VISION FOR A HIGH-PERFORMANCE ORGANIZATION
TearLab is a very special company with a very important destiny. We have overcome a tremendous amount of adversity to be where we are today. We started out with a plan to create a seemingly impossible product: a testing device that would have tremendous accuracy, using only nanoliter volumes of liquid. The company was built by an exceptional team that was able to overcome unprecedented challenges. We would not give up or surrender regardless of the obstacles that the FDA or CLIA or the many health care and financial regulatory bodies placed before us. The team members were so completely committed to success that they were willing to give up their salaries and bonuses to ensure the success of the business. We did it all with a passion and a belief that we were building something different. We were building a company destined to make a difference. At TearLab, our intent is to make a significant impact on society. We also want to change the traditional relationships between customers and suppliers, and we want to create a unique culture for the company and its employees.
THE REASON FOR THIS MANUSCRIPT

Our goal is to embed the principles of a high-performance team into our entire organization as it starts to grow. It is critical to our success that everyone understands the principles of working within a high-performance environment at every level of the organization. Only an extraordinary organization can achieve the vision of what we deem our destiny!

Before getting into the specifics of our high-performance culture, I would like to share with you what I believe is different about TearLab as an organization.

MISSION

Our goal is to create an extraordinary company that can make a difference, improving quality of life and supporting the effectiveness and sustainability of health care systems globally.

Our vision (which supports our mission) defines what makes us extraordinary and is embodied in the five pillars that are the foundation of our company.
THE FIVE PILLARS

1. We believe we can achieve anything. There is not a problem that we can’t solve and not a solution that escapes us. We have amazing technology, but that’s just the start of our creative abilities and the first of many innovations that we will be bringing to market.

2. Our approach to the market goes well beyond selling a product and offering tremendous customer service. We understand that doctors who use our technology are our partners. We are intrinsically tied to their success, and it is the focus of our efforts.

3. We are committed to bringing to market medical products and services that truly benefit patients and improve their quality of life while also contributing positively to the cost-effectiveness and sustainability of health care systems globally.

4. We are committed to building and nurturing a high-performance organization, an organization where achievement, accomplishment and success are celebrated and rewarded and where entitlement, apathy and a negative attitude are just not welcome. This is a place where passionate, strong performers flourish and grow because there is a tremendous amount of growth and opportunity ahead of us, while average performers are supported in their efforts to find alternate occupations.

5. We are a faith-friendly organization. We strongly embrace faith and spirituality and support the expression of all beliefs.

Now that we have explained how TearLab is different, let’s get a clear picture of what a high-performance organization looks like.
HIGH-PERFORMANCE ORGANIZATION

The definition from Wikipedia looks like this:
High-performance teams (HPTs) is a concept within organization development referring to teams, organizations or virtual groups that are highly focused on their goals and that achieve superior business results. High-performance teams outperform all other similar teams, and they outperform expectations, given their composition.

DEFINITION
A high-performance team can be defined as a group of people with specific roles and complementary talents and skills, aligned with and committed to a common purpose who consistently show high levels of collaboration and innovation that produce superior results. The high-performance team is tight-knit and focused on its goal and nothing else. Team members are so devoted to their purpose that they will surmount any barrier to achieve the team's goals. Within the high-performance team, people are highly skilled and their roles are interchangeable. Also, leadership within the team is not vested in a single individual. Instead the leadership role is taken up by various team members according to the need at that moment. High-performance teams have robust methods for resolving conflict efficiently so that conflict does not become a roadblock to achieving the team's goals. There is a sense of clear focus and intense energy within a high-performance team. Collectively, the team has its own consciousness, indicating shared norms and values within the team. The team feels a strong sense of accountability for achieving its goals. Team members demonstrate high levels of mutual trust in each other.
CHARACTERISTICS

High-performance teams have ten characteristics that are recognized as leading to success.

- Participative leadership – using a democratic leadership style that involves and engages team members
- Effective decision making – using a blend of rational and intuitive decision-making methods, depending on the nature of the decision or task
- Open and clear communication – ensuring that the team mutually constructs shared meaning, using effective communication methods and channels
- Valued diversity – valuing diversity of experiences and backgrounds in the team, contributing to a diversity of viewpoints, leading to better decision making and solutions
- Mutual trust – trusting in other team members and trusting in the team as an entity
- Managed conflict – dealing with conflict openly and transparently and not allowing grudges to build up and destroy team morale
- Clear goals – goals that are developed using SMART criteria; also goals with personal meaning and resonance for each team member, building commitment and engagement
- Defined roles and responsibilities – understanding by each team member of what must be done (and must not be done) to demonstrate commitment to the team and to support team success
- Coordinative relationship – bonds between the team members to allow seamless coordination of work to achieve both efficiency and effectiveness
- Positive atmosphere – an overall team culture that is open, transparent, positive, future-focused and able to deliver success

