

SAMPLE CHAPTER

Foreword by David Baszucki, Roblox Founder & CEO

IMPACT

How to Inspire, Align, and
Amplify Innovative Teams



KEITH V. LUCAS, PhD

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For Mia and her generation.

There is always time to build the future you want to see.
Just don't ask permission.

With special thanks to David Baszucki and Erik Cassel

who created the environment that unlocked my potential—twice!

In memory of Joseph P. Lucas, my first leadership role model.

He coached his team to greater mastery, helped them
build careers, had their backs, put in the work, led with
urgency and integrity, and acted with decency.

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PREFACE

Roblox is a social platform for user-created games and virtual experiences, and in early 2012, it faced a crisis. Its revenue growth had suddenly slowed compared to its player growth, and the trend lines were diverging to a worrisome degree. I was senior vice president of engineering & operations at the time. This was not the first challenge Roblox had faced, nor was it the first time I had worked alongside its CEO and his cofounder. But the crisis of 2012 was sobering. More Roblox players—a good thing—meant more infrastructure, application monitoring, and human moderation. Scaling these costs without an accompanying growth in revenue would drain our cash reserves. And because Roblox was relatively small in 2012, the risk was company survival.

There were many potential explanations for these trends that were both in and out of our control. Maybe something in our game engine or web application was broken. Or perhaps existing players were losing interest, newer players were less willing to pay, or players were spending their money elsewhere. Or maybe players had less money to spend overall. Adding to the challenge, a few employees—including a recently hired executive—lost faith and left the company over the next year while we were working through ideas.

The revenue crisis was a challenging time, but it was also a transformative time. Why? Because the Roblox team rallied. While a few employees moved on, the vast majority leaned in, put in the work, and figured it out. And by the time the crisis passed, Roblox had not only realigned revenue and player growth but had also established a new critical piece of

its growth engine, leaving the company better poised for the future than ever before. Roblox rallied.

How did Roblox turn a crisis into an opportunity? There were a few key components. First, *we believed*. Roblox had a very meaningful role in players' lives, unlocking their creativity, expanding their friend circles, and delivering adventures made for the community by the community. For all these reasons, players loved Roblox. Second, *we focused*. From the top down, revenue was the one thing everyone worked on that year, aside from the necessary activities of scaling, content moderation, and bug fixes. Third, *we iterated*. We didn't wait to act until we had the "best idea," and we didn't let uncertainty about the success of each idea reduce our speed. Fourth, *we worked from first principles*, questioning every aspect of our product. And that ultimately led to the solution—a move away from early mainstays such as avatar clothing and club memberships to big new ideas that improved the quality and sophistication of virtual experiences. And finally, *we had fun*. The team's creativity and energy were infectious, and so was our shared belief in each other. We knew we would figure this out and that Roblox and its community would be better for it.

The revenue crisis was not a one-off. Roblox repeatedly turned crisis into opportunity, so much so that Roblox's first employee coined the term *crisitunity*. There were certainly outsized thinkers during this time, but valuable ideas came from passionate thinkers across the team, and the design and engineering that transformed creativity into product was a team sport. In short, Roblox didn't repeatedly convert crisis into opportunity—Roblox's people and culture did. And that combination was not an accident.

Roblox succeeded through multiple crises because its founding CEO was an expert team builder who invested in people and culture from the start. And that's what this book is about—the people and culture needed to create, innovate, and solve problems repeatedly and better over time. Team building is not rocket science, but it is not always obvious. This book is for all those leaders who have earned their roles through subject

matter expertise and innate leadership skills, and who now face the challenge of building and growing innovative teams.

During my tenure of almost ten years at Roblox, I contributed across the business with a focus on product and engineering, but my chief contribution was team building. I formed the first engineering pods (cross-functional teams) and insisted that each pod have a clear set of company-aligned vision, mission, strategy, and goals. I institutionalized the product team with a vision that product is a shared resource owned by founders, community, and employees. I held the line on hiring and retention to those most able to work as a team. And I operated by a set of values, along with my teammates, that contributed directly to our success.

My time at Roblox and more broadly my time over the years in startups, good and bad, helped me develop what I now understand to be my life's passion—empowering people to get things done together, to focus on what matters, to create and innovate, and to have impact.

What we can do alone pales in comparison to what we can achieve together, but a raw ability to get things done is not enough. *How* teams get things done is critical to enduring success. That how is a team's people and culture. It is a vision and mission that inspire and focus, shared values that drive urgency and ownership, a commitment to mastery that elevates skill, a leveraging of autonomy that maximizes brainpower and horsepower, and a team of compelling peers who fuel personal growth. The behaviors a team cultivates and the people it hires, develops, and retains are what transform a group of talented individuals into a self-actualizing, high-impact team.

The learnings in this book span my career, from PhD student to my tenures at Knowledge Revolution, Roblox, and Instrumental. They also span the other companies I've worked with as an engineer in the tumultuous aftermath of the 2000 dot-com bust and more recently as a startup advisor. And they include what I learned as a public policy student.

A high-impact creative culture takes thoughtfulness, commitment, and design. I have been part of successes and failures, and I've learned tremendously from both. As a leader, I've made mistakes, and I've had

moments of fulfilling competence. The common thread through it all has been my commitment to the missions and people I've served and my passion for building high-impact, creative teams that unlock potential. I'm excited to share with you what I've learned and developed along the way.

INTRODUCTION

At one point in my career, I had reached an unexpected inflection point. I had amassed expertise in my field and developed skills in my craft. And along the way, I had accumulated a series of achievements based on this experience and my innate ability to lead. As a result, I had developed a reputation for getting stuff done and improving anything I touched. It was thus not surprising that I was regularly asked to lead bigger teams and assume higher-impact roles—roles with broad consequences for people and mission. But I was hitting a leadership wall.

Like most leaders, I had started my journey as a player/coach, working directly in the trenches alongside those I led. That worked well for small teams, but it was not the right model for building larger ones, particularly in entrepreneurial settings. Indeed, it was counterproductive. Doubling down on intensity, hands-on management, and personal heroics does not foster the broad-based creativity, innovation, and problem-solving that's critical to disrupting the status quo. I was trying to improve team performance as if I were throwing everyone on a bus and hitting the accelerator harder and harder. But the bus didn't move faster, and people wanted off.

To foster teamwide innovation, I instead had to level up my mindset and skill set. I not only had to let the team hold the steering wheel with me, but I also had to figure out how to do that while maintaining focus, momentum, and urgency. This meant transitioning my leadership from tactics to a systematic approach to people and teams. I ultimately succeeded, but only after initially failing—it is not always easy or intuitive to

make room for new success strategies when others have worked so well in the past, and it took some failure to see that my approach had to change.

It turns out that this inflection point is common. Many leaders today have earned their roles through subject matter expertise, a capacity for impact, and innate leadership skills—the high-impact engineer now leading a team, the innovative scientist building a research group, the volunteer turned executive director, and the founding startup executive. Subject matter proficiency and leadership intuition can initially take leaders far, but team performance ultimately hits a wall when leaders lack team-building expertise.

Entrepreneurial teamwork—collaborative disruptive creativity toward mission—is among the most impactful, rewarding, and fun things we can do together, but it is too often derailed by uninformed, misinformed, or just plain bad leadership. In my experience, there is a leadership chasm between player/coach and team builder, much like the market chasm that exists between early adopters and the mainstream.¹ The strategies that drive early success are not quite the same as those that work as teams and products grow, and not everyone crosses the chasm.

I wrote this book for leaders across this leadership chasm—from emerging leaders who want to embrace the road ahead with confidence and competence, to those in the trenches transforming from player/coaches into team builders, to those seasoned leaders on the chasm's other side questioning why their current team-building strategies aren't leading to higher performance.

This book helps leaders build engines of innovation in the behaviors they cultivate and the people they hire, develop, and retain—self-reinforcing systems that amplify and align creative effort to convert novel ideas into impact. This book also helps leaders avoid the common pitfalls of growing teams beyond a handful of people—diminished impact, lower productivity, culture dilution, disempowerment, focus loss, and hiring bursts followed by team-resetting layoffs. Leveraging my personal experience, I address all of this team building through a specific lens—the entrepreneurial team disrupting the status quo through sustained innovation.

Why This Book?

I wrote this book for entrepreneurial leaders—the founders, executives, and individuals building teams to disrupt the status quo. And while the setting of this book is the tech startup of my lived experiences, the lessons are applicable beyond that to a general group of entrepreneurial disruptors in business, science, politics, the arts, and community service.

This book is for all those leaders charged with building and growing high-performing innovative teams. The team may need to be built from scratch, in which case this book serves as a design framework for the road ahead. Or the team may already exist but is underperforming, in which case this book serves as a blueprint for transformation. If you want to build a team that follows convention, this book is overkill. But if you want to build a team that innovates repeatedly, this book will accelerate your ability to do so.

So why this book? First and foremost, I haven't seen entrepreneurial team culture well executed very often. Cultural issues too often dominate the day-to-day of teams, restricting growth—often without anyone realizing that culture is the cause. Here are some of the specific leadership misses I have seen firsthand, all addressed in this book.

- Regularly asking why people are unfocused, misaligned, or moving slowly instead of explicitly building, measuring, and refining a culture that advances mission.
- Playing house with vision, mission, and values—creating phrasing that works in abstract but does not provide a clear North Star or filter counterproductive people and ideas.
- Getting alignment (focus) wrong—not aligning (punching in all directions), misaligning (doing what seems important but not what matters), aggressively aligning (top-down mandates), not understanding what trust means, and viewing alignment as a bad word.

