



Promise-Based Management

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Promise-Based Management:
The Essence of Execution
By Donald N. Sull and Charles Spinosa

The Idea in Brief

In many companies, critical strategic initiatives keep stalling. Important work sits undone. And emerging opportunities fall by the wayside.

Why such difficulty translating strategy into action? In this world of far-flung suppliers, external partners, and colleagues, companies can no longer rely on their internal organizational structures and processes to push strategic work forward. What really drives successful execution? Promises: employees' personal pledges to satisfy concerns of stakeholders within and outside an organization. And when strategy implementation falters, poorly crafted promises are usually the culprits.

How to combat execution problems? Manage promises as carefully as you do other organizational resources, suggest Sull and Spinosa. Well-made promises share distinguishing characteristics. For example, they're public and voluntary. All parties understand what needs to be done and why. The "provider" of the promise delivers as agreed. And the "customer" acknowledges delivery.

Craft promises carefully, and you enhance coordination and cooperation among colleagues. Equally valuable, your company builds the agility required to seize new business opportunities.

The Idea in Practice

Guidelines for managing promises carefully:

UNDERSTAND A PROMISE'S THREE PHASES

To create and execute an effective promise, the "provider" of the promise and its "customer" move through three phases:

1. Meeting of minds. The customer requests something from the provider. Both clarify how the request will be fulfilled, why it's important to the customer, when it will be fulfilled, and which resources will be used. This phase ends when the provider makes a promise the customer accepts.
2. Making it happen. The provider executes on the promise, while he and the customer continue interpreting and reinterpreting their agreement in light of any reshuffled priorities or reallocated resources. The provider renegotiates delivery terms if he realizes he can't satisfy the promise. The customer initiates renegotiations if his priorities or circumstances change. This phase ends when the provider declares the task complete and submits it to the customer for evaluation.
3. Closing the loop. The customer publicly declares that the provider has delivered the goods—or failed to do so. Each offers the other feedback on how to work together more effectively in the future.

CULTIVATE THE FIVE QUALITIES OF A GOOD PROMISE

Well-made promises are:

- **Public.** People strive to make good on declarations they've pronounced publicly, because their reputations and trustworthiness are on the line—and they can't selectively "forget" what they committed to do.
- **Active.** Promises languish when customers hurl requests at providers who passively catch them, throw them on the pile, and go back to work. Skilled promise-crafters actively negotiate their commitment— including unearthing conflicting assumptions that could spawn misunderstandings.
- **Voluntary.** People assume personal responsibility when they make promises willingly, versus under duress. Effective promise makers have freedom to decline customers' requests or make counteroffers: "What you're asking isn't possible, but this is what I can do for you."
- **Explicit.** Explicitness is crucial especially when parties have different cultural backgrounds or the promise involves an abstract construct ("optimization," "innovation") subject to multiple interpretations. To avoid misunderstandings, the parties make requests clear from the start, provide progress reports accurately reflecting the promise's execution, and detail success (or failure) at the time of delivery.
- **Mission-based.** When customers explain to providers why their request is important, providers keep executing even when they encounter unforeseen roadblocks. They also creatively address customers' underlying concerns—rather than blindly fulfilling the letter of the request.

By examining the commitments people make to colleagues and customers, executives can figure out why work stalls and how to get it moving again.

Managers have a full set of tools for translating strategy into action. They can redraw their organization charts, redesign their business processes, realign employee incentives, or build sophisticated IT systems to track performance. Nevertheless, critical initiatives stall, and important work goes undone. Emerging business opportunities fall by the wayside or, even worse, into the hands of more agile competitors.

Execution fails for a variety of depressingly familiar reasons: Employees disengage because they don't buy in to the company's priorities; they become dissatisfied and unproductive. Functional silos hinder the coordination necessary for companies to seize new business opportunities. Matrix organizational structures obscure accountability for projects and initiatives. Indeed, execution becomes especially difficult when executives are charged with managing the activities not only of their direct reports but also of a far-flung network of suppliers, partners, knowledge workers, and colleagues in different time zones around the world.

Managers cannot overcome these and other obstacles to execution by doing more of the same; instead, they must fundamentally re- think how work gets done. Specifically, they must acknowledge that a company is more than a bundle of processes or a set of boxes and lines on an org chart. At its heart, every company is a dynamic network of promises. Employees up and down the corporate hierarchy make pledges to one another—the typical management by objectives. Employees also make commitments to colleagues in other divisions and to customers, outsourcing partners, and other stakeholders. Promises are the strands that weave together coordinated activity in organizations.