Now that we have presented a clear picture of what we are trying to achieve and why, let’s see how we get there.
THERE ARE TWO FUNDAMENTAL KEYS TO ORGANIZATIONAL SUCCESS

1. ORGANIZATIONAL CLARITY
   Everyone is aligned with the vision with a well-thought-out strategic plan that includes a clear understanding of core competencies and key processes. The strategic plan must translate to a comprehensive operating plan and ultimately to individual action plans that include clear and measurable objectives, timelines and predetermined consequences for success or failure. The core values of the organization are preserved at all times.

2. PERFORMANCE MANAGEMENT
   We hold people accountable for what they said they were going to do!
   • Hire the right people
   • Set clear goals and objectives
   • Measure performance
   • Reward performance
OUR VALUES

PERFORMANCE: We consistently deliver results. We strive for excellence.

PASSION: We are passionate about all our commitments, our products, our business and our people.

INNOVATION: We are open to taking risks to find better ways. We encourage innovative thinking to discover solutions to challenging problems.

DOING THE RIGHT THING: We act in a way that would make our mothers proud. We can be trusted to demonstrate integrity in all that we do.

TRANSPARENCY: We communicate with all stakeholders openly and honestly.

CULTURAL NORMS

GOALS. We:
• do what we say we will and accomplish goals on time and on budget
• are goal-directed – we set goals and work toward results
• set realistic (attainable with a stretch) goals
• make clarity a passion
• create a plan about how to achieve our goals and communicate it well to those who need to know
• are skilled at identifying barriers to goal attainment and actions that help eliminate blocks
• are skilled at asking for help to attain a goal
• don’t like surprises
CUSTOMER SERVICE. We:
• understand that customer service is critical to our success
• see doctors as partners and are committed to helping them be successful

PURSUE EXCELLENCE. We:
• can be counted on for an attitude of pursuing excellence
• take responsibility for outcomes – even when things don’t go as planned
• are grateful for the opportunity we have been given and understand that the only things that we are entitled to are things we earn
• value and engage in active feedback processes (“postmortems”)

WE WORK AS A TEAM, CARE ABOUT EACH OTHER AND HAVE FUN. We also:
• are generous with our appreciation and recognition of others
• work and sacrifice for the team, creating and nurturing trusting relationships at all levels
• lead by servitude; we serve the team and those who work for us

THE TEARLAB HIGH-PERFORMANCE ORGANIZATIONAL (HPO) PROCESS
1. SET THE VISION AND GOALS.
Ultimately we have both longer-term and short-term goals. Translating the vision and the goals to demonstrate the impact of every department and every member of the team is critical.

Goals must be SMART and achievable (see SMART section).

*Example: We want to climb every mountain in the world.*
2. DEVELOP A CLEAR PLAN THAT INCLUDES BOTH STRATEGY (OPERATING PLAN) AND TACTICS (ACTION PLAN).

Operating plan example: In the first year we will climb Mt. Everest. We will raise at least 80% of the funds that we need prior to hiring people. We will train for three months prior to going, and we will take six months to climb the mountain.

Action plan example: John will be responsible for coordinating the money raising. Fifty percent will come from advertising, and 50% will come from family and friends. John will begin phoning companies on Nov. 1, and he will meet with two sponsors per week.

3. DESIGN COMPENSATION PROGRAMS THAT REFLECT THE ORGANIZATIONAL GOALS.

4. PROVIDE REGULAR REVIEWS AND FEEDBACK SESSIONS.

5. CELEBRATE THE WINS.
IN SUMMARY

EVERYONE IN THE ORGANIZATION MUST HAVE A SERIES OF NEAR-TERM GOALS AND AN OPERATING PLAN.

All individual operating plans must include:

• Decision-making parameters (Do I make the final decision? If not, who does?)
• Specific goals (clear results, expectations and measurement)
• Agreement on the timelines for achieving the goal, reporting and milestones
• Agreement on measurement and milestones
• Determination of and agreement on resources and support required
• Definitions of reporting format and timelines (type, info and period)
• Definitions of rewards and compensation for achieving goal
• Plan to celebrate wins
HOW WE DEVELOP SMART GOALS

Paul J. Meyer describes the characteristics of SMART goals in *Attitude Is Everything*.

