We work with many companies, helping them continue to reach higher levels of business performance. These clients are outstanding organizations, leaders in their industries, but something has happened that keeps them from achieving the levels of performance they seek.

With few exceptions, we find one of the challenges these companies face is they do not have a balanced approach to developing and delivering results. Some focus on developing sophisticated business or functional strategies. Others are intensely process focused. Others focus on tools to help reduce cost or improve productivity and efficiency, implementing complex ERP, SCM, CRM and other systems.

One of the hot trends is to focus on "execution." Managers focus on activity, implementation, and action. Often, without having a real direction in mind, often with real inefficiency and wasted effort, all in the name of activity.

While intense focus in any of these areas may produce short-term results and benefits, our research indicates focusing in one area is insufficient for sustained performance excellence.

Core Performance Elements:

High performance requires a balanced approach to each of the key elements of the business.
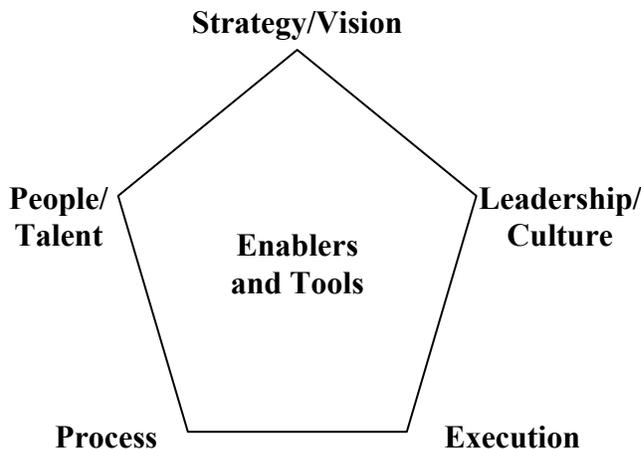

- **Strategy/Vision/Values**: The visions and strategies of the company provide the overall direction and definition of markets, businesses, customers and opportunities the organization wants to address; the goals that should be achieved; and the road map of how to achieve them. The visions and strategies provide the core directions and focus to the organization.

  Generally, this is one of the areas of greatest imbalance that we find. We see many organizations rich in strategy, often with many strategies. Strategies are the stuff MBAs and consulting firms are made of. Developing strategies is how many business executives have been trained. Strategies speak to the future and stimulate creativity, innovation, and optimism.
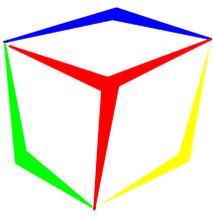
However, without the right people, leadership and processes, the best strategies will do nothing. Without moving them into action, they remain nothing but wishful thinking or expensive presentations in leatherbound folders.

Unfortunately, we find many executives think that strategies are an end in themselves. Once the strategy has been developed, all the heavy lifting has been completed. Usually, these executives move on to creating new strategies, displacing the strategies they just developed, that have not been tested, tuned and revised in the market place. We find the phenomena of "strategies du jour."

We used to say that we seldom found organizations with really weak business strategies, but the bubble changed that! During the bubble, we saw hundreds of businesses that had fundamentally no business strategy. These organizations had vaguely defined opportunities, and burned millions of dollars in the aimless, but fast pursuit of activity.

An element of the strategy and vision is the company value system. These shape the way people think and behave in the organization. They shape the types of strategies, business processes, and execution tactics that are selected. They shape the types of people and leaders that form the company. The value system is at the foundation of each element we discuss.

The failure of many mergers is often the result of a clash in value systems and culture. Value systems can change

- **Process:** High performance organizations are process focused. They develop strong processes to help achieve the strategies they have selected. The processes focus on putting in place the steps and defining the required actions to effectively and efficiently achieve the goals established in the strategies. Processes also provide us the waypoints to assure we are achieving the goals we established. We have all seen outstanding organizations that are very process focused, like GE, Walmart, IBM, and others.

  However, process has gotten a bad name. Too often, process is equated with bureaucracy. Processes seem to be encumbered with procedures and seem to "slow us down, keeping us from making things happen." In our experience, the aversion to processes is that they are really tough work. They require people to understand how things must work in great detail. They require people to ask tough questions, to get answers with precision, and to design systems that produce results consistently over time. Processes are the basic "blocking and tackling," of making a business work. However, when everyone wants to be the quarterback, or at least a tight end or fullback, much of the "blocking and tackling" never gets done.

  We find many organizations having fantastic business strategies that cannot be executed because they have failed to put the basic business processes in place to enable the strategies to be executed. Other organizations do not achieve the performance levels possible because the processes are inefficient or ineffective.

