room, we are one mind on this deal. We will also stay with this decision. I'm not going to go to my part of the organization and complain about you guys. I won't do that."

That would not be having your act together if that kind of stuff happens. So that's the commitment. The leader's job in that case is to force the clarity and closure. Sometimes a leader has to say, "I think we've discussed this enough. I think we've got everything relevant on the table. Now let's make a decision." If the team can't make a decision, great leaders say, "You know what? It doesn't look like we're going to have a clear-cut thing. We're not going to probably reach consensus, so I'm going to make a call on this."

You know, a lot of people might think, "Well that sounds kind of bossy." But every time I talk to teams about this they're like, "Oh, please, I wish wish wish the leader of our team would do that more often." Because we just end up churning through stuff because we're waiting and waiting for everybody to agree.

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That's just a big waste of time. The more time you waste in meetings, the less work you're getting done on the floor. So it's important to be able to have that clarity and closure and stick to it. That's the commitment piece.

Then if you can do well with commitment, you won't struggle with the fourth of the five dysfunctions which is the fear of accountability. The fear of accountability or lack of accountability on the team. This is the hardest part of the five dysfunctions. We've done about 25,000 team assessments over the last few years. We assess a team. The team actually assesses itself against each of these five dysfunctions. And accountability I would say 99 percent of the time, accountability is the area that the team struggles with the most.

You might say, "Why is that?" Why would we have struggles with accountability? Really it's because it's no fun.

Accountability is not a fun endeavor. No one wakes up in the morning and says, "What's today? Oh, it's Wednesday. Oh cool, I get to hold a bunch of people accountable for bad behavior or poor execution." Nobody thinks that. They hate it. Most leaders want to be popular. So they may see things going on that they kind of just turn their head and hope it goes away and guess what, it never does go away.

Bad behavior does not go away on its own, ever. "Oh look it, they just kind of worked that out." Never happens. So accountability is that. And this isn't just accountability of the leader over the members of the team but this is accountability for team members to have with each other. That's one of the real cool things about Southwest Airlines is that they have this mutual accountability.

Usually if you're messing up with the values, you're going to hear it first from a coworker and not from your boss. Sometimes

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the coworker can just take care of it and it's all done. So that's the accountability piece. So the leader's job is to get in there and confront those difficult issues and address things that need to be addressed and really kind of set the tone for that.

Then finally the fifth of the five dysfunctions. If you can have trust, you can have conflict, you can get commitment, you can hold each other accountable, the last of the five dysfunctions is this issue of results. Now a lot of people say trust plus conflict plus commitment plus accountability equals results and I actually agree with that. But what we really mean here is collective results. Great teams have the ability to bring people onto the team that have different motives and different disciplines within the organization and come back together in a team and combine those for the good of the organization.

So when I was working at Make-A-Wish, I was on the senior leadership team there. I reported directly to David Williams, who is the CEO of Make-A-Wish America. It's a big, big company. A big organization. There's chapters all over the country and also internationally.

He had a bunch of vice presidents on his team. So there was the vice president of legal and a vice president of development, fundraising. There was a vice president of operations. There was a vice president of marketing. There was all these different vice presidents and I was the guy who was in charge of the wish, remember you heard that in my bio? I was the wish guy on the team.

So it would have been easy for me to go into the team and only focus on the wish itself. And most people wouldn't fault me for that. But actually when I went into that team, I had to take my wish hat off just a little bit and look at the team and say, "Right

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now the hat I'm wearing is Make-A-Wish, overall Make-A-Wish. Not just the wish-granting part.”

So that means I would make concessions. That means I would put my opinion out there as hard as I could. I always had my say on that team. That's why I loved it. That's why I loved it. That's why I could trust my teammates on that team because they would let me do conflict. I could always advocate for what I thought but I always had my say on that team. But I didn't always get my way.

But the reason I was able to go into that conflict with my counterparts there is because I trusted them. I trusted that it was going to be safe to do that. That no one on that team was going to leave that room and start bad mouthing me around the organization because of my differing opinions about things. So you've got to come in—results means you come in focusing on the collective results of the organization instead of the particular area that you think is the most important obviously. That's the five dysfunctions.

