STRAYER CONSULTING GROUP

Influence Without Authority

"Increase your personal and organizational effectiveness"

Kauffman Fellows Program
New York City
October 2012

Influence Without Authority Goals

- Understand why Influence matters and how it plays a role in your long term individual and firm successes.
- Identify situations where your Influence significantly impacts your results.
  - Multiple daily opportunities for leadership in ambiguous situations.
  - In firm, on boards, in portfolio companies, in syndicates and larger ecosystem.
- Experience how to apply Influence principles and strategies to improve intended outcomes.

Law of Reciprocity; Exchanges

- All behavior is basically an exchange
  - Benefits > Cost
  - Expect payment for what we do
- Expectation of reciprocity makes influence possible
- Must be ~equivalent over time or hard feelings will result
  - Expectations must be met!

- Paybacks: currency & timing may vary...
  - Can be paid back later, not necessarily immediate
  - By other, by organization, by self
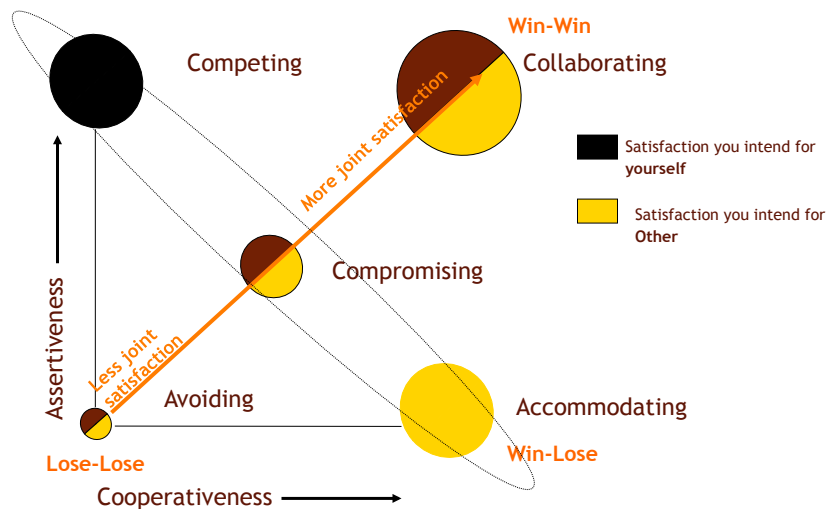
Influence without Authority Model
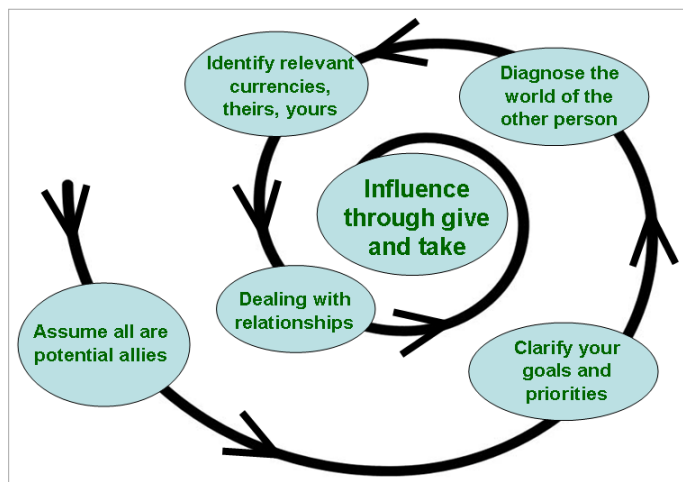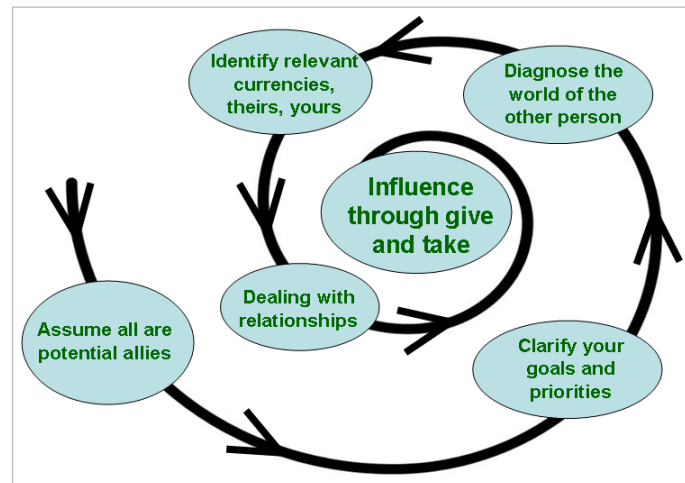
TKI Conflict-Handling Modes
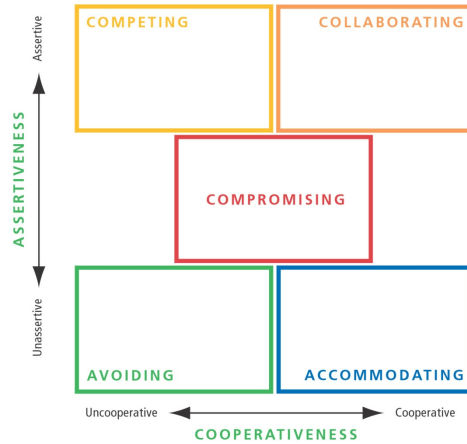
Conflict: <u>any situation </u>in which <u>your concerns or desires </u>**differ** from those of another person.