SPECIFIC
The first term stresses the need for a specific goal over and against a more general one. This means the goal is clear and unambiguous, without vagaries and platitudes. For goals to be specific, they must tell a team exactly what is expected, why it is important, who’s involved, where is it going to happen and which attributes are important. A specific goal will usually answer the five “W” questions:

- What: What do I want to accomplish?
- Why: What are the specific reasons, purpose or benefits of accomplishing the goal?
- Who: Who is involved?
- Where: What is the location?
- Which: What are the requirements and constraints?

MEASURABLE
The second term stresses the need for concrete criteria for measuring progress toward the attainment of the goal. The thought behind this is that if a goal is not measurable, it is not possible to know whether a team is making progress toward successful completion. Measuring progress is supposed to help a team stay on track, reach its target dates and experience the exhilaration of achievement that spurs it on to continued effort required to reach the ultimate goal. A measurable
goal will usually answer questions such as:

- How much?
- How many?
- How will I know when it is accomplished?

**ATTAINABLE**

The third term stresses the importance of goals that are realistic and attainable. While an attainable goal may stretch a team in order to achieve it, the goal is not extreme. That is, the goals are neither out of reach nor below standard performance, as these may be considered meaningless. When you identify goals that are most important to you, you begin to figure out ways you can make them come true. You develop the attitudes, abilities, skills and financial capacity to reach them. The theory states that an attainable goal may cause goal setters to identify previously overlooked opportunities to bring themselves closer to the achievement of their goals. An attainable goal will usually answer the question of how can the goal be accomplished?

**RELEVANT**

The fourth term stresses the importance of choosing goals that matter. A bank manager’s goal to “make 50 peanut butter and jelly sandwiches by 2:00 p.m.” may be specific, measurable, attainable, and time-bound, but it lacks relevance. Many times you will need support to accomplish a goal: resources, a champion voice, someone to knock down obstacles. Goals that are relevant to your boss, your team and your organization will receive that needed support. Relevant goals (when met) drive the team, department and organization forward. A goal that supports or is in alignment with other goals is considered a relevant goal.
A relevant goal can answer yes to these questions:

- Does this seem worthwhile?
- Is this the right time?
- Does this match our other efforts/needs?
- Are you the right person?

**TIME-BOUND**

The fifth term stresses the importance of grounding goals within a time frame, giving them a target date. A commitment to a deadline helps a team focus its efforts on completion of the goal on or before the due date. This part of the SMART goal criteria is intended to prevent goals from being overtaken by the day-to-day crises that invariably arise in an organization. A time-bound goal is intended to establish a sense of urgency.

A time-bound goal will usually answer these questions:

- When?
- What can I do six months from now?
- What can I do six weeks from now?
- What can I do today?

**OUR MEETING NORMS**

- Let members complete their thoughts.
- Don’t leave the table with issues unresolved.
- Don’t stifle creativity.
- Attack the problem, not the person.
- Humor or humour is OK.
- Encourage full participation.
- Respect each other’s time.
• Encourage cabinet solidarity, support of executive team decisions outside the room.
• Leave every meeting with decisions on clear deliverables, timelines and owners.
• Bring issues to closure – summarize and agree.
• Include relevant business issues on the agenda, and the team must be in the loop on business decisions, whether they are made at or between meetings.
• Everyone’s input is of value, and there is a defined process for decision making that we can all support and understand.
• Be sensitive to time and avoid tangents.
• Verify that enough information has been solicited in order to make a proper decision.
• Use meetings to develop a short-term plan of attack to deal with business challenges.
• Determine whether an agenda item is an update or a decision; make decisions instead of providing updates and prioritize issues facing the business.
• Review materials ahead of time and come prepared.

HUMAN RESOURCE THEORY AND COMPENSATION STRATEGY

We MUST create an environment where everyone sees a clear connection between their goals and what they do every day. Our compensation strategy is to pay salaries that are in the midrange of the industry average and to reward performance with bonuses and stock options.
TWO KEY ELEMENTS TO DEVELOPING COMPENSATION PROGRAMS

• Alignment with organizational objectives
• Simplicity

WHAT EMPLOYEES WANT

Understanding what employees really want is critical to managing a high-performance organization.

1. Employees want to trust that the company will treat all employees fairly.
2. Employees must always be treated with respect and feel valued.
3. Employees have to be kept well informed by their supervisors.
4. Employees must feel comfortable with expressing their views, and supervisors have to be open to new ideas and suggestions.
5. The company needs to develop a reputation for promoting diverse opinions and new ideas, and all employees must be encouraged to use their unique talents.

CLARIFY THE DECISION PROCESS

Make sure everyone understands whether the information presented:

• Requires a decision
• Requires input
• Is just to make sure you are informed

Be clear. I am telling you this because:

• I need you to make the decision.
• I need your input.
• I just want you to be informed.
Use priority codes for messages:

- Urgent (911): Please respond immediately.
- Routine: Response is expected within the next 24 hours.
- Information only: This usually is a “cc” and requires no response.

