



Exploding vs. Imploding: What the NFL Has to Teach Us About Managing Enterprises, Part II

Description

In the previous article, we looked at two *Ever-Successful* NFL teams, the Kansas City Chiefs and the San Francisco 49ers, who seem to be able to win consistently even while things change around them and players and coaches come and go. Then, we looked at two *Never-Successful* teams, the Arizona Cardinals and the Cleveland Browns, who seem to be unable to architect consistent success, even though their teams are laden with high-priced stars. In this article, we will look at two *Never-Successful* teams that appear to be exploding and two *Ever-Successful* teams that appear to be imploding.

As we discussed, success in the NFL depends on **players**, **scheme** and **execution**. In business it's **leadership**, **culture**, **knowledge** and **behavior**. There are a lot of parallels between the two. While the previous article examined how long-term trends tend to or are made to persist, this one focuses on what transformation looks like as it is happening.

One of the NFL's goals is *parity*. Ideally, it would like each team to have a realistic chance to win, to make it into the playoffs and possibly get to the Superbowl. It's not good for business if any city's team is a perennial loser, though their games seem to sell out, regardless. There are three mechanisms that the league employs to create parity—a roster limit and salary cap, the annual college player draft and a pre-determined rookie contract structure and pay scale.

Each team has a limit on the number of players they may keep on the roster and what they are allowed to spend in aggregate on salaries, which prevents teams that might otherwise be able to from spending enormous sums on salaries that less financially-endowed teams cannot match. This prevents them from hiring up all of the best players. (It also ensures profitability for owners, but that is a discussion to be had another time.)

Every year, the league holds a draft in which teams select college players that make themselves eligible. The players agree to play for any team that drafts them, and the teams agree to a prescribed order that allows those with the worst records to select first. The assumption is that the worst teams will get the best new players, raising their overall performance and creating parity. This works much of the time, though some early draft picks fail to live up to expectations and some late picks wildly exceed

them. Tom Brady, it should be noted, was selected in the sixth round of the draft, 199th overall, the year he joined the league.

In addition to affording teams control over the players they draft it dictates fixed contract terms over their first few years in the league to the benefit of the teams. A star free agent quarterback might be paid over \$40million per year. That same QB selected first in the draft will receive 25% of that while on his four-year rookie contract and those drafted later will receive even less.

While this contributes to parity, it also contributes to turnover and player movement. As players get to the end of rookie contracts, teams have to decide whether to re-sign them at an enormous increase, trade them or let them go. Star players whose teams cannot or will not pay them what the market will bear can find a new team, but any team that hires them has to accommodate them within their salary cap. So, little is more valuable to a team than a true star player still on a rookie deal.

All of this engenders constant change. Players come and go through the draft, free agency, trades or cuts. Coaches rebuild a substantial fraction of their team each year and devising strategy and schemes to optimize the performance of the players they have on their rosters is what determines success or failure for the season and beyond. In addition, injuries are a non-stochastic fact of NFL life. If a coach were to implement a rigid scheme dependent on one or two individual players, the team could suffer greatly if one or the other of them was injured and unavailable to play. So, flexibility and versatility are valuable characteristics for both players and schemes.

Exploding

This season, some historically weak teams ascended to new heights.

The Detroit Lions have been the perpetual doormat of the division in which they play. The team has never been to the Superbowl and appeared in the playoffs in 1999 and 2011, but not again since. They had star QB Matthew Stafford for 11 seasons but had a losing record in ten of them before he forced a trade that got him to the LA Rams and a Superbowl victory last year. In exchange, the Lions got the Rams's™ QB, Jared Goff, who had taken them to a Superbowl the year before, and a bunch of draft picks. When the Rams lost in a low-scoring game, Goff was believed to have topped out and deemed expendable. Indeed, his first year as the Lion's™ new QB was consistent with that.

Then a funny thing happened. The team's™ terrible record and the Stafford trade got them a few high draft picks, it hired Dan Campbell as coach and he changed the culture, Goff started to play well and in the last half of this year, they started looking like an entirely different team. In the last week of the season, the Lions, even after being mathematically eliminated from the playoffs, dispatched the Green Bay Packers, the perennial powerhouse of their division, knocking them out of the playoffs, too. Next year looks encouraging for them.

The Jacksonville Jaguars have had an inauspicious, up-and-down history. Their most recent run of terrible play earned them the top pick in 2021's™ draft which they used to acquire Trevor Lawrence, one of the top QB prospects in the last decade. In 2022, they again "earned"™ the first overall pick, which they used to acquire Trayvon Walker, an estimable defensive lineman from the University of Georgia, college football national champion for two years running. Unfortunately, the team owner then

hired once-successful but troubled college coach Urban Meyer as head coach and charged him with overseeing Lawrence's development. It was a very poor choice: Lawrence failed to develop, and Meyer was fired before the end of the season after some off-field incidents.

The owner replaced Meyer with Coach Doug Peterson this year and the turnaround has been surprising. In the second half of this season, Lawrence has begun to look like the transformational QB he was believed to be, and they beat a favored team on the last weekend of the season to make this year's playoffs. This past weekend, Lawrence and the team overcame a 27-point deficit to win their first playoff game in quite a while. Peterson has been given substantial and deserved credit for leading Lawrence through a complete mental reset during halftime, resulting in his throwing four touchdowns in the second half after throwing four interceptions in the first one. Such horrific performances by young players in important games early in their careers have led to some of them never reaching their full potential, but Peterson and his staff made sure that didn't happen in this case.