  Sometimes, we find an opposite phenomena in place. These organizations seem paralyzed by their processes and procedures. They are so process focused, they tend to be unresponsive or miss opportunities that do not fit cleanly into their existing processes. Opportunities that require changes to their business processes and procedures, are lost to these organizations. We seldom find these organizations in the commercial sector, seeing them more often in the public sector or some not for profits.

- **Execution:** The best strategies and processes, strongest leadership and people mean nothing without execution. As Larry Bossidy expresses it: Execution is the discipline of getting things done.[i] It is putting your strategies in process into motion to produce the results you want.
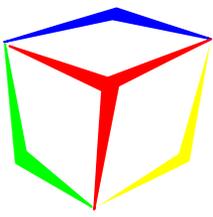
Execution is an interesting challenge. Many companies are action or activity oriented, but the activities lack strong direction, focus, or consistency over time. Implicit in Bossidy's definition of execution are strong business strategies and processes. Without this, execution becomes meaningless activities.

Much of the challenge we see in execution is the activity is not closely tied to the business strategies and processes. Many organizations seem to take a Ready, Fire, Aim approach, believing almost any activity has merit.

As consultants, we have gotten cynical. We see many organizations where one's stature seems to be measured by how many back-to-back meetings we can schedule, how many emails and voicemails we get each day, how much we can multitask, how many meetings we can conduct simultaneously. In one organization we worked with, it was not uncommon for the top executives to schedule 2-3 meetings simultaneously, booking their agendas from early in the morning to the early evening.

- **People/Talent:** Organizations are built of people, building the highest level of performance requires having "A players" in each job in the company. Clearly defining the roles, responsibilities, and performance expectations required to support the other elements is the only way to achieve the goals of the organization.

  There are some important nuances to having "A players" in each job. While it may be heresy, we don't subscribe to the approach of getting the "smartest" people you can get and defining the jobs around them. There are countless disaster stories of outstanding executives in the wrong job with the wrong company at the wrong time. Getting the best "right" people is critical. Developing a detailed profile of the ideal person for each position, then rigorously interviewing to find the perfect fit to this profile is the only way to achieve this level of fit.

  As important to recruiting the right people, developing them to continue to be A players allows continued high performance. As the business strategies, processes, culture and execution priorities change, it is important to develop the skills and capabilities of the people so they still fit the evolved and new roles required to support the changes. If they can't, the people need to be changed, either moved into the right jobs, moved out of the company, and new A players need to be put in place.

  I am not advocating ruthless firing and hiring of people as the business changes, in fact, this approach is short sighted and usually fails. The real and opportunity costs generally offset any performance gains that might be achieved. The way top performing companies achieve this is making major commitments to developing their people. This is through rich and appropriate training, disciplined coaching and mentoring, strong performance management and a drive for continued performance improvement. This commitment to developing people must be a core element of the company value systems and culture.

- **Leadership/Culture:** The leadership team of the organization pulls together these elements guiding the organization in achieving its objectives. This paper is not intended to be an examination of leadership, so we will highlight key characteristics required for successfully leading the balanced performance of the organization.

  A key element of effective leadership is the commitment leaders display to the strategies, processes, and people in the organization. In the face of uncertainty, complexity, and rapid change, it is sometimes difficult to maintain that commitment. However, we see many organizations fail to achieve superior levels of performance because executive management is constantly shifting priorities, strategies, and focus.

  Leaders set examples for their people. They constantly demonstrate the behaviors and attitudes that are critical for success. Leaders understand the impact of their behavior on the organization and leverage that to motivate correct behaviors within the organization. "Do as I say, not as I do" is unacceptable in high performance organizations.

Leaders know the power of coaching, mentoring and developing their people. Leaders know the only way they can achieve the organizational goals is through the people. They focus on developing people.

Leaders resist the temptation of being seduced by the status quo or business as usual. In organizations where significant change is required, sometimes it is easy to be seduced by the current inertia of the organization. To drive change, leaders resist this. Leaders resist the temptation of being seduced by what is popular or fashionable, focusing on what is right for the organization.

Leaders understand the power of the organization's culture and value system, leveraging these, where appropriate to help drive change.

- **Enablers**: Enablers support the core performance elements. Enablers can be tools like ERP, CRM and other IT systems. Training can be an enabler. The manner in which the organization communicates with its people, customers, and stakeholders can be an enabler. Innovation can be an enabler. Speed or velocity is really an enabler, as well. Contrary to many popular views, speed in execution is insufficient without strong and focused strategies and business processes, executed by the right people. Enablers fundamentally address effectiveness and efficiency issues. They help organizations become best of breed and world class.