- Not pursuing mastery—not creating a culture of excellence, not practicing iterative improvement, not holding the line on quality, failing to understand the audience.
- Failing to unlock individuals—not coaching through growth or turnaround, not creating opportunities for growth, not leveraging personal purpose, misunderstanding mindsets.
- Hiring, promoting, and retaining the wrong people—not having clear values or success criteria, and not assessing or improperly assessing an individual's probability of success.
- Getting exiting wrong—moving too slowly, moving too quickly, acting too harshly, operating without a transparent and clear process, not experimenting with other roles when there is opportunity, and treating a performance assessment as an indictment.

The second reason for this book is that I believe it is missing in the content landscape, as large as that is. I love to learn. To develop my own leadership skills, I've subscribed to business journals, studied organizational design in policy school, read newsletters, listened to podcasts, and learned directly from people who inspire me. I've also read some great books about being an entrepreneur. They tell us how to motivate intrinsically (*Drive* by Daniel H. Pink), set goals (*Measure What Matters* by John Doerr), develop customers (*The Four Steps to the Epiphany* by Steve Blank), iterate (*The Lean Startup* by Eric Ries), do hard things (*The Hard Things About Hard Things* by Ben Horowitz), innovate (*Insight Out* by Tina Seelig), lead large teams (*Team of Teams* by General Stanley McChrystal), lead with purpose (*The Infinite Game* by Simon Sinek), and start from scratch (*Zero to One* by Peter Thiel).

Despite all of this learning, I did not find what I was looking for. I wanted an end-to-end systematic approach for building entrepreneurial teams. So in this book, I wrapped my arms broadly around entrepreneurial culture, from the team to the individual and from the CEO to the frontline contributor. I knew from experience that all the pieces reinforce each other, and I wanted to articulate how.

There was one other motivator for me when I thought about some of the conventional wisdom on entrepreneurship. There is a school of thought that entrepreneurial success comes down to the hard-charging founder or CEO with a brilliant product mind, and everyone else needs to just fall in line. There is, indeed, some truth to that, particularly because innovation often starts with the belief and impact of just one person. But society tends to overindex and extrapolate.

The best entrepreneurial leaders I have worked with are not solo innovators, although they might have started that way. Rather, they are masterful team builders, calling individuals to go beyond instructions to cocreate and co-innovate. These leaders consistently demonstrate significant personal strength as they lead teams through risks, crises, and change. The kind of strength needed to lead creative, autonomous, and masterful teams is not fear-based power but rather adherence to a code of conduct, a dedication to team and mission, a commitment to values, and persistence in the face of headwinds. It is the strength of personal code and character. The best entrepreneurial leaders I have known have led this way—as I have at my best. I hope this book helps entrepreneurs lead confidently with the kind of strength that builds enduring teams.

Entrepreneurial Teams

The setting for this book is the entrepreneurial team. So before discussing team building in depth, let's first clarify what entrepreneurial teams are and what they do.

The people on an entrepreneurial team commit to a shared mission toward a vision of the world they want to see. By definition, that mission is disruptive in some way—launching a brand, transforming a market, starting a movement, pursuing scientific discovery, or otherwise bucking the status quo. The work of disruption is inherently nonlinear. The path is unclear, the solution emerges over time through trial and error, and the journey is marked by risk. The work of disruption is therefore creative, requiring a mindset that weaves through established rules and norms to pursue change. To make a difference, disruptive teams must continuously

solve problems in order to transform creative ideas into measurable external impact. They must innovate.

Today, the term *entrepreneurial team* is often associated with tech startups, and for good reason. Consider the impact of just a few recent tech companies with entrepreneurial roots—Microsoft, Apple, Google, Meta, and Amazon in consumer and business internet infrastructure; Genentech, Illumina, and Moderna in biotech; Change.org, Benentech, GoFundMe, and Kiva in community services; Tesla and Beyond Meat in sustainability; and most recently, OpenAI and Anthropic in artificial intelligence. But entrepreneurial teams are doing much more than building technology. They are advancing science, assembling multidisciplinary teams around the globe to better understand our bodies, our world, and our stars. They are advancing policy as they build coalitions across the aisle and across oceans. They are advancing the well-being of communities through foundations and nongovernmental organizations, and building distributed teams of neighbors, employees, volunteers, and donors. And finally, entrepreneurial teams are leading the charge in business creation, from local shops to the global brands of tomorrow.

While the detailed work of entrepreneurial teams is specific to each team and its mission, there is a basic pattern. Creators get inspired by a world they want to see (their overarching vision). They develop their first hypothesis on how to realize that world (their product vision). They then search for an initial fit between a version of their product and an early market, a fit defined by strong connection and need (product market fit). These creators find this fit through a series of experiments, engaging directly with their audience and regularly iterating product and sometimes even vision.² And finally, for the growth-seeking, creators cross the chasm from early market fit to mass market through further experimentation and product iteration.³

This pattern is common among entrepreneurial teams. Facebook, Airbnb, and Uber all started with narrow offerings in features and geography, and then incorporated feedback from early customers iteratively and expanded their markets over time. Krispy Kreme started with a single

store, cut a hole in the wall so eager customers could buy hot donuts, and expanded locally, regionally, and beyond, all following demand.⁴ Political careers also follow this pattern. Politicians find an early fit with a core constituency who connect on message, values, and vision. They then expand this fit to broader geographies and constituencies by iteratively refining their narratives, and the best do so in a way that builds on their base. And science follows this pattern. Each new research professor must build a team of creative thinkers, rally and align those thinkers around a shared mission of independent projects, and iterate their work through successive papers. These labs ultimately find fit within their field in the relevance, impact, and validity of their work.

The patterns of entrepreneurial success suggest a few key ingredients—ingredients that must be part of any approach to entrepreneurial team building. First, *the time between product iterations is critical*. The first product experienced by an audience must be small, focused, and simple. If not, too much is invested before learning from the audience. It's the same for subsequent iterations. Second, *teams must unlock creativity and problem-solving to find fit* between product and early market. Third, *teams must harness distributed creativity and problem-solving to scale* through mass market growth. And fourth, *teams must ground their work in a vision of the world they want to see*, or products will become amalgams of tactical nice-to-haves rather than focused, high-impact must-haves. These ingredients are foundational to all that follow.

Before moving on, let's define a few terms used throughout this book. These are initial definitions that we'll revisit. *Creativity* is making something new from an internal vision, often unencumbered by the status quo. *Problem-solving* is overcoming challenges through the application of principles, creativity, systems thinking, and feedback loops. *Innovation* is the application of creativity and problem-solving in a coherent direction to realize substantive change; it is applied creativity much like engineering is applied physics. *Product* encapsulates anything you create in service of your audience, and your *audience* can be customers, clients, fans, constituents, investors, peers, or community. *Product market fit* is a critical mass of audi-

ence engagement, loyalty, and advocacy in a market segment that allows your product to grow within that segment much more easily than initially because it has become a necessity, not just a nice to have. It is the difference between starting a campfire (a combination of log selection, placement, kindling, ignition, and oxygen) and growing it (more logs and air).

What Great Entrepreneurial Teams Do Differently

Entrepreneurial teams vary broadly in their effectiveness. Some teams aren't very creative, either because they don't have a critical mass of creative thinkers (people) or because they are too tight operationally, stifling the creativity they have (culture). Healthy constraints such as deadlines, for example, often fuel creativity, but micromanagement generally constricts it. Other teams don't solve problems well, either because they lack the capacity for analysis and systems thinking (people) or lack follow-through, optimism, and focus (culture). Teams need agility to navigate uncertainty, but their long-term impact depends on the things they complete, not attempt. And still other teams fail to innovate, lacking one or more key skills needed to transform creative ideas into concrete action (people and culture). To innovate, teams must be adept at both the intriguing (product, strategy, and risk mitigation) and the mundane (details and tasks). But some teams are marvels, firing on all cylinders to have consistent impact toward mission.

Why are the marvels different? *High-performing entrepreneurial teams don't just innovate toward mission; they also create sustainable engines of innovation in the behaviors they cultivate and the people they hire, develop, and retain.* Companies such as Netflix, Airbnb, Spotify, and Pixar have been intentional in the ways they operate since their early days. Focusing on the work just ahead is, indeed, a critical survival tactic for startups, particularly in the early stages before audience and product traction. But focusing on what's next to the exclusion of building team capacity diminishes long-term impact. It makes repeated success too reliant on individual heroics rather than on a systematic mastery of collaborative creativity, innovation, and problem-solving.

Building Entrepreneurial Teams

Building a high-performing entrepreneurial team starts with a clear goal, one that doubles as a vision for team culture. That goal is *to amplify and align creative effort to convert novel ideas into audience impact*. Ultimately, teams that achieve this goal become sustainable engines of self-actualizing and self-organizing teamwork. Teams don't reach this goal all at once, nor do they sustain it without some ongoing tuning. But those that do bring much more energy and capacity to mission than their struggling peers.

Entrepreneurial team building calls leaders to create engines of innovation in the behaviors they cultivate and the people they hire, develop, and retain. The approach described in this book is a two-tiered framework that examines culture as a system and leadership as a discipline. Building on a foundation of intrinsic motivation, the first tier is a set of team-wide practices to drive focus, cultivate alignment, and unlock collective brainpower and horsepower. The second tier is a set of individual-centered practices to ensure the team hires, promotes, and retains those most likely to contribute to mission.

A Foundation of Intrinsic Motivation

Entrepreneurial impact starts with *intrinsic motivation*, described by Daniel Pink in his book *Drive: The Surprising Truth About What Motivates Us*.⁵ As Pink articulates, we each have the following:

- An innate desire for purpose, and with it, we are propelled to higher levels of effort, resilience, and performance than by carrots and sticks.
- An innate capacity for mastery, and we will put in the work to build expertise, given the time and space to do so and a cause that matters.
- An innate need for autonomy, and given the room, we can create, innovate, and problem solve better than through command and control.