Most of the vexing challenges leaders face— improperly executed strategy, lack of organizational agility, disengaged employees, and so on—stem from broken or poorly crafted commitments. Executives can overcome some of their thorniest problems in the short term and foster productive, reliable workforces for the long term by practicing what we call “promise-based management”: cultivating and coordinating commitments in a systematic way.

Why Promises, and Why Now?

Promise-based management builds on a tradition that extends back at least to the emergence of contract law in the Roman Empire. It draws on the tenets of speech act theory, a branch of linguistic philosophy that explores how people commit themselves to action through assertions, questions, requests, promises, declarations, and other speech acts. (See the sidebar “A Primer on Speech Act Theory.”) Promise-based management is particularly relevant to today's executives as they increasingly specialize in their core businesses, divest noncore units, and outsource peripheral activities. It also helps executives to capitalize on business opportunities outside their core competencies and to engage and retain employees within a highly mobile workforce. Let's examine each of these business challenges in turn.

Increase coordination and collaboration. It's fairly straightforward for managers to get things done when all the relevant people and resources fall within the same P&L or functional division. There is a clear hierarchy, and positional power motivates people to honor their promises—bosses wield carrots and sticks. But the drift toward corporate specialization has been steady in recent years. Executives struggle to make things happen in matrix organizations or networks of loosely allied firms when the

people they're relying on don't share their assumptions or objectives. A researcher in a pharmaceutical company, for instance, may define success as a breakthrough drug developed over decades. Meanwhile, an outside sales rep may focus on units sold in the short term, rarely looking beyond the next quarter's quota. Well-made promises can help bridge the gap between such individuals, who may be literally and figuratively miles apart. The dialogues that are central to promise-based management allow people from disparate backgrounds to achieve a common understanding of what needs to be done. Promises also foster a mutual sense of personal obligation to deliver the goods.

Increase agility. Companies with well-honed business processes usually do a good job of executing on high-volume, routine activities. However, those same processes can prevent firms from taking advantage of opportunities

that fall outside their core capabilities—say, entering an emerging market, rolling out a large-scale IT system, or managing an ecosystem of partners to create and capture value. The very standardization that generates continuous improvements in traditional business processes limits companies' flexibility—and agility matters. In a recent McKinsey survey on building nimble organizations, 89% of the more than 1,500 executives polled worldwide ranked agility as "very" or "extremely" important to their business success. And 91% said it had become more important for their companies over the past five years. Promise-based management can help organizations act more quickly and flexibly. When putting out a request for help with a project or an initiative, for instance, employees can cast their nets wide, within the organization and beyond, to find the right person for the job. Each party to the promise can establish terms to suit his or her specific circumstances and can renegotiate as new information comes to light or as priorities shift—and that's much less cumbersome than reengineering a well-oiled business process. Because both sides have voluntarily agreed to the commitment—and have put their reputations on the line—they are likely to act with urgency and discipline.

Increase employee engagement. Many managers attempt to rein in today's fragmented workforce by creating rigid processes that dampen employees' initiative and engagement. But organizations that engender well-made, reliable promises create a sense of community among workers—that is, people promise to do things because they buy in to the company's overall mission and priorities and see their part in making things happen. Promise-based management empowers individuals to act like true entrepreneurs within the organization—to spot opportunities, assemble the resources required to seize those opportunities, and adjust on the fly. Within the bounds of the firm's objectives, employees can own and run their own personal networks of promises. This sense of ownership, when coupled with wide latitude in managing the negotiations around individual promises, dramatically increases employees' engagement and therefore boosts overall performance.

Although promises are critical to business success, too often they fail in practice. To a large extent, these breakdowns result from managers' and employees' imperfect understanding of how to make effective commitments.

Conversations for Commitment

A promise is a pledge a provider makes to satisfy the concerns of a customer within or outside an organization. For our purposes, "customer" and "provider" refer to roles, not individuals, and these roles can vary depending on the situation. The CIO, for example, is a customer when requesting financial data from the CFO or soliciting a commitment from a subordinate. But she is a provider when supplying technical support to the finance department or making promises to her boss.

A promise rarely occurs in isolation: In order to deliver on a promise, a provider must solicit and oversee a network of supporting commitments from colleagues, subordinates, partners, vendors, and so on. Having to weave this web of pledges makes it that much more complex for the provider to deliver the goods and underscores the importance of managing commitments effectively.

