

Fig'r'n Out Performance

by Myron Kanning

Do you ever consider questions like: why do companies in the same industry achieve different results when they utilize the exact same programs and processes such as lean manufacturing or Six Sigma? Or, why do so many change efforts fail, strategies never become fully implemented, and mergers and acquisitions under perform? Or, has America and more precisely Indiana lost its competitive edge in the new global market place?

Focusing on questions like these elevates my energy. You see, I have a very inquisitive mind that takes nothing for granted. I cannot rest until I understand why things happen in the manner and means that they do. Stated another way, as a native Hoosier, I am driven to "fig'r' things out!"

My "fig'r' things out" attack is a blending of what worked for our teams during my corporate career, successful consulting engagements, discussions with other business and thought leaders, reading of 60 plus business books the past three years, reading or listening to as many book summaries, and googling my way through hundreds of articles and research documents.

Most books, articles, and documentation addressed ways an individual leader needed to improve but few touched on what the collective organization required to achieve great results.

All this "fig'r'n" lead to the conclusion: it takes more than brilliant strategies, programs, processes, or analytical savvy. There was no silver bullet, no one-size-fits-all or off-the-shelf answer to great performance. Nor can you manipulate, maneuver, or muscle your way to greatness. The great performance differentiator is found in organizational dynamics.

There are 8 fundamental organizational threads that when woven together differentiate, as author Jim Collins coined, "the good from the great."

Great Performing Organizations:

1. **Confront true reality...about the market, the future and performance capabilities.**

Essentially, great performance begins and ends with reality. No matter how intelligent a person or group, decisions made without complete reality only have a random probability of being right. Without true reality in a rapidly changing market, random probability decisions will eventually lead to critical mistakes. As Sidney Finkelstien states in the book [Why Smart Executives Fail](#), "One blind spot appears somewhere near the center of almost every major business disaster: a serious inaccurate perception of reality."

We all have a problem with reality in today's market. Because of the mounting fast paced challenges and opportunities, I did not possess true reality during my corporate career and I have yet to discover an organization that has an accurate handle on the reality of their capabilities. Like me, most think their organizations are better than they really are.

When I decided to get help with reality, I found there were inexpensive assessments that provided validated feedback which identified if strategies could be achieved, if revenue and profits could grow, if M & A's can function as one, or if satisfying customer needs could continue. This information was worth millions to the bottom line.

2. Concentrate on organizational capability...not the talent of a few.

Groups out perform even the brightest of individuals. Studies confirm companies that engage and leverage the knowledge and skills of all levels of an organization out perform traditional command and control organizations by a factor of at least 2 or 3X.

3. Establish a well-defined, easy to understand, clearly communicated, and completely aligned purpose/vision/strategy.

"More than 30 years of Harvard Business School research has shown that aligned and integrated companies outperform their nearest competitors by every major financial measure." George H. Labovitz – Business Performance Management – October 2004

Bill George former CEO of Medtronic says it another way in his book Authentic Leader, "Engage the hearts of those you serve and align their interests with the interests of the organization. When you find that special alignment, the team will have the power to move mountains. Nothing will stand in your way."

A recent Gallup study found that only 26% of employees admit to being engaged in making the company better. 26% engagement moves no mountains. Everyone needs to understand clearly and accept their responsibility and accountability to be better tomorrow than today.

4. Populate the organization with "3D" leaders...viewed as leaders not only from above but also from subordinates and peers...they broker knowledge between levels... place organizational achievement and teamwork first and foremost.

Dormant knowledge and potential exists in every organization. Great performing organizations focus on more than intellect of a few, they convert personal knowledge from throughout the organization into organizational knowledge across all levels. The answers to all your challenges lies dormant somewhere in the organization. This takes a special skill and leaders at every level must be taught

the skill how to broker knowledge both up and down to bring the best thinking to the situation.

5. **Create genuine customer focus/execution...bring the knowledge, commitment, buy-in, responsibility, and accountability of all the levels into overcoming challenge and capitalizing on opportunities.**

The customer remains the reason businesses exist. A recent study by Bain and Company found most organizations do not possess reality about customer service. Companies rated their service 10 times better than did customers.

6. **Plan for the future...establish the willingness and ability to change as a core competency.**

Research by Michael Beer & Nitin Nohria shows that 70 percent of change-efforts fail. In the fast paced global market, change is mandatory. This requires management to let go and others step up.

7. **Stretch the performance...provide the necessary resources to achieve *Great Results*.**

Success requires a balance of demands and resources. If demands are high and resources inadequate, stress and failure are the result. If resources are high and demands low, comfort sets in. Neither stress nor comfort lead to sustainable results.

8. **Combine high results "now" ...with sustainable long-term success.**

Great companies do not compromise the future for short-term attention. Every decision should be quality checked with the question; can we sustain these actions?

Why search for these differentiators? It is because I care! I care about Indiana and want it to return to the economic leadership position it has enjoyed. We will make this return if more businesses elevate to great results. By focusing on these fundamentals, businesses have elevated to great results. One manufacturer grew net income 184 percent in one year, a billion dollar food retailer elevated sales over 15 percent after years of stagnant growth, and a service organization went from the lowest customer ratings in the industry to first also in one year. These great results strengthen economies. The more businesses that focus on these 8 fundamentals, the stronger the organization and Indiana will become.