**Empower the people in the organization to make decisions.**

Executives should be consulted and advice should be given, **but the decision should be made as close as possible to the customers.**

The criterion for appropriate decision making should be common sense. Allow people to make commonsense decisions that can override policy.

**HIRE THE RIGHT PEOPLE**

People are more important than the plan. Hire the right people and get them to figure out the plan.

*The right people are disciplined people, engaging in disciplined thought, taking disciplined action.* – Jim Collins

*You need discipline to confront the brutal facts, not Pollyana optimism. The right people don’t have jobs; they have responsibilities!* – Jim Collins

According to Gen. C. Powell, *Look for intelligence and judgment, and most critically a capacity to anticipate, to see around corners. Also look for loyalty, integrity, a high energy drive, a balanced ego and the drive to get things done.*
HAVE ONLY “A” PLAYERS ON THE TEAM

- Hire energetic managers who can develop and implement a vision and know how to fire up enthusiasm in others.
- Middle managers must be team players who embrace values.
- Don’t hire mavericks, no matter how good they are.

WHAT JACK WELCH LOOKS FOR IN EXECUTIVES

The four Es:
1. Energy (their own)
2. Energize (have the ability to create energy in others)
3. Edge (have the ability to make the tough decisions and the tough calls)
4. Execute (have the ability to deliver results)

*All are tied in to the most important thing, and that is a PASSION for the business.*

PROMOTIONS

Hire on potential; never promote on potential. Promote on problem-solving skills.

FROM THE OFFICE OF THE CEO

LIFE PRINCIPLES

1. Life is not fair; get used to it.
2. Sooner or later everyone gets what they deserve.
3. If you are heading in the wrong direction, it doesn’t matter if you are making good time.
4. Treat others as you want them to treat you.
5. Have the guts to take the narrow path.
6. You get much more pleasure from giving.

7. Face issues directly and instantly, but use only words that build up the other person.

8. Don’t let the sun go down on an angry heart.

9. A house divided will not stand.

10. Establish a life goal, a personal mission statement.

LEADERSHIP PRINCIPLES

1. You can’t mandate respect; you have to earn it.

2. Integrity is doing the right thing when it’s not in your best interest.

3. The best way to a promotion is to help your boss get one.

4. Face issues directly and instantly, but use only words that build up the other person.

5. Don’t let the sun go down on an angry heart.

6. Try to catch people doing something right.

7. A house divided will not stand. A united team all working together can accomplish anything.

8. You can’t lead people to a place you have not been.

9. If all else fails, communicate.

10. Treat others as you want them to treat you.

NEVER GIVE UP, NEVER SURRENDER

In 1962, four nervous young musicians played their first record audition for the executives of the Decca Records company. The executives were not impressed. While turning down this group of musicians, one executive said, “We don’t like their sound. Groups of guitars are on the way out.” The group was called The Beatles.
In 1944, Emmeline Snively, director of the Blue Book Modeling Agency, told modeling hopeful Norma Jean Baker that she better learn secretarial work or else get married. Norma Jean went on to become Marilyn Monroe.

In 1954, Jimmy Denny, manager of the Grand Ole Opry, fired a singer after one performance. He told him, “You ain’t goin’ nowhere, son. You ought to go back to driving a truck.” The young man went on to become the most popular singer in America, Elvis Presley.

When Thomas Edison invented the light bulb, he tried more than 2,000 experiments before he got it to work. A young reporter asked him how it felt to fail so many times. He said, “I never failed once. I invented the light bulb. It just happened to be a 2,000-step process.”

In the 1940s, another young inventor named Chester Carlson took his idea to 20 corporations, including some of the biggest in the country. They all turned him down. In 1947, after seven long years of rejections, he finally got a tiny company in Rochester, New York, the Haloid Company, to purchase the rights to his invention, an electrostatic paper-copying process. Haloid became the Xerox Corporation that we know today.

The moral of these stories: 
*Character, drive and the will to succeed cannot be developed in ease and quiet. Only through experiences of trial and suffering can the soul be strengthened, vision cleared, ambition inspired and success achieved. You gain strength, experience and confidence through every experience when you really stop to look fear in the face. You must*
do the thing you cannot do. And remember, the finest steel gets sent through the hottest furnace. A winner is not one who never fails but one who NEVER QUILTS! In LIFE, remember that you pass this way only once! Let’s live life to the fullest and give our best. – Author Unknown

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TearLab Corporation

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