People often take a legalistic view of promises, defining them according to the terms of a deal, much as lawyers might focus on specific clauses in a contract. More important than the actual content of a promise, however, are the discussions that give it life. Both sides must explicitly thrash out what the customer wants and why, how the provider would go about satisfying the request, and any constraints or competing priorities that could derail fulfillment of the promise.

Specifically, the customer and the provider should rigorously go through three phases of conversation to develop and execute an effective promise. The first is achieving a meeting of minds, which is easier said than done. This phase typically starts when the customer requests something from the provider. The two parties will have different takes on what should be done to fulfill the request, why, how quickly it can be done, and which resources should be used. Because of divergent worldviews—across divisions, companies, countries, and languages— people often end up talking past one another. The customer and the provider must therefore sit down and explore the fundamental questions of coordinated effort: What do you mean? Do you understand what I mean? What should I do? What will you do? Who else should we talk to?

The customer and the provider should strive to obtain a common and realistic understanding of what it will take to satisfy the customer, possible obstacles to delivery, and what the customer can do to help if difficulties arise or other priorities compete for the provider's time and attention. This phase of discussion concludes when the provider makes a promise that the customer accepts.

A Primer on Speech Act Theory

Most executives prefer doing to talking, but they also spend between two-thirds and three-quarters of the workday in formal or casual discussions. So how do they get things done with words? Speech act theory—a branch of linguistic philosophy that explores how people use words to coordinate action—says that talking is doing.

For centuries, philosophers viewed language as a tool for describing external reality. Sentences such as “It is raining” were considered true or false on the basis of how well they corresponded to real-world conditions. But in the 1950s, Oxford philosopher John L. Austin argued that many statements are intended to get things done rather than describe reality. When an umpire calls a strike, a military officer issues an order, or a supplier promises to provide a service, that individual is not describing reality but changing it through his or her utterances. Austin argued that speech always falls somewhere along a wide spectrum between purely descriptive statements, such as scientific equations, and purely active statements, such as a priest’s declaration that a couple is married.

University of California philosophy professor John Searle later introduced a taxonomy of speech acts based on the roles that different statements play in getting things done. Com-missives bind the speaker to a future course of action and include not only promises but also offers (I will do this if you accept) and counter-offers (I can’t do that but could do this). Directives attempt to induce the listener to do something; they include entreaties, requests, and commands. Declarations are authorized pronouncements that change the state of affairs in the world, as when a boss fires a subordinate. Expressives commit the speaker to feeling a certain way about the current state of affairs, as when someone apologizes for doing something. Assertives commit the speaker to a truth and imply future actions consistent with it.

Searle’s student Fernando Flores argued that most corporate conversations are waylaid by attempts to unearth absolute truths that everyone can agree on and that will produce a clear agenda for all to follow. Like philosophers, Flores argued, managers have been seduced by the belief that talking is about describing rather than doing. Requests and promises are the basic units of coordination in commercial organizations, and assertives should be used primarily to clarify those requests and promises.

Consciously or not, managers (through their utterances) create an intricate web of requests, commitments, assertions, and declarations that affect how people in their organizations act.

APPLYING PROMISE-BASED MANAGEMENT

Our research on commitments suggests that work stalls in organizations when people fail to make or deliver on promises. As the chart below indicates, managers who systematically cultivate and coordinate promises can jump-start critical projects and initiatives.