Purpose is a sense of meaning driven by our actions. It is our place in the world because of how we contribute to it. Mastery is expertise in a subject area; mastery is interpreted broadly in this book as both what you do (craft) and how you do it (what it takes to be a masterful craftsman on a team). Autonomy is defined by Pink as control over task, time, technique, and team.

For context, think about a time when you worked on something you believed in, felt ownership in, and had the space to do it well. How empowering was that! Now think about the opposite—a time when the mission was uninspiring, your work was micromanaged, and the team's output was subpar. How demoralizing was that? No matter how well intentioned we are, we cannot perform at the same level in creative endeavors when intrinsic motivation is broken.

Intrinsic motivation is a key driver of entrepreneurial engagement and initiative. Purpose provides fuel and direction, mastery drives investment, and autonomy unlocks capacity. Beyond drive, intrinsic motivation also provides a basis for team culture in the *way* that humans engage with autonomy, mastery, and purpose. Purpose is *desired*, so we must inspire with a cause that pulls. Mastery is a *capacity*, so we must institutionalize and encourage it. And autonomy is a *need*, so we must give people the space to exercise it.

The Aligned Autonomy of Mission Athletes

This book builds on a foundation of intrinsic motivation to deliver an end-to-end operational system for entrepreneurial teams. The approach described is one I've developed throughout my career as a team builder and startup advisor. It can be summarized in a simple phrase that defines high-performance entrepreneurial culture—the *aligned autonomy of mission athletes*.

Autonomy is the organizing principal because only through autonomy can teams maximize the brainpower and horsepower applied to innovation and minimize the forces of soul-crushing bureaucracy. But while people need autonomy in order to unlock ownership and initiative, teams

need *aligned autonomy* to effectively pursue mission. Without alignment, too much is left for interpretation—even the most capable and well-intentioned teammates often differ on strategy and tactics, let alone problem definition. Unaligned teams punch in too many directions, and even if what they do is virtuous, their impact is diluted over time. Entrepreneurial success is the result of the continuous and focused impact that builds audience passion, not the inconsistent and diluted effort that builds forgettable utility.

The alignment entrepreneurial teams need must be enough to focus effort on mission, but not so much that it stifles creativity, innovation, and problem-solving. Alignment must therefore be a minimal set of ideas that drive productive focus while leaving space for initiative and action. This minimal set includes an inspiring purpose, values that guide behavior, a commitment to individual and team mastery, and a codeveloped set of strategies, metrics, and goals.

Aligned autonomy is necessary for high-performing entrepreneurial teams, but it is not sufficient. As any experienced leader will tell you, who you hire, promote, and retain is fundamental to team culture and performance. The people entrepreneurial teams need are mission athletes, individuals committed to a shared mission who, like athletes, seek continuous improvement in personal and team performance. The best athletes seek and incorporate feedback, measure themselves against benchmarks, embrace challenges, live by values, work by principles, and own their autonomy on the field. The same is true for the mission athletes who drive entrepreneurial success.

The rest of this book dives deeper into all these ideas, exploring what it takes to build high-performing entrepreneurial teams. Part I explores the teamwide culture of aligned autonomy, and part II is about mission athletes. Both parts matter—you must do both well. Building only for aligned autonomy blunts the team's collective force. Without well-designed recruiting, coaching, and exiting practices, teams fail to amplify the capacity of contributors and fail to protect the productive from the unproductive. Likewise, building only for mission athletes dilutes every-

one's contributions. Individuals may grow to higher levels of mastery, but without strong purpose and values, their collective effort is rudderless and frictional. Entrepreneurial teams need strong culture in both the team and its individuals. Now let's get started.

CHAPTER 9

Coach Out

The elements of culture described in this book work together to unlock intrinsically motivated contributors in common cause. In the last chapter, we discussed how these elements can also be viewed collectively as an economic system with incentives (opportunities, stature, rewards), signals (hires, promotions, exits), and governance (part I). This latter mental model also offers a helpful framing for people issues—market failures in an otherwise self-correcting system.

In the course of normal events, failures in individual behavior occur that require intervention to correct, and making those interventions swiftly is critical to the health of the overall system. Put simply, some people, wittingly or unwittingly, undermine both performance and performance culture. They must swiftly be coached to turn around or exit—*the productive must be protected from the disruptive in order for the team to thrive*. I refer to these people issues as market failures because intervention is required by the leaders responsible for building culture. Peers and direct reports cannot exit a struggling individual, though the more adept can coach upward.

While the mental model of market failure is helpful in understanding disruption and motivating a response, it lacks an idea critical to entre-

preneurial culture—that how you treat those who are struggling and how you exit those unable to course correct matter just as much as taking action to protect the environment. That how is the subject of this chapter, coaching out.

Coaching out is not a euphemism for firing someone but rather an approach that transitions organically from coaching growth to coaching a turnaround to asking an individual to leave. It applies the same set of principles throughout someone's progression regardless of trajectory. It includes honest feedback, human encouragement, objective assessment, and true opportunity for growth. Coaching out also helps conversations progress iteratively and thus without surprise, from athletic coaching to suggesting that someone does not belong on the team. And finally, coaching out instills confidence throughout the team that everyone is treated fairly, gets honest and clear feedback, and has authentic opportunity to respond.

The realization that unlocks effective coaching out is this: Coaching up (to greater mastery) and coaching out (turnarounds and exits) are on the same continuum. You do not cross a discrete boundary when transitioning from one to the other. Rather, you flow with the individual, following their progression to higher levels of mastery or to lower probabilities of future success. Along the way, you assess probability and coach, meeting each moment with what's needed—from coaching mastery, to coaching performance, to helping identify the right mission, role, and team for the individual beyond your team. At some point along the progression toward lower probabilities, you cross a threshold where the probability of success has diverged sufficiently from the possibility of it, and the transition of the person off the team becomes inevitable.

We'll begin this chapter with the building blocks of coaching out—key concepts to understand and frame actions. We'll then move on to the mechanics I developed at Roblox and have used ever since—a progression of conversations from athletic coaching to exiting. And finally, we'll discuss coaching out in practice, first covering some common mistakes and then reviewing some of the market failures common to entrepreneurial teams.

Building Blocks

The following ideas are foundational to the mechanics that follow in the next section, and they inform the practical discussions later in this chapter.

Understand Disruption

The impact on your team of someone who does not meet your success criteria is both real and nontrivial, and the person doesn't even have to be overtly distracting in order to disrupt. Consider figure 15, the example I use to explain this impact.

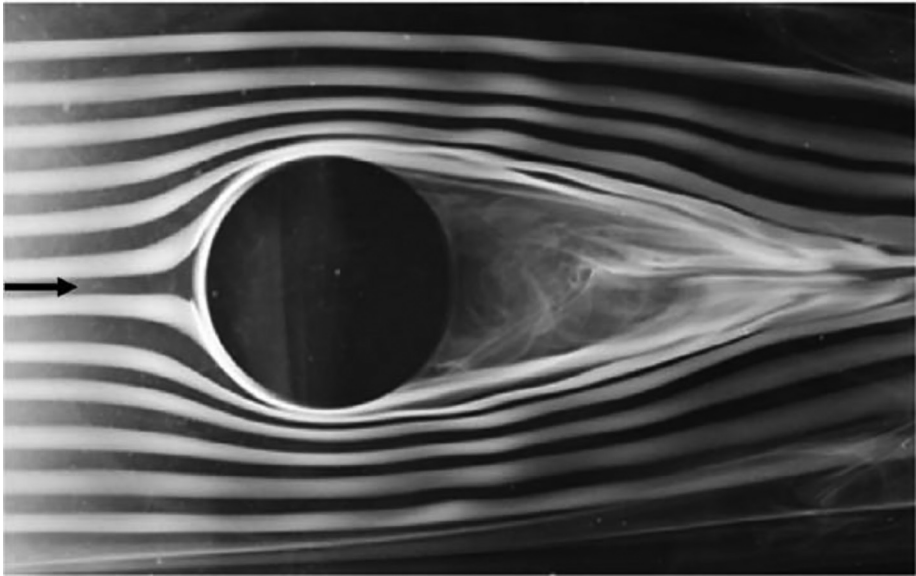


Figure 15: The Disruption of Flow Around a Cylinder⁹⁸

Figure 15 shows fluid flowing left to right around a cylinder. The cylinder is perpendicular to the image, and the dark circle is its cross section. The white lines are smoke trails emitted from the left. In this analogy, the cylinder represents someone not meeting the team's success criteria, and the smoke lines represent everyone else. There are three relevant observations.

1. The upstream flow has uniformly spaced smoke trails.
2. The smoke trails bend around the cylinder, compressing along the way.

3. The cylinder leaves turbulence in its wake.

The upstream flow represents the flow states that a high-performing team achieves in the absence of disruptors. The smoke is literally flowing smoothly like my creativity does when I'm "in a zone." These flow states include both micro flow (the flow of an individual over a day or week) and macro flow (the flow of a team over weeks and months).

When an individual does not meet baseline performance standards, others on the team route around the person, taking on their job—not out of malice but because the jobs need to get done. People who care route around issues, whether they are external or internal. That stresses the team because it compresses people's time and leads to collective lower performance—you cannot create, innovate, and solve problems well with disruption and stress. Adding to that stress, the disruptor leaves turbulence in their operating wake, leaving it to others to navigate and repair.

Most of the time, your team acts faster than you and routes around the disruptor. This routing is often your best canary in the coal mine, as it was for me repeatedly. And because culture is what you do, not what you say, the speed and mastery with which you remove this disruptor, either through coaching up or coaching out, will define the culture for everyone else. Have the challenging conversations, act with urgency, and protect the environment, and everyone else will do the same. Fail to do those things, and everyone will do that too.