RM-5

Friend or Foe: Depends on where you sit...

Influence without Authority Model

Identify relevant currencies, theirs, yours

Diagnose the world of the other person

Influence through give and take

Dealing with relationships

Assume all are potential allies

Clarify your goals and priorities

Types of Exchanges

- Tangibles
  - Goods: Budget increases, new equipment, additional headcount
  - Services: Faster response time, more information, public support
- Intangibles
  - Sentiments: giving credit to others, trust, obligation, advice, gratitude, granting of authority, confidence of others

Establishing Exchange Rates

- Issue: Both parties must see exchange as equitable

- Critical to understand what is important to others
  - Person, team, functional area or organization
  - *Self-awareness critical to other-awareness*

Organizational Currencies

- Task Related
  - New Resources, Assistance, Information, Cooperation, Rapid Information Response
- Position Related
  - Advancement, Recognition, Visibility, Reputation, Insiderness/ Importance
- Relationship Related
  - Understanding, Acceptance, Self-Concept
- Personal Related
  - Self-concept, Challenge/Learning, Ownership/Involvement, Gratitude, Contacts
- Inspiration Related
  - Vision, Excellence, Moral/Ethical Correctness

Case Study: Influence Through Exchange

- Clarify your goals and priorities (objectives of exchange)
  - What I want...
- Diagnose ally's world: goals, concerns, needs
  - What they want...
- Assess your resources relative to ally's wants
  - Possible alignment? Achieve goal, reduce concern, meet nee.d
- Diagnose your relationship with ally
  - Based on previous exchanges and interactions.
- Determine approach; make exchanges
  - May be multiple loops or transactions.

Influence without Authority Model
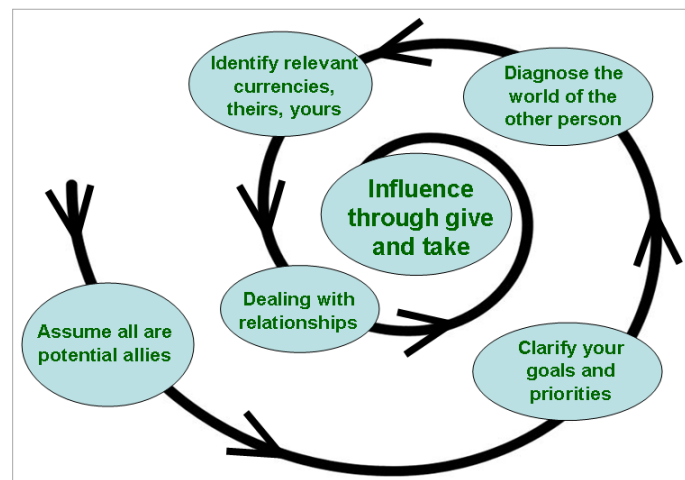
Ways People Lose Influence