Obstacles to Getting Things Done	Root Causes	Remedies
Organizational silos hinder coordination.	Requests and promises are honored within units but considered optional across units. Requests and promises made across units are viewed as political struggles for power, breeding distrust.	Publicly monitor progress of requests and promises made across units. Train employees to make and fulfill requests across the organization and to manage their networks of promises. Rigorously make and deliver on a succession of small but highly visible promises to rebuild trust. Explicitly link requests and promises to an overarching mission that all can agree on.
Employees are disengaged.	Employees fail to see the link between corporate strategy and their own activities. Employees feel they can't decline or renegotiate requests, and they end up overcommitting.	Ensure that employees understand how their promises support the firm's overall mission and priorities. Publicly celebrate delivery on promises. Empower employees to decline unreasonable requests, make counteroffers, and renegotiate promises when circumstances change.
The organization lacks clear accountability.	Promises are made in private, progress isn't tracked openly, and managers refuse to express their dissatisfaction publicly.	Ensure that promises are made publicly, track progress toward delivery in a transparent manner, and publicly declare satisfaction or dissatisfaction with the results.
The organization lacks agility.	Managers are slow to capture emerging opportunities because they try to come to complete agreement in their assessments and strive for perfect solutions.	Empower people to seek out the right providers within or outside the organization to secure the resources required for seizing emerging opportunities. Introduce a "good enough" prototype and refine it over time through ongoing dialogue, renegotiating promises as circumstances and priorities change. Focus on honoring promises rather than checking off boxes to demonstrate compliance.
Stakeholders don't trust executives to honor their commitments.	Customers, investors, NGOs, regulators, and other stakeholders call for cumbersome monitoring mechanisms and withhold their cooperation.	Make promises to stakeholders publicly; invite credible third parties to monitor progress on delivery. Rigorously make and deliver on a succession of small but highly visible promises to rebuild trust.
The organization is trapped in the status quo.	Senior executives articulate a new strategy, but the firm continues in its old ways. Or the firm executes well in crisis mode but lapses into old routines once the crisis has passed.	Recognize that a change in strategy requires a new set of promises. Articulate the promises necessary to execute the new strategy and assign customer and provider roles where absent. Aggressively publicize when providers deliver on new promises.

In the next phase—making it happen—the provider executes on the promise. Regardless of what the provider may think, now is not the time to take the phone off the hook. Conversation is more critical than ever. Even well-crafted promises remain fragile, susceptible to shifts within the organization or in

the broader business environment that prompt executives to reshuffle priorities and reallocate resources. In light of such shifts, the customer and the provider will need to continue interpreting and reinterpreting the promise. Indeed, if the provider realizes he cannot satisfy the promise he made to the customer, he should immediately renegotiate the terms of delivery. Like- wise, the customer is obliged to initiate renegotiations if her priorities or circumstances change in ways that affect what she has asked the provider to do. This phase ends when the provider declares the task complete and submits it to the customer for evaluation.

In the final phase—closing the loop—the customer publicly declares that the provider has delivered the goods (or failed to do so). Closing the loop gives the customer and provider a chance to offer each other feedback on how they could work more effectively in the future, thereby building continuous improvement into the quality of other promises they make.

Note that the customer and the provider must come not only to a meeting of minds but also to a common purpose. A provider may be reluctant to enter into a commitment for good reasons—such as keeping her options open and protecting her reputation for delivering the goods. It's critical that conversations about what to do go hand in hand with discussions about why it matters for both sides. In their haste to get things done, many managers rush through these important dialogues or skip them altogether.

The Five Characteristics of a Good Promise

In more than a decade of research on commitments, we've asked hundreds of managers to evaluate the quality of promises made within their organizations. We've asked them what percentage of all commitments made to them they could actually rely on. The typical response is about 50%. When promises are unreliable, managers waste a lot of time checking progress, exerting political pressure, or duplicating work. Organizational efficiency and effectiveness suffer.

If managers and employees understand how to solicit and make good promises, they can minimize this kind of friction. More important, they'll be able to overcome the execution challenges thrown at them. We've found that well-made promises share the following five characteristics.

Good promises are public. Promises that are made, monitored, and completed in public are more binding—and therefore more desirable—than side deals hammered out in private. When employees make promises out in the open, in front of their peers and bosses, they can't conveniently forget what they said they would do, recall only a few conditions of a promise, or back out of an uncomfortable commitment entirely. Nor will they want to, in all likelihood: Psychologists have found that most people strive to make good on declarations they've made in public. After all, their reputations for competence and trustworthiness are on the line.

A good example of the power of public promises comes from Royal Bank of Scotland. In the past decade, RBS has moved from the number two bank in Scotland to one of the top ten banks in the world. It broke into the big leagues through its 2000 acquisition of England's NatWest, a bank three times its size. RBS did not make the first or the highest bid for NatWest, but it won the prize by promising to improve the target company's operating performance. RBS didn't make vague statements about projected synergies or scale efficiencies; instead, its leaders publicly promised to deliver on 154 specific initiatives that, combined, would grow revenues by £390 million and cut costs by £1.2 billion. Moreover, RBS pledged that its managers would take personal responsibility for delivering on those initiatives.