Coach the Continuum

In this chapter's introduction, I asserted that coaching up and coaching out are on the same continuum. Figure 16 below presents a picture of that continuum. The left vertical axis is the look-forward assessment of an individual's *probability of success*, and the banded rows are annotated zones of the continuum. The dashed arrows depict various paths through the continuum, highlighting the coaching expectations and approaches that follow the individual's journey.

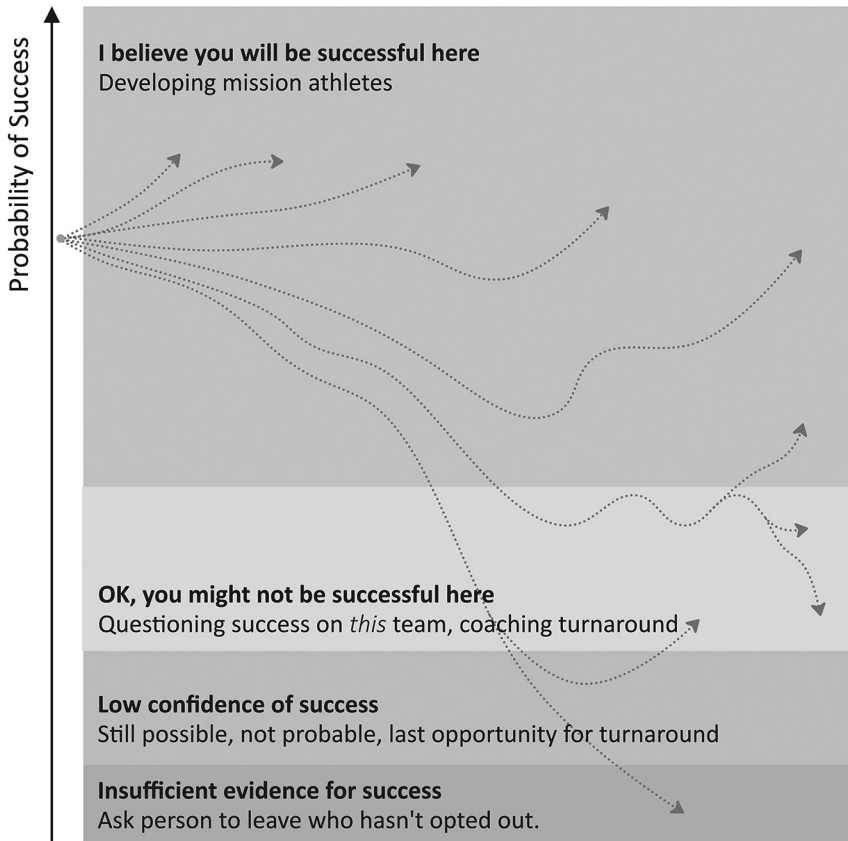


Figure 16: Coaching the Continuum

Let's start with the assumption that most people on your team are performing well and in the Green zone. People in this zone are coached toward greater mastery, as discussed in chapter 8, "Develop Mission Athletes." This coaching includes responding productively to both exciting wins and discouraging losses, and setting goals and tuning performance to ever higher mastery.

Assuming most people are in the Green is a good assumption if you're actively pursuing mastery in all three coaching jobs—recruiting, developing, and exiting. And the size of the Green band relative to the others is a rough benchmark of how well you are doing these jobs. To the extent

this zone is big, the system is healthy. But if your Green zone is relatively small, you are adding too many people or exiting too few who fail to meet the team's success criteria.

The Yellow zone contains people who have not improved with athletic coaching or have developed multiple areas of concern. In this zone you begin to question the individual's success on the team, shifting your effort to coaching a turnaround since mastery is not currently in the picture. Necessarily, you dive deeper into how the person operates in the hopes of identifying a root cause. It is always helpful to be transparent and direct, but here these values take on heavier weight. Both become increasingly difficult while also increasingly impactful.

For some individuals, their probability of success assessment dips below a critical level, beyond which you are mentally shifting to asking them to leave. My rule of thumb for this critical threshold is approximately 50 percent—somewhere between a 60 percent and 40 percent probability of future success it becomes hard to authentically claim there is still a chance for turnaround. This is the Orange zone, and most people do not turn around from here, though some will still surprise you. You must have a very direct and transparent conversation with the person at this critical moment or you risk increased surprise and friction down the road.

If your conversations have been sufficiently transparent, direct, and inquisitive, then there is a nontrivial chance that the individual will leave of their own accord, having also concluded that their probability of future success is too low. This is preferable for all involved because it means the individual has taken ownership of their path forward, hopefully as part of constructive growth. A voluntary exit also means a lower-stress transition for the team. Anyone who does not voluntarily leave enters the Red zone, and you are actively managing their exit to be as constructive as possible and to minimize a negative impact on the team.

It's an Assessment, Not an Indictment

More than a few people I've exited went on to outsized success somewhere else, working at marquee companies, joining hot startups that had terrific

success, becoming serial founders, and branching off successfully into entirely different industries. This never surprised me, even in my early days. I was lucky to intuitively understand that not being able to contribute to *my* team was a lot different from not being able to contribute to *any* team. That intuition became a foundational mindset in my approach to coaching turnarounds and exits.

While coaching someone through the continuum, you are making repeated assessments of an individual's probability of success and then talking with them about these assessments. This can be difficult, but it is less so if you remember that *you are making an objective assessment, not a personal indictment*. And because you tend to communicate what you believe, if you focus on assessment, the person receiving the feedback will generally understand that distinction as well.

It also helps both parties to remember that your assessment is very specific. Explicitly, your assessment is about a person's performance measured against the team's success criteria. But more specifically, it is an assessment for *this* team, *this* mission, right *now*. You are not making a statement about forever everywhere.

An assessment mindset shifts the focus from personal failure to the right mission, role, and environment for this person at this point in their career, even if that is off this team. It also shifts the focus from work performance to the individual's broader success. The reality you face when adding people to your team is this: What you pursue and how you operate will excite people who believe what you believe and operate how you operate, but it will stress and confound everyone else. Who that is will be an assessment you make, not a personal indictment.

As an example of the specificity of your assessment, consider figure 17 below.

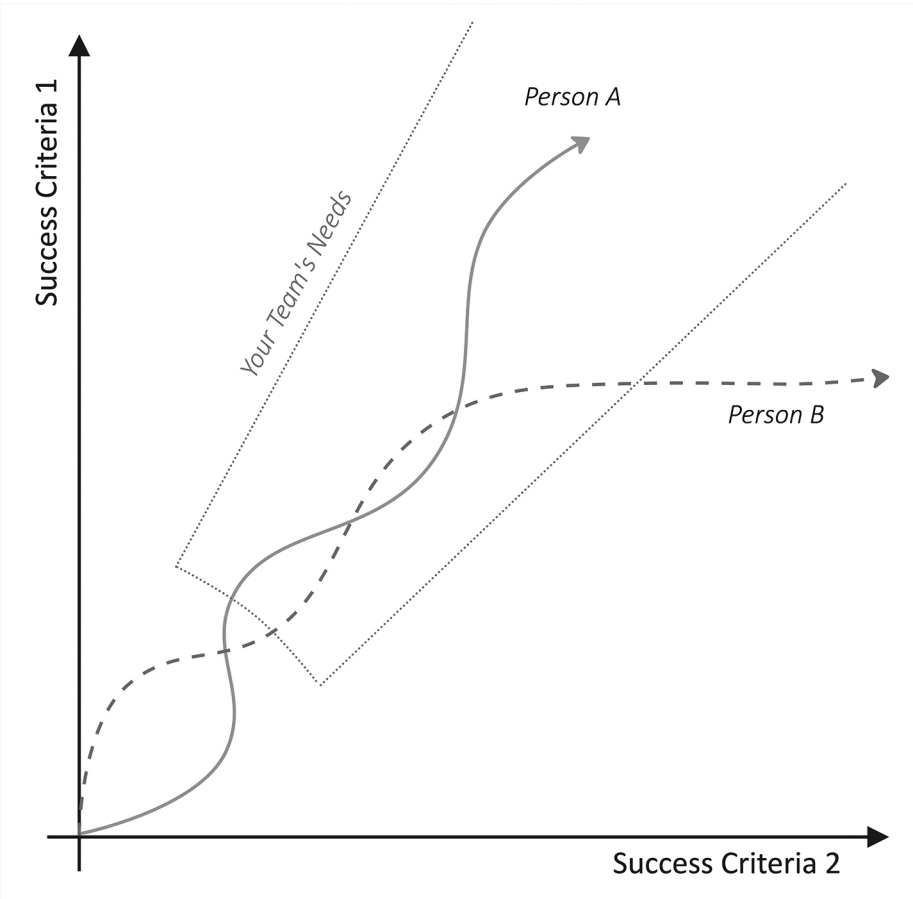


Figure 17: Operating System Settling over Time

This figure depicts two people’s personal operating approaches over time with respect to two success criteria. The dotted space in the middle of the diagram represents your team’s operating needs. Early in their careers, Persons A and B experiment broadly, discovering through experience not just their strengths and weaknesses but also the types of environments that best unlock their respective potentials. Both people join your team when they are aligned with its criteria.

Person A evolves to a performance profile that remains aligned with your team, maturing in both criteria over time. Person B exits your range, continually growing in one success criteria but plateauing in another. As

discussed elsewhere in this book, the path of Person B may not be a problem, particularly if their mastery in one area is so outsized as to become a team advantage. In this example, though, let's assume they exit the team.

