



# Guttman Insights

June 2021

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In this issue, Risa Cretella, Sovos Brands' EVP and Group GM for Dinners and Sauces, serves up insights on competitive advantage, the challenges posed by COVID-19, high-performance teams, and how-to-succeed advice to women. Howard M. Guttman "thin slices" the trust issue to help you determine whether or not you have a trust feast or famine in your organization. And we're going video: watch and listen as Howard goes beyond all the buzz to realistically address employee engagement.

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## Leader's Corner: Risa Cretella — Serving up High Performance at Sovos

### How do you set priorities, which is a chronic challenge for entrepreneurial companies?

At Sovos, our mission of “delicious food for joyful living” comes to life through our one-of-a-kind brands, which have authentic origin stories, honest ingredients, and delicious taste. The center of gravity for our mission is product quality – making sure that we never compromise on our quality standards. Product quality is our top priority, and everything we do supports that.

### What about maximizing ROI within a fixed-resource environment?

Our greatest asset is our people, and key to maximizing the impact of our people is being highly organized around strategic priorities and being clear about who are the right people to make decisions. Although Sovos is highly collaborative and cross-functional, we are not reliant on consensus to make decisions. For example, we are disciplined about ensuring that meetings are highly efficient by including the fewest number of people needed to drive and arrive at decisions.

### How do you establish competitive differentiation in food segments that are highly competitive and have great product proliferation?

All of our brands have clear points of differentiation, which drive consumer appeal and create competitive advantage in the marketplace. Our brands have the strongest consumer loyalty in their respective categories, which is the result of our uncompromising commitment to superior quality. It's also important to stay true to a brand's legacy and avoid the temptation to extend the brand into territories that aren't authentic to its core equity.

### How do you influence your retailers?

In building strong partnerships with retailers, it's critical to speak their language: to understand the key metrics against which they measure performance. In addition to having a deep understanding of our brands' consumers, we also must leverage shopper insights because the consumer and the shopper aren't always the same person. Specific to our brands, because of their premium positioning, we must ensure that retailers recognize the role of our products in the category and align with them on a pricing-and-promotion strategy that supports the overall brand strategy and equity.

### How has COVID-19 affected consumer behavior toward your brands?

The macro consumer dynamic in 2020 was a significant increase in at-home food consumption and a corresponding decline in away-from-home consumption, driven by restaurant closures, travel restrictions, and even having lunches at home instead of at schools or in offices. Sovos' brands had especially strong appeal during the COVID-19 period because the high-quality, premium nature of our products made them a great substitute for the away-from-home experience. Millions of new consumers discovered our products for the first time and have stayed as buyers in our brand franchise – continuing to repeat and demonstrate loyalty in 2021.

### How has COVID-19 changed the way you lead?

COVID-19 has reinforced the importance of core leadership skills, including active listening, empathy, and, most importantly, assertively leaning into challenging conversations. It's become more important than ever to courageously confront the uncomfortable and call out issues in the moment. As a leader, you need to say to your team, "Hey, we have this issue, problem, or opportunity, and we need to confront it and not back down." Role-modeling GDS's high-performance team behavior has never been more important.

### What were the issues that led you to undertake GDS's HPT journey?

HPT is at the core of Sovos' guiding principles, reinforced by Todd Lachman's (Sovos Brands' founder & CEO) commitment to the HPT model over the last two decades of his career. In the three years since I joined the company, the Rao's Homemade business has experienced incredible growth. With this consistent growth comes continual change in the business, which requires adopting new behaviors and working in new ways. The GDS Team Development Wheel is a very helpful tool to assess the state of the team in the HPT journey and identify opportunities to recalibrate. In a steady-state business, where the environment and players don't change much, a team can stay in Quadrant 3 or 4 for a while; operating in a fast-paced, high-growth environment requires more tune-ups to stay organized (Quadrant 3) and high performing (Quadrant 4).

### What were the one or two agenda items relating to changing your team's behavior?

One item involved moving the team away from the notion that consensus is always required and, instead, identifying the right person or people to make each decision. Secondly, we have focused on embracing conflict and challenges to ensure that we work toward achieving the right outcomes for the business. Finally, our matrix structure enables strong peer-to-peer and cross-functional interactions to tackle and resolve tough issues, rather than defaulting to the leader to drive discussions and decisions from the top.

### What about issues related to the way you lead?

Committing to the HPT journey has really furthered my leadership development and impact – particularly in terms of holding myself accountable and my teams responsible for leaning into conflict and communicating with candor in the moment. HPT has limited patience for internal politics that get in the way of delivering great outcomes to all of our key stakeholders.

### How did the HPT process unfold on your team?

We started the process in the summer of 2018, with an initial team-alignment session, followed by periodic "tune-ups," or resets, and skill-building sessions: assertion, influencing, conflict management, and priority setting. These have taken place every six months for the past three years. We have a GDS coach who gives additional support to me and my team. We also have moved the HPT process to all levels in my organization.

### If I were a fly on the wall observing your behavior, what would I see that tells me, "Yep, Risa has become more accountable?"

You would see that I hold each of my peers accountable in the moment, drive powerful cross-functional interactions, and demonstrate accountability for enterprise-wide matters and not those just limited to the business segment that I run.

### And the changes to your team?

The team now is role-modeling HPT, tenaciously helping to drive a challenge culture at Sovos. The real indicator of this commitment to HPT is the tremendous business results. It would have been impossible to deliver our breakthrough growth on Rao's over the past three years without consistently demonstrating HPT behaviors each and every day.

### What's the impact of having a CEO who "gets it" regarding the horizontal, high-performance way of working?

When Todd [Lachman] selected his team, he put great emphasis on ensuring that each of us was inherently HPT-minded and could embrace and role-model HPT behaviors. If everyone who starts at Sovos is fully committed to driving HPT, it establishes a culture that is difficult to shake. It's no coincidence that we have had tremendous employee engagement and retention, especially during the past year. People feel a common linkage around values and expectations.