Now the secret sauce to this model guys is whenever you're struggling with any of these five dysfunctions, which one is the one you're struggling with? Whatever it is, if you're struggling with that, the way to deal with that and to improve upon it is to work on the one right below it. So let me ask this question. If we had a team and we were having a hard time with the commitment, this whole lack of commitment thing, we were having a hard time making decisions and sticking to them, what's my real problem?

Allison: Unwilling to conflict, unwilling to talk.

Michael: Yeah. Conflict is the problem, right?

Allison: Yeah.

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Michael: Yes. Think about this guys, it's so easy when you think about it. How can I commit to something if I haven't had my say? How can I commit to something if I haven't been able to weigh in and give my feelings about it? I mean, that's it. And if you're really struggling with accountability, what's the real issue?

Allison: Commitment.

Michael: Yeah. Think about that. Commitment means we make a decision and we stick to it. We make a decision, we are all clear about what that decision is and then we stick to it. How can we actually hold people accountable for things that we haven't even committed to? That we don't even know what the rules really are? How can we do that?

Allison: Well and if they're truly committed, it seems like if they're truly committed, you would maybe not have to hold them accountable, they might... you know.

Michael: Well, yeah, I mean for the most part that's probably true. But let's face it. We're humans. We make mistakes.

Allison: Yeah.

Michael: We make mistakes. We get caught up in the moment. We're just human beings. But at least you can say to the person, "Hey." Like something as simple as, let's say the team decided that they want to have a rule that you show up for meetings on time with your leadership team. You show up for that meeting on time. Let's say that the team had a real problem with that. So someone brings it up and the team has some good conflict about it.

They might go, "Well, if we didn't have it at the 3:00 in the afternoon, I'd be..." They have some good conflict about it but ultimately they need to make a decision. The leader is very helpful in that process because the leader helps everybody get

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to that decision as fast as possible and as thoroughly as possible. Then they have the decision made. They literally stop the room and say, “Okay, let’s make sure we’re on the same page about what we just decided. Is this what everybody thinks?”

“Yes.”

“Yes.”

“Yes.”

“Yes.”

“No.”

“Oh, no? What do you think that we were talking about?”

“No, then this...”

“Okay, we got that straightened out.”

So you’ve got to make sure. Not that everybody agrees. It’s not about agreeing with it. It’s about do we understand what decision we just made. If you can do that and then it paves the way for accountability because in this case you can say to the person, so one person starts to show up ten minutes, fifteen minutes late, that would open the door for someone on that team.

It doesn’t have to be the leader, but someone on that team to say, “I’m pretty sure we had a conversation about this, Joe. You know, our collective decision, and you were there, we were going to be on time for this meeting. Is there something we can do to help you to fulfill that commitment that we all made together?” Do you see how much easier that is?

Allison: Yeah.

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Michael: Well what we do instead is we do accountability with people and the people, like their shaking their head and their saying, “I had no idea that I wasn’t supposed to do that. I had no—wow, this is a revelation to me. This is good, thanks for telling me.” That’s because we haven’t gained commitment.

So that’s why commitment is so important because it paves the way for accountability. You have a team leading a company that can do that level of accountability, they will wipe out their competition, absolutely wipe them out.

Allison: Awesome.

Michael: So it won’t be about what’s the newest fad in dentistry that’s going to get you ahead. That’s the smart side. The real difference is you build a dental practice that can defeat its competition because it’s just so much more healthy. Then they can do all their smart stuff side better. Okay?

Allison: I do have a couple questions that I neglected and I apologize. So this is kind of new to me being on a webinar too. Sweet Leanne, I apologize to you because you were answering his questions at the beginning and I didn’t see them. Lisa has a question, her question is, is it possible or even a good idea for the entire team to be the leadership team if it’s a small team?

Michael: Absolutely. If it’s a small team or if it’s a small company, is that what you meant?