Both individuals ultimately grow in personal performance to have significant mastery and career contributions, but one simply no longer aligns with your team's needs. Indictments are thus not just counterproductive; they are not even relevant or necessary. The only thing that matters is *this team, this mission, right now*.

It's Not About Being Nice

I met Jeannie Kahwajy⁹⁹ in graduate school while she was researching interpersonal interactions. Her thesis was that effective interactions require us to be both open and modifiable. To the extent we're closed and rigid, we shut down engagement, but to the extent we are open to another's perspective and willing to be changed by it, we can unlock collaboration while remaining committed to our principles.

Jeannie also cautioned against a common misconception: interpreting being open and modifiable as simply being nice. To Jeannie, it mattered far less how you engage with another (extremes aside) and much more about what you believe because people know what you believe without your saying it. In Jeannie's words, "it's not about being nice"; it's about hearing the principles and ideas of another while sharing your own.

The same phrase is valid for the people ideas in this book, particularly when faced with coaching someone out. It is not about being nice. It is about building an environment where mission athletes can create, innovate, and solve problems. And then it's about being decent to anyone who is unable to contribute. People are not on your team to play, but neither are they on your team just to work. For innovative endeavors, people are on your team to create and solve problems with purpose, and that requires you to uphold the people environment first and foremost.

Succeeding over the long haul will sometimes require you to do things that won't feel nice, like coaching someone out who works hard, believes in the mission, is well loved, but is underperforming in too many areas.

You need to coach them out, and you can be decent while doing it, but it still won't feel nice.

If you misinterpret decency as being nice, you will pull your punches, putting the team and mission at risk. Creating an environment that fuels intrinsic motivation is not about making people happy; it is about leading people to fulfillment by connecting purpose to impact. And building a high-performing team is not about forever coaching everyone but about coaching those who believe in the mission and meet the team's success criteria.

Require Ownership

Ownership is critical to the type of growth you want at all levels of the continuum. Ownership is key to mastery, and mastery is key to developing a high-performing team. Those operating in the Green zone likely do not need you to reinforce ownership, but they might occasionally need encouragement to embrace it outside their comfort zones. For everyone else, ownership must be fundamental to your coaching and explicit in your feedback and expectations.

When coaching serious performance improvements and turnarounds, like for those in the Yellow and Orange zones, ownership requires that you coach, not coddle.

- Give people a clear picture of where they are and where they need to be.
- Connect their performance to the success of the mission and the team.
- Advise, encourage, inspire, direct them to resources, and be available.
- Be clear on your obligations to the mission and the team.
- And then STOP.

Going beyond this shifts ownership from the individual to you. And because culture is what you do, not what you say, owning the performance

of an individual or a team will not build a team of owners. Instead, you will cultivate dependents, and true owners will leave the team. The only way to build a team of owners is to require it by your actions and then transition those who can't own their performance off the team. The job is not to make anyone into anything but to build an environment that unlocks mastery and autonomy. Ownership is essential to that.

Removing ownership from performance coaching and turnarounds also creates another problem—outcome ambiguity. Consider the typical performance improvement plan (PIP), a checklist of tasks to be completed in order to remain on the team. What happens if someone meets the criteria to the letter but not the spirit? Do you have to keep them? You might be at legal risk if you don't. And what about the person who comes close but doesn't meet the PIP? Do you have to let them go? If you don't, your plans don't mean much.

PIPs muddy the water. And because the team leader ultimately makes the final decision anyway, incorporating data beyond a plan's criteria, suggesting otherwise to team members is inauthentic and boxes you in. In my experience, nothing good has ever come out of a PIP.

Example: PIPageddon

One of my earliest experiences with a PIP was with a senior engineer who was not contributing as expected. He had been hired for a specific role and had been vetted for all relevant skills. It certainly seemed that he could do the job, but week after week very little got done.

Initially, the coaching he received was increased to help him push through. His direct manager and the chief technology officer (CTO) both spent time with him daily to review progress and the work ahead, but to little avail. The situation soon became tense, veering into the combative. Ultimately, the senior engineer's manager put him on a PIP that prescribed detailed daily and weekly milestones. He continued to receive coaching from his manager and the CTO. Suddenly, his energy picked up, and he delivered on those milestones, though just barely. He was then promptly exited from the team.

There were two issues that led to his exit despite his meeting the PIP. First, the experience during the PIP was not positive for anyone involved and increased the universal opinion that his values did not align with the team's. Second, he did the bare minimum and only under duress, leading all involved to conclude that the uptick in productivity would be short-lived. The final decision was correct, but it was harder to execute because the PIP was met on paper.

The decision was not the problem, nor was the feedback or the opportunity to turn things around. The problem was the PIP because PIPs work against ongoing learning by defining turnaround as a sequence of events, not a series of experiments. Don't PIP. Coach Out.

Probability vs. Possibility

One of the harder failure modes you'll find yourself in as a people leader is coaching someone through a turnaround when you've already decided to exit them. I am against any sort of theater like this. It wastes everyone's time, it's stressful for all involved, and it is often humiliating for the person being exited—if you know how it will end, so do they, and so does everyone else.

If you find yourself in this situation, you have already made a critical mistake, such as missing a key moment of candor earlier in the process. That mistake is not made better by walking through a turnaround that will not succeed. Instead, take the action needed, exit the person quickly, and commit to doing better next time around.

What happens in these situations is that the probability of success goes to zero before you effectively communicate the seriousness of the issue. As someone progresses away from mastery toward lower performance, your assessment of their turnaround probability progresses toward exit, diverging noticeably from an "anything is possible" ideal.

While it is always possible to turn things around—and that ideal allows you to coach with an open mind—you coach probability, not possibility. You follow the person where they lead and adjust your coaching as you progress. To avoid the above failure, you must have the Yellow and

Orange conversations while probability is still high, and you have not yet decided. Once you cross that threshold, it is too late, and whatever conversations have been missed remain missed.

Coaching while probability of success is high allows you to remain authentic as you discuss the person's potential future on the team. The gap size between possibility (ideal) and probability (reality) helps you dial in the right kind of encouragement, from strong belief (both are aligned) to hopeful encouragement (widening gap) and ultimately career coaching (critical gap).

Probability also guides time and effort. The lower the probability, the less time and effort remain for the turnaround. As with your assessment of success criteria, be transparent with the person involved about the possibility of turnaround and your assessment of its probability.

Green, Yellow, Orange, and Red (GYOR)

All the above building blocks lead to a practice I developed called Green, Yellow, Orange, and Red (GYOR). The practice codifies a few things.

- An assumption of greatness, learning otherwise
- A coaching mindset that drives toward mastery
- The progression from coaching up to out when those situations arise
- A process that is decent to those involved, despite tough situations

Getting these right matters, not just for the person involved but also for the team. Having a transparent and repeatable process for exiting people is critical to the sense of security for all who remain—that there is a process, that people receive coaching and clear feedback, that attempts were made to reduce surprise, and that everyone has an opportunity to turn things around.

I developed this approach early in my tenure at Roblox after making mistakes that did not sit well with me. My primary goal was to develop an approach that allowed me and other leaders to fulfill our obligations to the mission and the team while being decent to anyone exiting the company.

My other goal was competent speed—having a structure that aligned with our values and operating approach allowed all of us to move efficiently. Lack of structure is slower in this case.

Figure 18 shows the coaching continuum again, rotated 90 degrees counterclockwise. The continuum is again overlaid with Green, Yellow, Orange, and Red bands. The curve is the assessed probability of success throughout a progression that leads to exit.

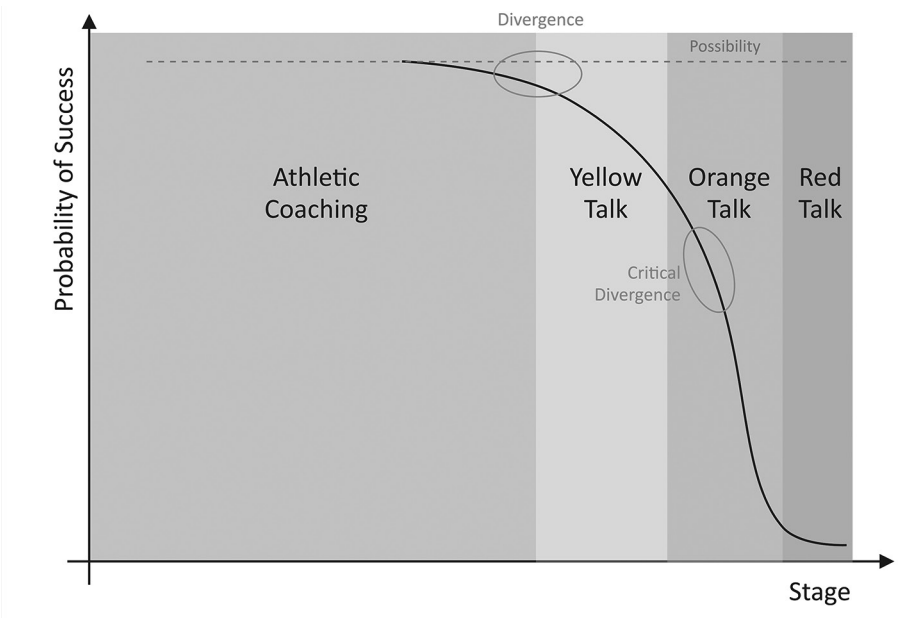


Figure 18: Green, Yellow, Orange, and Red Progression for an Individual

Green Talks

Green is the standing assumption—if you hire for success, coach for mastery, and exit people who cannot sufficiently contribute, you should robustly assume that everyone on the team is in the Green. This is not a passive state. Rather, you coach these individuals toward greater mastery (chapter 8, “Develop Mission Athletes”). And you continuously improve your environment for creativity, innovation, and problem-solving (part I), while regularly assessing everyone’s day-to-day experience as feedback to this environment (realized culture).

