



## *Section 4*

# RESPONSIBILITIES

In order to achieve the company's goals, people must accept and execute responsibilities: **timeless and universal expressions of areas of ownership**. Unlike goals, responsibilities are not time-bound. As long as a person holds a responsibility, they can never "finish" it. **Responsibilities are designed and assigned such that if everyone executes their responsibilities well the organization will achieve its goals and ultimately its purpose.**

To use a sports example, a football team may have a goal of making the playoffs this season (time-bound and specific). In order for the team to achieve the goal, each person on the team must accept responsibilities such as coaching and mentoring players, developing defensive strategies, and being an excellent quarterback (timeless and universal). When people play those positions well, the team wins and gets to the championship.

Responsibilities are assigned to people based on what each person finds meaningful and attractive (their **passion**) and what they improve at fastest with practice (their **talent**), in a way that is accretive to the organization's goal. A good quarterback will not make a good running back, and a good running back will not make a good coach. An individual's responsibilities must play to their strengths i.e. their passion and talent. This is called **designing for people**: getting the best from people who are the best at what they do.

Some people play critical **leverage roles** i.e. they do not own responsibilities per se but help the ultimate responsibility owner execute the responsibility excellently in specific, defined ways. Support functions (e.g. Finance, Chief of Staff) are often designed in this way.

The company's goals and designing for people result in the following responsibility structure. It's useful to think first about **content-related responsibilities** (specific to particular functions or roles and requiring specialized knowledge or skills to execute well):

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**CONTENT DEVELOPED WORKING WITH ACME CORP.**

<b>ROLE</b>	<b>CONTENT RESPONSIBILITIES</b>
<b>CEO</b>	<ul style="list-style-type: none"> <li>● Ensure excellent performance of the company overall</li> <li>● Complete M&amp;A deals in timely manner with optimal financing</li> <li>● Ensure excellent investor relations</li> <li>● Ensure excellent company operations</li> <li>● Be the ultimate point of escalation for all material issues</li> </ul>
<b>COO</b>	<ul style="list-style-type: none"> <li>● Operate and evolve an excellent “management machine” to help senior team carry out management responsibilities</li> <li>● Leverage CEO in the following responsibilities: <ul style="list-style-type: none"> <li>● Ensure excellent performance of the company overall</li> <li>● Complete M&amp;A deals</li> <li>● Maintain excellent company operations</li> </ul> </li> </ul>
<b>CFO</b>	<ul style="list-style-type: none"> <li>● Ensure excellent financial management of the company, including financial planning, reporting, budgets, forecasts, and accounting</li> <li>● Leverage CEO in the following responsibilities: <ul style="list-style-type: none"> <li>● Obtain capital for M&amp;A, including maintaining strong banking relationships</li> <li>● Ensure excellent investor relations, including effective and timely regulatory filings and company reports</li> </ul> </li> </ul>
<b>GENERAL COUNSEL</b>	<ul style="list-style-type: none"> <li>● General Counsel responsibilities in strategic and tactical legal matters</li> </ul>
<b>CHANNEL EVPs</b>	<ul style="list-style-type: none"> <li>● Ensure excellent performance and drive sales of individual channels in order to deliver organic growth and profitability</li> <li>● Develop and maintain superlative relationships with retailers, partners, and critical brand ambassadors</li> <li>● Drive marketing and demand creation for brands</li> </ul>

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### A Note on Playing to Win and Designing for People:

There is often a conflict between the best person doing the work, and building an organization that can scale and operate effectively. Everyone has a different mix of talents, and it is rare that one person has all the talents required to achieve their goals. This means that someone who holds a responsibility must always be aware of their circumstances (i.e. see the field) and make sure that work gets to the person who can do it best (i.e. pass the ball). Responsibility owners who achieve big goals operate this way. Responsibility owners who fail will typically judge their situation poorly, and / or fail to ask the best person to help solve a problem.

For example, the current company organization design requires Channel EVPs to “develop and maintain superlative relationships with retailers...” At the same time, it is often the case that a CEO, due to their position and talent, will be the best relationship manager. The ultimate goal is for the company to win by achieving purposeful goals. A Channel EVP will fulfill their responsibilities excellently when they accurately judge that a relationship may be better developed by the CEO, or that a particularly sensitive relationship would be better maintained by the CEO.

In addition to the above content responsibilities, each person who is a manager has a set of management responsibilities i.e. responsibilities that help the people they manage achieve their responsibilities through continuously improving performance. Management responsibilities are the same for every manager:

ROLE	MANAGEMENT RESPONSIBILITIES
<p><b>PEOPLE MANAGERS</b></p>	<ul style="list-style-type: none"> <li>● <b>Design</b> - Create an organization, responsibility structure and operating system that achieves your goals</li> <li>● <b>Employ</b> – Put the right people in the right jobs within the design</li> <li>● <b>Clarify</b> – Ensure standards and expectations are constantly clarified and people understand their role in mistakes</li> <li>● <b>Diagnose</b> – Understand the cause of bad outcomes in order to improve designs or change employ</li> </ul>