Imploding

While some historically weak teams were exploding, some historically (or, at least recently) excellent ones were imploding.

The New England Patriots did something in 2021 that they almost never do: they selected Mac Jones, a QB from Alabama in the first round of the college draft. He seems to have many of the attributes that NE demands—he processes events rapidly and plays within their system. During his first season, the Patriots made it to the playoffs but lost in the first round. Still, for a rookie to lead a team to the playoffs at all is an achievement and it seemed as if the team was on a good course with their new prospective franchise QB.

At the end of the 2021 season, the coach who had overseen Jones's development and designed the game plans in which he operated, left the team to become a head coach elsewhere. Some odd decisions were made about who should replace him and it ended up being the team's former Defensive Coordinator who had left and returned from an unsuccessful stint as head coach of the Detroit Lions. Jones's play deteriorated amid questionable coaching, poorly-conceived game plans and ill-advised play calls, and the Patriots failed to make the playoffs this year for the first time in a long time. Remember that this team has gone to eleven Superbowls, winning six of them. It has gone to nine of them since 2001.

The Tampa Bay Buccaneers brought in Tom Brady, engineer of all of NE's Superbowl appearances and wins and considered by some the best QB that has ever played, and they won the Superbowl following the 2020 season. Even though all 22 starters from that team returned (which is quite a rarity) they suffered a number of injuries and, while they made the playoffs last year, they lost in the second round. The Bucs mortgaged some of their future to hire or keep aging stars at premium salaries and this has come back to bite them as it has other teams.

Following their Superbowl win Bruce Arians, the coach that took them there retired and the position was passed to the Defensive Coordinator of the team, who had some head coaching experience, himself. This season, several of the team's stars and reliable role-players retired and then things started to come unwound. Brady, now 45 years old, retired, unretired and went through a divorce prior to the start

of the season. This contributed to his absence from large segments of pre-season team activities, a time when cohesiveness is usually created and cemented, especially between QBs and receivers.

The Bucs fell from a 13 wins last year to eight this year, making the playoffs with a losing record and by the skin of their teeth, due only to the truly putrid play of the other three teams in their division. In the first round of the playoffs they were thrashed by the Dallas Cowboys, ending their season. Although they ascended to the highest heights two years ago, they crashed in a frightfully short time.

Exploding vs. Imploding

So, what are the differences between Exploding vs. Imploding teams?

Exploding Teams

- Brought in new leadership and established new cultural norms, especially at the top of the organization. Much of the improvement in performance can be attributed to the teams'™ General Managers, who acquire players and the Coaches, who develop them. However, more than just putting people together is required to be successful. The exploding teams went the extra mile to achieve.
- Acquired new talent, focused on developing their new players and coaches and created schemes to optimize players'™ ability to contribute. Workers who believe that their employer is investing in them are more likely to subscribe to team goals, be more flexible, willing to accept new work assignments and put in extra effort.
- Embraced risk-taking. Both of the exploding teams defied common wisdom and took risks at various points in games that other teams might not have. Doing this demonstrates confidence in their players'™ ability to execute and reinforces their sense of being valued and supported by their organizations.

Imploding Teams

- Moved to preserve rather than upgrade their teams in the belief that previous success would carry over. It's™ human nature to keep doing what has worked until it stops working. Often the greatest impediment to improvement is past success. (See: Empire, Roman.)
- Kept the existing leadership largely intact and persisted the existing culture. As above, both imploding teams kept their coaching structures assuming that what worked before would work again. Unfortunately, circumstances changed, and they didn't™ change to meet them.
- Did not respond to adversity; they stuck to what they were doing even when things didn't™ go as planned. The Patriots rehired two former assistant coaches that had left and failed as head coaches for other teams, presumably because they "knew the system."™ They started the pre-season without clarifying roles and eventually made the one with the defensive background the offensive coordinator, a calamitous and self-defeating decision. Ultimately, they set the development of their young QB back, which may cost them for quite a while.

Implications for Enterprise Management

Much of what we can glean from looking at these four teams reinforces what we saw in the four we looked at in the previous article. We see that:

- A commitment to continuous evolution and improvement must be made from the most senior levels of an organization if it is to attain real enterprise agility.
- Clarity of vision is crucial and the ability to communicate it out to the organization is of prime importance. If people do not understand what they are being asked to do and why, they will not be comfortable doing it and will be less likely to shift gears or go the extra mile when success depends on it.
- Leadership and Culture are crucial to success. Transformation is hard and, left to their own devices, most people resist. Cultural norms are what motivate people to endure uncertainty and exert effort over and above the norm.
- Past success can breed failure if it reinforces the notion that the organization already knows what to do and how to do it.
- Continuous introspection is crucial. Failing to test and reconsider assumptions can feed into complacency and cause the organization to miss opportunities or lower its guard against competitors that it is not actively monitoring. It can also play into a declining level of productivity.

In the end, agility results from being willing to reconsider what you're doing and how you're doing it whenever circumstances dictate, or opportunities arise. This is not always comfortable, but it will become more and more necessary as the VUCA environment we operate in becomes more *complex*, not just more *complicated*. Assisting organizations to adopt approaches that promote agility is what the Agile 2 Academy is all about.

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