Because this is the athletic coaching zone, expect to provide feedback regularly to people across the team. These are quick fire-and-forget conversations consisting of clear micro feedback with a focus on mastery. It is about leveling up, not falling short. If you remember that feedback is the path to mastery, you'll be much more inclined to give feedback in a helpful way.

Example: Green Talks

Here are some examples of Green feedback:

That was a very productive meeting. One piece of feedback: I think people would have engaged more if you presented less and asked more questions. And you'll get more buy-in that way for your project. (Leadership Mastery)

I really appreciate how you "act like an owner" all the time, but I wasn't feeling it as much today when you handled that user issue. What's up? (Value Mastery)

For more examples of similar feedback, check out *The New One Minute Manager* by Ken Blanchard and Spencer Johnson. It includes one-minute goals, one-minute praising, and one-minute redirects.¹⁰⁰ It's been around a while, with good reason.

Yellow Talks

Green Talks are not demerits that accrue against you, and coaches should generally "fire and forget." But Green Talks can progress to Yellow Talks as performance degrades. Having a Yellow Talk about the need for repeated feedback on the same issue, for example, is more serious than a quick course correction.

Yellow Talks are still about coaching, but the coaching progressively becomes more about turnaround than mastery. And because of that trajectory, your coaching should broaden to identify the right role, mission, and environment for the person in general, not just the here and now. Possibility and probability of success have started to diverge, which means

your encouragement should change as well, from optimistic to hopeful, or you risk sending mixed signals.

In these talks, it is imperative that you communicate your concerns about the person's diminished probability of success so they have the information needed to act. You should also start documenting your feedback and interactions when Green Talks escalate to Yellow. There is a non-trivial chance that this person will leave the team, and that requires you to prepare for more serious conversations ahead and for defending your decision.

Example: Yellow Talk

One of the most common Yellow Talk topics I've seen is about improving output quality or being more detail-oriented. This is particularly true of a cohort of software engineers who have a higher bug rate than average (a bug is code that does not work as intended). Everyone ships bugs, and every piece of software contains bugs. But accepting that reality is not the same as embracing it.

Software engineering mastery means creating a sequence of testing and monitoring that spans prerelease and postrelease. It also means tracking bugs and fixing critical ones as defined by a team-developed rubric. An engineer's first bugs are usually the topic of Green Talks and team retrospectives, with a focus on iterative improvement in shipping quality. However, if the engineer ultimately ships enough poor-quality code to become an outlier (in quantity or impact), a Yellow Talk ensues. Here's an example of a Yellow Talk in this context:

I've noticed that you have shipped bugs twice as often as most others on the team over the past few weeks. This is concerning because it impacts our users, and it diminishes the quality that the team is used to delivering. Have you noticed this too? What do you think is causing it? And what have you tried to do to reduce your bug count?

Notice that this starts with the concrete observation—in this case, a data-driven one. The conversation also identifies concern, which is the shift from the fire-and-forget tone of Green to the turnaround tone of Yellow. The phrasing also ties the concern directly to audience impact, first and foremost, and then to the mastery of the team, the other value not being met. The conversation then shifts to ownership. Does the person see it, too, and have they been thinking about what's causing the situation and how to correct it?

If the response is ownership (that there has been awareness and effort), then the conversation shifts to coaching assistance—improving the person's plan, identifying ideas and tools to fill in gaps in the plan, and, where appropriate, assigning a mentor. But if the response is not about ownership, either lack of knowledge or lack of self-correction, then the conversation must (a) reinforce core values affected, in this case impact, mastery, and ownership, (b) reemphasize the concern, and (c) set a follow-up to hear the person's plan.

To reinforce ownership, do not overspecify all that can be done to reduce bugs but instead point the person to resources and people who can help, leaving it to them to own the follow-up.

Orange Talk

The Orange Talk is serious. It is the last stop before asking someone to leave. A person enters this talk in one of two ways: (1) a progression of Yellow Talks escalates beyond a critical threshold, or (2) some singular event is in significant but not fatal violation of a value or norm.

There are three critical pieces to an effective Orange Talk:

- The issue must be absolutely clear.
- You must be clear that the person's place on the team is at risk.
- The individual, not you, must own the turnaround.

You must be clear about the problem so the person has an opportunity to turn things around. I heard a great piece of advice relevant to this many

years ago: Whatever conversation you expect to have on someone's last day, have that conversation beforehand. That is the Orange Talk.

You also must be clear that the person's place on the team is in jeopardy so they understand the severity of the situation. Communicating this clearly is also the best way to reduce surprise if you ultimately exit the person. Reality check: Some people are surprised no matter what, but it still matters that you put in the work, both for the team and to reinforce mastery. For reference, here is my go-to line: "Your performance is not compatible with working here long term" or "The situation is not tenable long term," and then I provide concrete examples of the issues.

Most people managers understand the need to clearly communicate the issue and severity, although some have trouble executing the ownership piece. But it is critical (see "Require Ownership" earlier in this chapter). While the person must own their turnaround, you remain the coach. Be available to help as invited, and provide initial guidance. Just remember the person must own their mastery, or success will be blunted and muddled.

Red Talk

If you've done everything well so far, one of two things happens. First, after the Orange Talk, the person may leave of their own accord, based in part on your helping them identify the right role, mission, and environment for them. That person walks away with greater potential for future success and a preferable exit path, and it happens more often than you might think.

Alternatively, you progress to the Red Talk, which, while still intimidating, is more straightforward because of the Orange Talk. The Red Talk goes something like this:

As you know, we have been discussing the issue of X for some time. A few weeks back we met, and I told you that the situation was not tenable. Unfortunately, we have not seen sufficient progress, and I have made a tough decision. Today is your last day on the team.

If you can say that honestly, then you've had the appropriate conversations previously. And if you can't say that, then you missed a step. If the Red Talk has resulted directly from a fatal violation of a value or norm (e.g., harassment or altercation), then no prior warning is possible. But if this is the last stop in a well-executed coaching progression, it should not surprise anyone.

Be it a flagrant violation or the end of a journey, the meeting should be short. Long Red Talks serve no one. Do not engage in back-and-forth debate, not because someone doesn't deserve to understand but because the decision has been made and the debate they probably want to have is fueled by emotion—understandable but not helpful. In my experience, any back-and-forth to go over the details just makes people feel worse. The details should already have been covered in previous talks. And here is a must: Always have someone in the room with you for the Red Talk.

Finally, please note: This book is about enduring values, principles, and practices, but laws change; use the above suggestions as fodder for your own approach, and coordinate with appropriate legal and human resource professionals when exiting someone from your team.

Example: Red Talk

Here are two real-world examples from my personal background.

- Person A thanked me during a Red Talk. After I said it was their last day, they cited the thoughtfulness and honesty with which I discussed their strengths *and* weaknesses, not just the latter. They used our discussions to help identify the job they wanted next.
- Person B got very angry, claiming complete surprise, and threatened to sue, all despite not having logged into Salesforce for the past few weeks—a job necessity.

Person A had received the full GYOR approach, and it did not take much time or effort. As a result, things went smoothly, and I left feeling I had helped both individual and team.

Person B had not received the full GYOR approach, despite my already having codified it (good habits are easy to break for everyone). The person had not heard previously that we believed they weren't working (a claim we could substantiate). Under the stress of the situation, I and the other executive involved moved quickly, assuming it was obvious. It is never obvious, so put in the work. And after putting in the work, just know that some people are still surprised.

After the Red

What do you do next? Does the person serve their two weeks, leave at the end of the day, or leave immediately? The answer is incredibly personal to you and also context-dependent. I'll share what I have come to believe and why.

I am strongly in the "leave immediately" camp. Give the person severance, be generous, but then shut down their access and walk them out of the building. I completely understand that some find this harsh. But when the decision is between an individual's near-term feelings and the team's ongoing well-being, I feel a stronger obligation to the latter.

There are a number of significant downsides to letting a person linger after they've been exited, and I've seen them firsthand. They air their grievances, overindex on the elation of "finally getting out," get agitated, scare people, undermine the mission, or try to convince others to quit, just to name a few. I don't blame people for any of this—getting fired can be traumatic. Instead, I blame myself for creating the space for people to negatively impact the team. I empathize with the embarrassment people feel when being walked out, but extending their time does not reduce the embarrassment. What does help is how you handle the entire process. If the process is fair and transparent with opportunity for turnaround, most people understand.

The better you get at the entire process and the more you frame the decision around probability of success on this team at this time, the more likely that people will leave voluntarily. There is certainly room for flexibility in these situations. A person who says, "I love this place, but I don't

think it's right for me anymore" does not need to be escorted out as soon as they finish that sentence. But even in these circumstances, I encourage swiftness. The person should leave at the end of the day or the end of the week. Pay them whatever you want, but separate the money from their professional engagement with the team.

GYOR in Practice

The following are some of the common mistakes people make when implementing GYOR.

Bypassing the Yellow Talk

Going from a minor performance tweak to "Your job is on the line." This creates an abrupt transition that surprises people and leaves no real opportunity to improve. While it does move quickly, it does so in a way that smacks of unfairness and undermines team belief in transparency. Root cause: being impatient or (typically) avoiding a hard feedback conversation.

Bypassing the Orange Talk

Going from "I have some concerns" to "You're fired." This fails to clearly communicate that the person's place on the team is in jeopardy. As such, it creates a surprising and sloppy experience that undermines the team's sense of safety and security. Root cause: waiting too long, so it would be inauthentic to coach turnaround.