Organizational performance suffers when the five elements are not balanced. We commonly encounter organizations that have invested significantly in developing strong business strategies. Typically the strategies are rich in content, identifying tremendous opportunities for growth. However, very often, these strategies neither define the business processes required to support the implementation, nor provide a sufficiently detailed roadmap to execute the strategies, yet fail to execute them. Our experience is many of these companies move from strategy to strategy, never achieving their objectives or full potential because they never execute the strategies (for a number of reasons including the wrong people, bad leadership, insufficient processes, and generally weak execution). This doesn't mean these companies are not successful, we do see they are not achieving the same levels of success that peer companies having a more balanced approach achieve.

Through the bubble, even somewhat into these times, we have seen companies focused purely on speed or activity create a lot of hype. During the bubble, literally hundreds of companies started, burned through billions (cumulatively), and failed spectacularly. The mantras during these times were "speed," and "execution." However, in examining those companies, most had flawed or no business strategy. Or they had poorly defined and executed business processes, saddling them with expensive or inefficient operations. Or they had the wrong people/leadership/values. Many of these companies were made of people focused primarily on increasing their own net worth, not building a business that created value for their customers.

Companies, focusing too much on strategy and not the other elements will not perform as well as possible. Likewise, organizations focusing on execution, with weak strategies, processes, people or bad leadership will not achieve their potential.

It is also important the balance is maintained over time. At any point, focus on one or two of the elements may be greater than the others, but over time, high performance organizations maintain a relatively balanced focus on all areas.

Where do you start?

Well actually, you can start at almost any place. The process of driving organizational excellence is an interactive process. Generally, you start in one place, then look at the interrelationships with the other elements. For example, if you start with building your business and functional strategy, an element of the strategic planning is the people fit, another element is the set of processes required to support the sharp execution of the strategy. Assessing the role of leaders in managing these processes and driving the execution is ongoing.

However, depending on the circumstances of the organization, you may be driven to focus on a certain area. For example in industries and markets that are going through radical changes and restructuring, focusing on the business
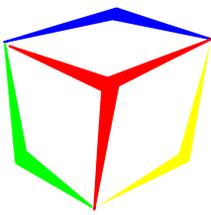
and market strategies may be the most important starting point. Companies having strong strategies but are not producing the desired results may want to focus on improving their business processes.

Customers, markets, competition, the environment, current performance or many other things will require shifts in focus from one element to another. However, our point is that focusing exclusively on one element without integrating the others, particularly over a long period of time, will keep the organization from performing at its full potential.

Where do you start? No I'm not repeating myself, but how does an organization start to implement this approach? This does not have to be driven at a corporate level. It is not unreasonable to drive this at a functional or departmental level. The perspective is different, the ultimate impact may be different, but this approach can be driven within a functional or departmental level. For example, a marketing organization can focus on their functional strategies, people, leadership, processes, execution and the enablers that help them excel. A product development group, sales group or almost any other group can start this effort. Again, the benefit may not be as great as a corporate wide approach, but teams of managers and leaders can start.

Another way might be a special project team. This team may focus on one market or product area. They may focus on a certain set of problems the organization is having. Building their approach around the five elements outlined will help them in building a strong approach to addressing the business issues of their project.

After the organization has iterated through all five elements balancing the approach, then the organization can look at the enablers to improving the efficiency and effectiveness of the plan.

Finally, on an ongoing basis, each element is tuned as the real world experiences and results are posted.

- A balanced approach should eliminate the "strategy du jour" phenomena.
- A balanced approach will should eliminate the bureaucracy sometimes associated with process.
- A balanced approach will insure execution is focused and purposeful, creating results, not just activity.
- A balanced approach will insure the right people are executing the right strategies as effectively and efficiently as possible.
- A balanced approach requires strong, committed and consistent leadership. Without this, it is impossible for the organization to achieve its goals.

More information on building organizational excellence through Balanced Business Performance can be obtained from Partners In EXCELLENCE.

Partners In EXCELLENCE is a boutique consulting company forced helping its clients achieve the highest levels of performance excellence. Information on our products and services can be found at our website: www.excellenc.com, by emailing us at balancedperformance@excellenc.com or by calling us at (949)305-7146.

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[i] Execution, The Discipline of Getting Things Done, Larry Bossidy and Ram Charan, 2002, Crown Business Press.