Allison: Yes. Like a dental practice with only six people.

Michael: Yeah. Otherwise you’re trying to build layers into something that doesn’t need layers at all. Yeah.

Allison: Okay, perfect.

Michael: Some of the dental practices I’ve worked with are larger. They have multiple sites and all that kind of business. But no, no, I

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have a lot of organizations that I work with that are very small and there may be only five or six people in the entire company. Absolutely, there's your leadership team. That's fine. You can have that as the leadership team and there's no problems with that at all.

Allison: Okay.

Michael: Otherwise, it would look kind of weird.

Allison: Yeah.

Michael: You'd have like four people on the leadership team and one minion who just kind of has to let everybody boss them around. So that's how that works. Does that answer that question? I hope it does.

Allison: I think it does. I can speak for Lisa. I think some of us, I know Leanne is connected by phone too and I think Linda and Lisa both, both of these people asked questions but I can't see them on the phone so they're only on the webinar. So anyway, Linda and Lisa I apologize because I know you asked these a little while ago.

Linda's question is how does micromanagement affect a practice besides disempowering the team? She's dealing with it right now with one of her client's offices and the micromanager believes he is helping but he is harming the process.

Michael: Yeah, micromanaging. I want to make sure we have the same definition. When I think of micromanagement I think of a leader or a supervisor, a manager, who kind of over checks and doesn't demonstrate the faith that the person will actually get something done so they kind of creep in there and kind of watch it and "Did you get this done? Okay, good. How about this? And how about this?" Checking and checking and

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checking. I'm assuming that's what we're talking about when we're talking about micromanaging.

Allison: That's my belief.

Michael: What was the question about micromanagement then?

Allison: How does it affect the practice? Besides—she's saying she knows it disempowers the team but how else does it affect the practice because she knows this guy and he's trying to help but he's harming the process but she wants to know what exactly is that doing by micromanaging? How is it affecting the practice?

Michael: Right. I think it's part of what you were talking about when you said it disempowers people. The other problem with micromanagement is that it communicates so much to the employee. One of the things it communicates is that I don't have faith in you. Otherwise I wouldn't be checking you. If I had faith in you, I wouldn't be checking you so much. That's not a good message to send. You don't want people taking that message out there. You don't want people feeling that way.

The other thing is sometimes the micromanager doesn't realize that they don't have the biggest brain in the room. So sometimes the reason that people maybe do a process a certain way is because they've tried several other things and they're pretty intimate with what's going on with that process so they make a decision. If the manager comes in and starts to micromanage, then they're also demonstrating to those employees that your ideas don't make any difference to me and because I'm your boss I'm clearly the smartest of all of us.

It doesn't breed people's creativity because one, people will get in the way of creativity and innovation and all these other things that are so critical for an organization these days. So when I've done some coaching, I've done coaching with people who have

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a real problem with micromanagement, I ask them, and I don't know if this is possible for you to ask that person this question, but the question I like to ask is, "What is it about this approach, how is it helpful to you? Tell me what it is—what happened in the past in your career, in your life, that makes this so precious to you to do that?"

Now in order for them to really answer that question, they actually have to admit verbally that they actually do micromanage. And micromanaging is kind of a cousin to being unable to delegate. Not delegating things to people who could really do them is another way of communicating your lack of trust and confidence in their work. So there's a myriad of things but all you can really do is try to find out what makes that so useful to you is a good question. Does that help a little bit?

Allison: Mm-hmm. Lisa typed me back and said yes you answered her question about the entire team being a leadership team. Okay.

Michael: I just wanted sure that those people who kind of wanted to follow up on some of this can. And they can also send us an email and we'll put you on our newsletter list. We have a newsletter that comes out about every two months, two or three months that talks about this stuff in depth. People love it. They really love it because it's kind of like real kind of ground level practical stuff that we run into all the time when we're out there consulting. It's called "Thoughts from the Field." I'd be happy to sign anybody up, they just need to give me their email address and then we'd be good to go.

Allison: Okay, all right, perfect.

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