Forever Yellow

Allowing someone to remain in Yellow (serious concern) indefinitely. This normalizes a culture of mediocrity and subpar performance, and it causes ramifications beyond people to product and tools. Root cause: failing to uphold mastery as a core value.

Forever Orange

Taking no action after telling someone their place on the team is in jeopardy, such as holding multiple Orange Talks if a person's probability of success is critically low. This sets a culture of moving slowly, not solving problems, and tolerating team stress. Root cause: confusing niceness with decency, underprioritizing team and mission.

Effort and Time

People new to GYOR can assume it takes a lot of effort and time—too much actually, with too much focus on those exiting than remaining. It is an understandable perception, but here is my experience. If you embrace mastery in coaching both up and out, you will put in the right effort at the right time, and you can move with speed. Speed is essential because the people you exit are, by definition, not compatible with your success criteria and are disrupting the team.

In reality, most of your effort and time is spent with those in the Green, as it should be. The time spent with individuals in Yellow, Orange, and Red can feel longer because it is more intense, but those zones should consist of relatively short, direct, and high-information conversations on an energetic cadence toward turnaround or departure.

But how long should it take? In practice, the time it takes to progress from Yellow to Red is context-dependent, but there are some patterns. Figure 19 maps what I have found to be the two most important parameters to speed: how fast the person is eroding culture, and how much of their work is routing to others.

The diagram contains four cells, one for each combination of the two states of cultural erosion and work routing (high and low). Each cell is annotated with the dominant impact to the team and the approximate time the progression takes. Each cell also contains the conversation sequence, with each conversation labeled by the week it occurs.



Figure 19: GYOR Speed vs. Cultural Erosion and Work Routing

When both cultural erosion and work routing are low, the ultimate danger is that you reinforce long-term mediocrity by moving slowly, but the immediate impact to the team is low. At the opposite end, when both cultural erosion and work routing are high, the team is experiencing pain, and you have to move much more quickly. You still have each type of conversation, but they are one of each at a week or less apart. Between these extremes are two situations that cause interpersonal stress or workload stress, but not both. They can be handled similarly to each other, with a bit more speed for interpersonal stress.

All these cases involve just a handful of conversations over a handful of weeks. You might talk with the person more often, but you have GYOR conversations on a cadence, and it is best to distinguish between casual check-ins and GYOR.

Figure 19 is just one way to engineer competent speed. What matters is that you have a rubric, work with intention, and use each experience to improve. Mastery brings speed.

Market Failures

The following lists the market failures referenced earlier in this chapter and in chapter 8, “Develop Mission Athletes.” The first two scenarios can sometimes look like failures but are not.

[Not a Failure] They Are on Top of It; You’re Just out of the Loop

You become concerned with someone’s performance, but it turns out you’re just ill-informed. There are many reasons for being out of the loop—managing a multitude of projects, not being in the trenches, just coming out of firefighting somewhere else. This is a reminder to always remain humble and inquisitive because if you’re not, it’s embarrassing for you but, worse, demoralizing for the other person. Beyond that, don’t miss the opportunity to turn this into a clear win for the person—they are on top of it, and your concern was unnecessary. Celebrate that.

[Not a Failure] They Are Momentarily Blocked or Off Track

Coaching someone momentarily blocked or misaligned is the majority of coaching that entrepreneurial leaders do, and *how* you do that is a key driver of team culture. More than anything else, your actions here define whether you’re a team that coaches toward mastery and aligned autonomy or one that demoralizes people for falling short. Culture is what you do, and you tend to do what you believe. So get your mindset on coaching and assume greatness until you learn otherwise.

The reasons for being momentarily blocked or misaligned span human performance. Here are just a few examples: having the wrong mental model, making tactical errors in execution or communication, lacking a skill, lacking experience, lacking confidence, being overwhelmed, getting too comfortable with their own level of performance, not being clear on team mission and priorities, or being distracted by something on the team or in their personal lives.

There is no one-size-fits-all solution, but there is a reliable approach—the medical two-step of diagnosis (defining the problem) and prognosis (defining the solution). Both problem and solution should be developed

collaboratively, with you as coach. Expect these conversations to be relatively short, and don't worry too much about their frequency. It is the path forward that matters. And always remember to let the person drive the conversation to reinforce ownership.

They Have Reached a Plateau

In this scenario, a person cannot improve their performance beyond a plateau, despite coaching from you and effort from them. You generally land here after multiple coaching conversations bear no fruit. This is a market failure in personal growth that requires intervention of some kind.

If the person is not strong in other aspects of your success criteria, then the decision to exit is straightforward. Keeping someone on the team who fails to align with the basics and taps out on personal growth builds a low-performance culture.

If, however, the individual is strong in other success criteria, there are three possibilities.

- You have an organizational need for someone operating at this level.
- You identify another role potentially better suited, and experiment.
- You do not have either luxury, and you need improved performance in this role.

In the first case, you have essentially added a mid-organizational team member sooner than planned, and it is now time to find the next-level leader for that area. This is just a temporary fix, though, to buy time for the individual to break out of their plateau. Ultimately, everyone must be on paths to higher mastery to build a performance culture.

The second case is a common “dialing-in” practice where you help an individual identify a more aligned role as you get to know them (see “Dial in Success” in chapter 8, “Develop Mission Athletes”). I’ve repeatedly seen success here, but success means the person actually gets onto a mastery progression somewhere else. As I’ve said previously, to build a culture of mastery, you must dial in success, not mediocrity.

Finally, particularly when your team is small, you just might not have the luxury of finding another role or expanding the team, and this person has to exit. Again, if they are strong in other success criteria, you can take a bit longer to exit the person gracefully.

Inability to Meet Baseline Performance Standards

In this failure mode, the person fails to meet any success criteria for the role or team. This is the Type IV person described in “Success Criteria in Practice” in chapter 6, “Define Success.” Most likely, this person is a mis-hire, but this situation also arises when an early team member becomes entrenched in the success criteria of yesteryear and fails to adapt to new criteria as the team matures. The 2x2 grid of effort and time (figure 19) offers a rubric for how to coach these individuals hopefully to a turnaround or, failing that, to exit.

Inability or Unwillingness to Live by Values

People in this group are missing one or more team values. If being unable to meet baseline performance standards points someone toward the exit, missing on values puts your foot on the accelerator. Remember, values are standards of behavior for the entire team that codify success strategies, and for them to have any weight, they must impact hiring, promotions, and exits.

Some value misses are easy to spot, such as a lack of transparency. Others, though, might take some time to play out, and might only come into full focus after a few coaching conversations and feedback from other team members. In the latter case, the team already knows what needs to be done and is waiting for you to do it. You should still walk through GYOR authentically for all the reasons previously discussed. If there are multiple value misses, though, you are likely already having Yellow conversations, so the remaining time and effort should be accelerated.

Anti-Alignment with Success Criteria

Being anti-aligned is very different from misaligned (previous scenario). Anti-alignment means the individual actively promotes the opposite of your team's success criteria, intentionally or otherwise, like resisting—beyond constructive feedback—vision, mission, values, and operating principles. These people are red alerts.

Anti-alignment can happen very quickly without an observable progression, like a behavioral trait that only comes out under stress or an operating belief that surprises the entire team. These people most likely put the team in the Pain quadrant of figure 19 and need to be exited quickly. It might seem total theater to do anything beyond a Red Talk and exit, and it absolutely would be if an issue breaks critical norms or laws. But if that's not the case, it's possible (though not probable) that the anti-alignment can be adjusted. In these cases, start with athletic coaching, but move quickly to Yellow and Orange due to the nature of anti-alignment.

Example: All-or-Nothing Engineering

I've worked with a number of senior engineers who all suffered from the same problem—an inability to iterate. It usually begins innocuously. Given a project, they come back after analysis and request the project scope be expanded to clean up a related part of the code. In itself, this is a normal request and is usually green-lit if the reasoning is sound. But these all-or-nothing engineers keep going, driving toward one of these two inevitable outcomes: never shipping anything or shipping a winner-takes-all, high-risk change that spans the code base.

At Roblox, some of these engineers suggested we rewrite the back end, rewrite the front end, or switch web stacks entirely—all in the name of adding a new feature. This behavior was quite literally an anti-pattern for Roblox, a culture steeped in iteration. Rapid iteration was a critical success strategy for early Roblox, as it is for other successful software teams. These engineers received clear feedback on our iterative approach as well as technical coaching on how to break up their project, but to no avail. I ulti-

mately ushered all of them through GYOR to exit, and after a few of these hiring mistakes, we established the ability to iterate as a success criterion.

Unwillingness to Grow in Mastery or Autonomy

Mastery and autonomy (via ownership) are on my list of performance values described in chapter 2, “Live by Values.” You’ll also find them in the values of any high-performing entrepreneurial team you’ll encounter, either explicitly so or implied through other terms. Unwillingness to grow in mastery and autonomy is covered, in part by the above two scenarios. Let’s now consider additional details specific to these two values.

Unwillingness to grow in mastery or autonomy is very different from reaching a plateau, and it shifts the coaching decisively to out, not up. You can attempt to inspire mastery and autonomy through athletic coaching, but if a person is not interested in pursuing them, they are unlikely to contribute significantly to an entrepreneurial team. These individuals will undermine culture at its foundation. Don’t expect anyone to tell you they are not interested in mastery or autonomy. Instead, you have to assess their unwillingness indirectly.

Here are some clues for mastery: They do not embrace feedback from anyone on the team and never use it to improve; they do not exhibit a passion for mastery in any area, even in personal projects; they always find ways to lower the bar and dial back objectives, and not for any stated performance or strategic reasons; and they consistently avoid what’s hard rather than considering first what must be done.