- Unclear about their own goals and priorities
- Don't understand the **world of the other**
- Don't inquire as to goals/pressures/concerns of the other
- Stereotype the other as uncooperative
- Underestimate or unilaterally discount one's own currencies
- Emphasize "How this meets my goals" and ignore "How it can meet yours"

Negative Attribution Cycle

Negative Feelings

Avoid person
(so not direct data)

Inability to influence

Need explanation,
impute negative motives
And personality attributes

Assume personality unchangeable

Test in accusatory way
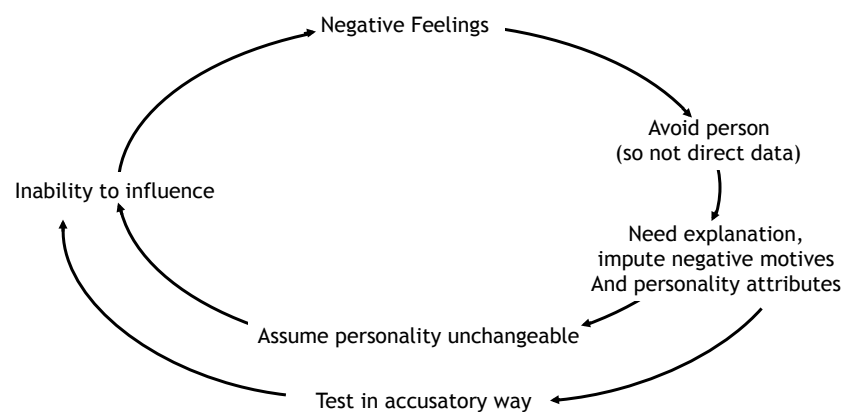
Appendix

Exchange Occupancies

- Between supervisors and employees
- Employees (all levels) and peers
- Peer employee direct reports
- Peer employee management
- Between functions and organizations
  - At the venture firm:
- Between partners and principals, analysts, staff
- With entrepreneurs, fellow board members, and LPs
  - At home:
- With and in our families, friends, and communities

Organizational Currencies

- Task Related
  - **New Resources:** Lending or giving money, budget increases, personnel, space, and so forth.
  - **Assistance:** Helping with existing projects or undertaking unwanted tasks.
  - **Information:** Providing organizational as well as technical knowledge or information.
  - **Cooperation:** Giving task support, providing fast response time, approving a project or aiding implementation.
  - **Rapid Information Response:** Providing needed information or responding to requests on or before requested deadline.

Organizational Currencies

- Position Related
  - **Advancement:** Giving a task or assignment that can aid in promotion.
  - **Recognition:** Acknowledging effort, accomplishment, or abilities.
  - **Visibility:** Providing a chance to be known by higher-ups or significant others in the organization.
  - **Reputation:** Enhancing the way a person is seen.
  - **Insiderness/Importance:** Offering a sense of importance, of "belonging."

Organizational Currencies

- Relationship Related
  - **Understanding:** Listening to others' concerns and issues.

  - **Acceptance:** Providing closeness and friendship.

  - **Self-Concept:** Affirming one's values, self-esteem and identity.

Organizational Currencies

- Personal Related
  - **Self-concept:** Affirming one's values, self-esteem, and identity.
  - **Challenge/Learning:** Sharing tasks that increase skills and abilities.
  - **Ownership/Involvement:** Letting others have ownership and influence.
  - **Gratitude:** Expressing appreciation or indebtedness.
  - **Contacts:** Providing opportunity to link with others.

Organizational Currencies

- Inspiration Related

  - **Vision:** Being involved in a task that has larger significance for the unit, organization, customers, or society.

  - **Excellence:** Having a chance to do important things really well.