A promise made in public should remain public throughout the life of the commitment. The managers at the Brazilian brewer AmBev each year publicly promise to accomplish five individual goals, all of which are linked to the company's overall objectives. They pledge to hit target numbers for, say, increasing company margins, improving service levels, or cutting costs. The managers' performance against these stated objectives is tracked weekly, and the data are posted in the office for all to see. The resulting culture of transparency and execution has helped propel AmBev from the number two brewer in Brazil to the largest brewer in the world (by volume) through In-Bev, its joint venture with the Belgian company Interbrew.

Conversations should comprise offers, counteroffers, commitments, and refusals rather than endless assertions about the state of nature.

Good promises are active. In many organizations, customers hurl requests at providers like paperboys cycling through a neighborhood chucking newspapers onto doorsteps. Providers catch the requests, throw them on a pile, and go back to work. Requests like these rarely elicit good promises. As we discussed earlier, negotiating a commitment should instead be an active, collaborative process.

Misunderstandings will inevitably occur when providers and customers come together from different disciplines, business units, organizations, or countries, or when they are pursuing a novel initiative. Even worse, when an organizational promise is broken, people often believe that the other party has acted in bad faith. Business unit managers complain about the idiots in IT, while software engineers grumble about managers who don't know what they want. No one gets the benefit of the doubt, and every miscommunication is interpreted as further evidence of evil intentions. This downward spiral of distrust poisons relationships and impedes performance. In such situations, probing discussions can unearth the different assumptions customers and providers are making.

In many organizations, the active negotiation of a promise turns into an exploration of multiple assertions and scenarios, leading everyone to engage in time-consuming rebuttals and "gotcha" questions designed to demonstrate the inquisitor's cleverness rather than get closer to a good promise. These discussions often start out productively but stall when the participants seek complete certainty before hammering out a deal. The top executives of one biotech firm were caught in exactly this trap. The senior team consisted of brilliant scientists who spent all their time trying to prove they were right. The discussion was insightful and erudite, but in the end, nothing got done.

Active conversations should comprise offers, counteroffers, commitments, and refusals rather than endless assertions about the state of nature. In the biotech company, the senior executives eventually agreed to make clear requests of one another and provide only the background information necessary to flesh out those requests for potential providers. (One of the executives was tasked with interrupting those who went overboard explaining their rationales.) Potential providers were allowed two rounds of questioning for clarification. They were then required to get back to the customer within 48 hours with a refusal, a commitment to act, or a counteroffer. In a matter of weeks, the team's discussions shifted from endless debates about reality to clear requests for action and promises to deliver.

Good promises are voluntary. In many organizations, people feel compelled to comply with each and every request in order to be seen as team players, please their bosses, or avoid looking like jerks. For instance, in the past, employees at General Motors made liberal use of the "GM nod"—a polite yes to

every request. But when the response to every request is yes, what does it really mean? It might mean “yes”—but it might mean “no” or “Is it time for lunch yet?” or “I have a pulse.”

The most effective promises are not coerced; they are voluntary. The provider has viable options for saying something other than yes. Contracts signed under duress are not binding in a court of law. Similarly, psychologists have found, people assume little personal responsibility for promises made under threat (although they may comply out of fear). By contrast, people feel deeply obliged to follow through on a promise if they exercised free will in making it.

While providers shouldn't be expected to fulfill every request, they also cannot be allowed to avoid making promises. Instead of automatically saying no, a provider can respond to a customer's request with a counteroffer—for instance, “What you're asking is not possible, but this is what I can do for you.” A thoughtless yes and a reflexive no are both passive responses to a customer's request, but a counteroffer signals the provider's active interest and voluntary engagement in helping the customer succeed.

Senior executives must therefore give providers the space to decline customers' requests or to make counteroffers. An executive in one information technology company we worked with gave his direct reports a set of cards in which most were marked “yes” or “counteroffer” and three were marked “no.” Using those cards, subordinates could decline three requests per quarter, provided they publicly offered a clear explanation why.

Renegotiation of promises may not always be pleasant, but it is critical. People on both sides must have the scope to recalibrate in order to seize emerging business opportunities.

Of course, managers should recognize that some team members may abuse an opt-in philosophy toward making promises. Keeping commitment-phobic employees on the team degrades the power of promises for everyone else.

Good promises are explicit. Customers and providers should clearly acknowledge who will do what for whom and by when. The need for explicit negotiation increases in situations in which a new party replaces an established one, a company's employees are culturally diverse, or an abstract construct (optimization or innovation, for example) gives rise to multiple interpretations. Implicit promises are quick and easy to establish but often result in misunderstandings.