And here are some clues for autonomy: They always have external reasons for performance misses and never take responsibility; they consistently assume the narrowest responsibility of a role and fail to act when the system fails outside their sphere; in the face of dynamically changing conditions, they blindly stick to the plan and then blame the plan for failure; they consistently fail to provide constructive feedback for improving the overall environment, focusing instead on problems; and they continue to seek approval at a fixed level of decision-making, rather than expanding their decision-making scope over time.

Coaching out conversations for these two values generally take a classic performance approach such as “This role requires X, and you are not meeting those requirements.”

Example: I Know Enough

I was helping with an executive search a few years back, and as part of the process, we gathered together a sample of the reporting team to brainstorm on role requirements. During that conversation, we asked whether leadership mentoring was desired. I thought this was a slam dunk given that some of the leaders had rightfully complained that they did not have sufficient mentoring. One of these leaders, however, said no, this was not a requirement. When we asked why, he said that he had already learned a lot and did not need further coaching to do his job. Wow.

There were other issues at play that likely inspired this answer in part, but it was clear that he meant what he said. This person not only lacked a growth mindset but also any vision for his or the team’s future. His response went a long way toward explaining why the person, while talented, wasn’t really improving in his leadership skills. He had no desire to improve, having come to the belief that he had mastered his role.

Disrupting Macro or Micro Flow

Disrupting flow undermines mastery, whether it’s the micro flow of an individual throughout the day or the macro flow of the team throughout a quarter (see “Mastery Through Flow” in chapter 3, “Institutionalize Mastery”). There are a number of reasons an individual disrupts micro flow, including boredom, an inability to focus, an insufficient workload, and prioritizing social interactions over mission impact. The reasons individuals disrupt macro flow include misalignment with plan, inability or unwillingness to use tools or follow team practices, inability to sustain focus, interpersonal conflicts, insufficient focus on mission, and a host of personal reasons.

All of these disruptions are destructive in nature—not disrupting plan because of lessons learned (as described in part I), but disrupting

the productivity of a stable flow state. As with the previous scenarios, the response starts with athletic coaching (Green Talks) and follows the person where they lead, either to improved performance or to Yellow, Orange, and Red Talks.

Example: The Screaming Submit

One software engineer I worked with could not master our development tools, despite multiple rounds of coaching from multiple people, including peers. The tools were standard, and there was nothing unusual about them. The ongoing coaching he required was becoming a distraction for the team, but that was not the biggest issue. For reasons that still elude me, the engineer would often act rashly when using the tools, doing things that he seemed to know were incorrect. No one suspected malice.

One time, he dragged a bunch of existing code from one area of source control (a system for storing shared code) to another, breaking his build (code references to other code are often by file path). He then started yelling that he broke the build, to which others around him responded urgently that he should under no circumstances submit his changes. I remember his hand shaking over the mouse as I ran out my door to his desk. He screamed in panic and then checked it in, breaking everyone's build. He really was a nice guy, but he could not remain on the team after a few events like that.

The Spiraling Leader

There are times when a leader's performance starts spiraling downward, slow at first and then faster. It doesn't matter whether they are an executive or an individual contributor with broad responsibilities and influence. Their downward spiral has an increasing impact on the surrounding team and the overall mission. You still need to walk through the progression, from Green to Yellow to Orange then Red, and you can do it rapidly if warranted. But in addition, you also need to pull responsibility away after the first Yellow Talk or two. The amount pulled away and the rate at which you do it again follows the progression of the person.

There are a few reasons why I favor this approach. First, it legitimately gives the person more room for a turnaround because they have fewer responsibilities. Removing responsibility tests the possibility that they are overwhelmed. And because mastery is an uneven progression, not a continuous upward trend, they will have the opportunity to take on that broader responsibility again in their career, particularly if they recover. One step back might be just what they need to take two steps forward, and that would be my framing.

The other reason to take away responsibility is that it underscores the seriousness of the moment. Nothing says your job is on the line like actually losing part of it. If culture is what you do (it is), then backing up your last Yellow Talk before the Orange by removing responsibilities makes the situation unabashedly clear to all but the densest.

And finally, there is a third reason. It prepares the team for the person's potential departure, easing the overall transition and giving you subsequent space to fill the role properly.

Does It Get Easier?

There's a common question from those new to exiting a team member, particularly if that team member has an outsized role or influence. Does it get any easier? Yes, in two parts.

If you seek mastery in this area, you will move through the process more clearly and confidently over time. It will become easier to understand people, identify patterns of success and failure, and simultaneously embrace both obligation and decency—but only if you try. If you seek to get better at these, you will, and that does mean putting in the work early on. If instead you fail to embrace this part of the job, a part that has critical impact on the enduring performance of your team, then you will not get better, and everyone will experience not just short-term learning-curve pain but long-term institutionalized pain.

The emotional component should get easier too. If it doesn't, you are probably not framing the approach as I'm recommending. Every exit from a team means real impact to a real person. As a human, it is hard

not to be affected by that, and you shouldn't want to close that off. But being too affected consistently might mean you are still holding on to the idea of indictment, not assessment, and definitely not narrow assessment. Remember, the ultimate decision in asking someone to leave is about *this* person on *this* team for *this* mission right *now*. Beyond that doesn't matter. And if you are transparent and constructive in your feedback, coaching out rather than firing, you have invested in that person's future. It does get easier if you seek mastery.

CHAPTER SUMMARY

It is critical for entrepreneurial teams to protect the productive from the disruptive. Otherwise, overall performance culture degrades, high-impact members leave, and the mission is at risk.

However, how you treat those who are struggling and how you exit those unable to course correct matter just as much as protecting the environment. That how is coaching out.

Coaching out is not a euphemism for firing someone but an approach that transitions organically from coaching growth to coaching a turnaround to asking an individual to leave.

Coaching out applies the same set of principles throughout someone's progression, regardless of trajectory. Those principles include honest feedback, human encouragement, objective assessment, and true opportunity for growth. They instill confidence throughout the team that everyone is treated fairly and has an authentic opportunity to respond.

To coach out effectively, leaders must understand these key building blocks:

- Disruptive people impact the team in the stress they directly cause and in the additional work people take on to protect the mission. People organically route around disruptors.

- You coach a continuum to higher performance or through turnaround or exit, following the individual where they lead and responding with appropriate feedback and actions.
- Performance assessments are just that—assessments. They are not indictments.
- It's not about being nice; it's about protecting the environment for the productive and then being decent to everyone who is unable or unwilling to contribute.
- You must require ownership in turnaround because mastery requires it.
- You operate exclusively against the probability of success, not the possibility of it.

These naturally lead to GYOR, a progression of talks from Green (athletic coaching) to Yellow (expressing concern), to Orange (stating that their place on the team is at risk), to Red (exiting).

Avoid common mistakes like having multiple Orange Talks. Guide effort and time by the severities of work routing and cultural erosion, and develop a market failure scenarios playbook.



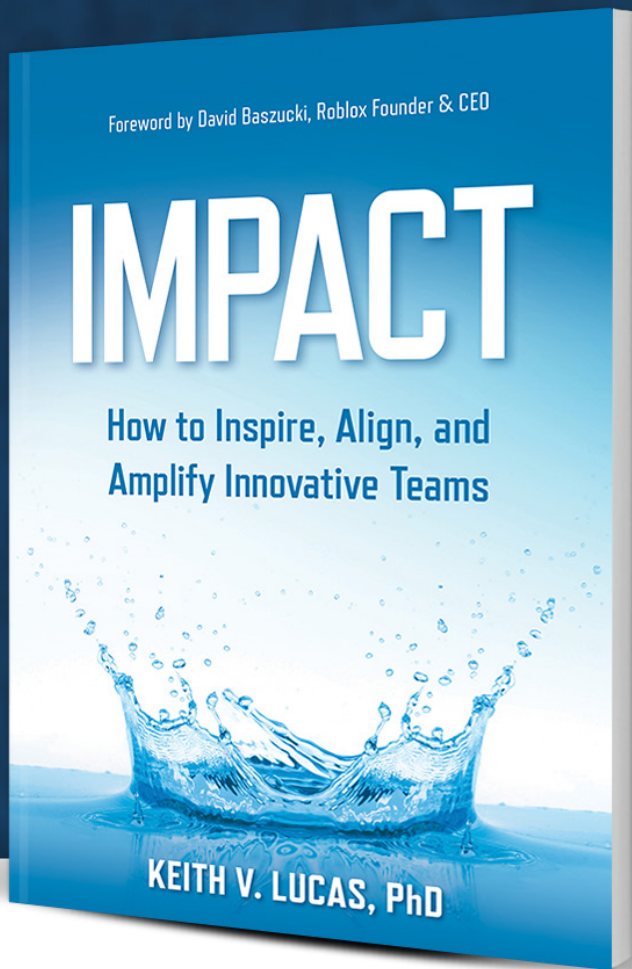
ABOUT THE AUTHOR

Keith V. Lucas is a startup advisor specializing in product, growth, people, and culture. While Keith loves getting things done, his true passion is empowering people to get things done together—to focus on what matters, to create and innovate, and to have impact.

With almost three decades of entrepreneurial leadership experience, Keith has served as project lead, tech executive, and now advisor. At Roblox, a social platform for user-created games and virtual experiences, Keith led product and engineering, helping scale its infrastructure, product, team, and business. As COO of Instrumental, a company using AI to transform hardware manufacturing, Keith built out the company's financial modeling and helped advance its go-to-market strategy. Keith advises startups in AI, gaming, entertainment, social, and enterprise. He also advises nonprofits.

Keith holds a bachelor's in engineering from Columbia University, a PhD in aeronautics and astronautics from Stanford University, and a master's in public policy from UC Berkeley. Outside of work, he enjoys western horseback riding, fitness, travel, and learning new things.

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