  - **Moral/Ethical Correctness:** Doing what is "right" by a higher standard than efficiency.

Delivering and Receiving Feedback

Intent   →   *Behavior*   →   *Consequence*
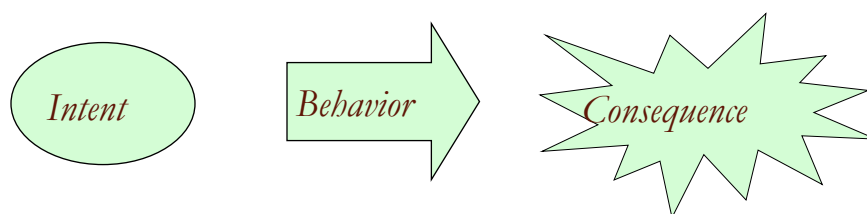
what I know   what we know   what you know

Consulting Guidelines
for working with Colleagues

- Vent
  - ❑ Encourage your partner to express his or her feelings about the data. They may be surprised (better or worse than they expected), disappointed, hurt or even angry.
  - ❑ Regardless, it is important for them to verbalize their feelings. Doing so will make it easier to rationally look at the feedback.
- Listen
  - ❑ Whether or not your partner agrees with the feedback or not, ask the to "listen" to the feedback by putting themselves in their colleagues place. Why might people interpret his or her behaviors in this manner?
  - ❑ Remember the "intent, behavior, consequence" feedback model. Our colleagues intents may not be understood.
- Themes
  - ❑ Help our colleague find the themes in his or her feedback. Develop two or three positive themes and two or three negative themes. Developing themes will make action planning easier.
- Action Plan
  - ❑Action   Who can provide help or information?   When?

Network Map Analysis

A Typical Network

Manager's Peers
These are individuals you must influence who, relative to your position, are "higher" on the organization chart.

Direct Report Peers
These are individuals you must influence who, relative to your position, are "lower" on the organization chart.

Supplier Peers
These are individuals in the organization you rely on to provide you a service or product in order to get your tasks accomplished.

Customer Peers
These are individuals who rely on you for a product or service in order to accomplish their tasks.

Develop Your Network Map

- Consider your current network of colleagues at your firm (partners, principals, analysts, other staff).
- Add individuals from your portfolio companies, board relationships, syndicates, other firms, the larger ecosystem.
  - Put yourself at the center, add others...
  - Size of circle is relative to importance of relationship.
  - Distance from you indicates strength of relationship.
  - Mark line with trend indicator (+/-, ↑↓)
- Start to think about where there holes in map, relationships that need investment.

Strategic Analysis

Importance Key

Relationship

Critical = we absolutely need them to achieve our mission

Importance = we need them to achieve our mission (though we might be able to get the job done without their participation)

Moderately Important = we need them but could probably accomplish our mission without their service or product.

Excellent = Strong mutual influence between teams producing win-win outcomes for both strategic partners

Good = Generally mutually influencible. Generally produce win-win.

Fair to Poor = One department's needs generally met at the expense of win-win. Not getting the service or cooperation needed to be optimally successful. Poor: Exchanges minimal and characterized by win-lose.

Importance of the Relationship

	Critical	Important	Moderate
State of the Relationship — Excellent / Good		C - E	M - F
Fair / Poor		C - F	M - E

Critical-Excellent (C-E)	Important to maintain solid relationships. Likely there is strong cooperation and optimal impact.
Critical-Fair (C-F)	"Imperative" to improve relationship and increase mutual influence. Possible negative attribution cycle in play.
Moderate- Fair (M-F)	While would be nice to improve relationship, effort should not be under- taken until critical stakeholders relationship is at desired level.
Moderate-Excellent (M-E)	While important to maintain good relationship, need to examine possibility of sub optimization. That is spending and effort with this stakeholder at potential expense of stakeholder in critical-fair quadrant.

Exchange Grid

Our Team

Gain — *Cost*

What we need	What we need to provide
What our Partner needs	What our partner needs to provide

Our Partner's Team