The customer and the provider must be explicit about their promise throughout its life cycle. Requests must be clear from the start, progress reports should accurately reflect how the promise is being executed, and success (or failure) should be outlined in detail at the time of delivery rather than after the fact, during a quarterly performance check-in or through annual 360-degree feedback.

A large hydroelectric engineering joint venture we worked with recognized the need for clarity of organizational promises and created a system for making sure the lines of communication stayed open between customers and providers. From its inception in 2000, Voith Siemens Hydro Power Generation battled up-start Chinese and Indian manufacturers at the low end of the market and established rivals, including GE and Alstom, at the high end. Voith Siemens decided that the best way for it to compete would be to offer its customers integrated solutions—entire power houses, including turbines, generators, and other components. To make this strategy work, however, managers needed to re-create

the way employees in different disciplines, departments, and regions coordinated their activities. CEO Hubert Lienhard and his team initiated a program to improve the quality of commitments people in the organization were making. The engineers in the various disciplines, for instance, created and widely distributed a set of checklists and memo templates to be used as guides for making requests and promises. The checklists specified a half-dozen or so aspects of any request or promise that must be explicit to both parties. These included names, dates, underlying rationales for requests, the skills necessary to fulfill promises, and so on. The engineers also established periodic design freezes, during which design coordinators, referring to their checklists, would ensure that customers and providers maintain identical understandings of their requests, promises, and counteroffers.

Explicit promises foster coordination and execution across an organization. They keep customers satisfied and providers on point. But that doesn't mean the terms of a promise should be etched in stone; they can and will evolve as circumstances change, priorities shift, or new information emerges. Renegotiation of promises may not always be pleasant—it can be risky, time-consuming, and resource intensive—but it is critical. Customers and providers must have the scope to recalibrate in order to seize emerging business opportunities.

Onset Ventures, in California, has cultivated more than 100 early-stage technology start-ups since 1984, and nearly 80% of them (compared with the industry average of about 20%) have gone on to higher rounds of financing. Like most venture capital companies, Onset stages its funding in rounds. At the start of each round, the entrepreneur and Onset negotiate a small set of explicit objectives to meet before moving on to the next round—for instance, develop a working beta product, sign five reference customers, and survey 100 potential customers to determine demand. The promises are ironclad within a round, but they are expected to change (and do) in subsequent rounds. Throughout the rounds, the entrepreneur and the VC firm reassess the situation and agree on new promises to accommodate shifting business needs.

Good promises are mission based. Often, a customer will solicit a promise from a provider without offering any explanation for why the request matters. As a result, the provider infers that the request isn't critical or that the customer doesn't consider the provider important enough to deserve an explanation or smart enough to understand it. In any case, the outcome won't be pretty. The most effective promises are mission based—that is, the customer explains the rationale for the request and invests time to ensure that the provider understands the mission. Sure, it can be cumbersome to explain where a division fits in the corporate strategy and where a particular request belongs within that division. But when providers understand why their promise matters, they are more likely to persist in executing even when they encounter conflicting demands and unforeseen roadblocks. They can also exercise creativity in addressing customers' underlying concerns rather than blindly fulfilling the letter of the stated request.

The U.S. Marine Corps, for instance, uses what it calls mission-based orders. These requests clearly articulate what the commanding officer wants and why, while leaving the methods of implementation to the discretion of the subordinate officer closest to the situation on the ground. Each order includes an explanation—known as the commander's intent—of why the objective matters to the commanding officer and to his superior as well. Business leaders can apply a similar discipline by explaining to providers why requests matter to them. They can gauge whether providers understand and support the overall rationales for a request by asking them to articulate in their own words why the request matters.

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Promises are the fundamental units of interaction in businesses. They coordinate organizational activity and stoke the passions of employees, customers, suppliers, and other stakeholders. While they hold an organization together, they are as fragile as they are crucial. Individuals' divergent worldviews and objectives tug constantly at the filaments of promises, and unexpected contingencies can tear precarious agreements. Leaders must therefore weave and manage their webs of promises with great care—encouraging iterative conversation to make sure commitments are fulfilled reliably. If they do, they can enhance coordination and cooperation among colleagues, build the agility required to seize new business opportunities, and tap employees' entrepreneurial energies. If they don't, they will lose out to rivals who do.