### What advice would you give young women who are starting out in business on how to make their mark?

Be unapologetic. Be who you are. This takes confidence, which is often hard for women and minorities. When you look or sound different from almost everyone else in the room, you are conspicuous. That can make you self-conscious, which you are tempted to compensate for by assimilating. When I stop being authentic, I lose confidence. I'm less willing to take risks and less likely to speak up. I'm not giving the best of myself and my creativity. At Sovos, I can be truly authentic, and this has made me a stronger, more impactful leader.

### If you had to "do HPT" over again, would you?

Absolutely! HPT keeps the kinetic energy flowing. It is based on the underlying notion of continuous, constructive dissatisfaction. The GDS Team Development Wheel is one of my most useful tools. If you're sitting for too long in Quadrant 3 or 4, which is pretty close to perfection as a team, shame on you! It means that you're not growing. Progress comes from setbacks and from confronting issues. HPT enables you to get through the obstacles and come out stronger on the other side. 🍷

### If I Were You:

## The Trust Deficit

by Howard M. Guttman

"In God we trust. Everyone else pays cash." I know It's not exactly a warm and fuzzy message to give customers at a local grocery store, but you can understand the wary sentiment. Now, imagine an organization in which widespread distrust were the norm. It would create a kind of dystopian workplace, in which people focused on looking backward to protect their rears rather than ahead at customers, competitors, strategy, and business operations. Remember Lot's wife? Many studies over the years have shown how a pervasive lack of trust can freeze an organization's vitality and creativity.

If I were you, I'd pay careful attention to trust as a business issue. Especially today, there is a proliferation of trustbusters: virtual rather than "real" social interaction, concerns about health and safety in the workplace, job insecurity, and the evolving hybrid organization. Not surprisingly, according to the 2020 Edelman Trust Barometer survey of 33,000 people in 28 countries, none of the four societal institutions mentioned in the study—government, business, NGOs, and media—are trusted.

"Trust" is one of those ambiguous words subject to almost infinite permutations. I believe that the best way to gauge the trustworthiness of colleagues is to "thin slice" it into four components:

- Are you confident that someone is **capable**? That is, does the person have the ability and skills to get the job done?
- Is the individual **accountable**? In other words, does the individual follow through on commitments?
- Is the individual **authentic**? Put differently, is the individual honest and a truth teller?
- Is the individual **at stake** for others? Does the individual have "my back" and is he or she committed to my success?

We're currently working with a consumer-products company that is about to undergo major organizational changes. Unfortunately, the senior team has not clearly and consistently explained the what, why, and how of the changes. Managers down through the organization are asking what the leaders are hiding. There is a growing feeling that senior executives are playing dodgeball with the truth. They're giving mixed messages, and as a result engagement has hit rock bottom; underground behavior is rampant; everyone is grousing about the senior team; and productivity has taken a nosedive. It's what you'd expect when there is a trust deficit.

Trust deficits are corrosive, as this organization has discovered. Without trust, people might play along, but they will not be "all in." They will not be fully committed to the success of the enterprise. If you suspect a trust deficit in your organization, I suggest that you begin to address it by being open, candid, and vulnerable. For example, in the above organization, I recommended that the senior leaders have clear, empathetic, honest conversations with the next levels, saying, "I'm concerned. I know everyone has gone through difficult times. I want to make sure that you're okay, and I want to get your honest feedback regarding how you're feeling. I would also value your recommendations as to what, in hindsight, I should have done differently."

Neutrality and non-defensiveness in such moments of truth are absolutely critical! This will let everyone know that it's possible to be authentic and transparent with leaders without "getting shot" and that rebuilding trust is not just lip-service.

When I reflect on truly great, trusted leaders, they all share a common characteristic—**authenticity**. They are real, down to earth, and comfortable expressing what they're feeling. They play it straight—and are perceived by everyone in the organization as doing so. There's no attempt to pull wool over eyes. If they can't tell it like it is for reasons of confidentiality, they'll say so without the contortions.

One such leader we know heads a major division of a global pharmaceutical company that's facing all the challenges you'd expect in today's environment. He's honest and forthright about the challenges, highlights his concerns and the needs of the company, explains what part everyone has to play to remain competitive, and takes time to solicit input. His colleagues have been disarmed – and powered up.

Trust is baked into the ethos of high-performing teams. It's both an admission price for being a member of a high-performing team and an output of team performance. If you're on a high-performing team, you presume trust. You are paid to trust. It's a given. Your going-in assumption is that colleagues are at stake for you. If you have a trust doubt with someone, then, as a high-performing player, you need to have a candid conversation with that individual to clear the air. The presumption of trust is reinforced by the 8 attributes of high-performance teams and the protocols that govern individual and team behavior and decision making.

My wife, Jackie, who is also GDS's CEO, likes to remind me that "when people show you who they are, believe them." It's what makes trust deficits so tough to repair. You might get a second chance to show people who you truly are, but turning around distrust takes thoughtful action on all four components of trust mentioned earlier and making sure, "Never again!" If I were you, I'd safeguard trust as a most precious strategic asset never to be discarded by you or the organization that you lead. ●

# Increase Employee Engagement

by Howard M. Guttman

Employee engagement has become something of a hurrah term for consultants eager to unload employee surveys, diagnostics, training programs, sensitivity sessions, and an assortment of “interventions” on clients. Yet, although it is critical for the performance and well-being of every organization, for many leaders it remains an elusive objective. Spend two minutes with Howard’s video as he dissects this important issue so it can be measured, managed, and put to work in your organization 🎬

