

Do Or**Die**

by Michael Voss

This is the first time in most of our lives that we've had to work hard at our business just to survive. And yet it is during these unsettled times that some see through the threats to their business and seize the opportunities that are out there. Those who fail to do so will get left behind by those who succeed. So how can you beat the odds?

First, you must focus on the weakest links in your business. An assessment of your entire organisation against a world-class model like performance excellence can highlight those key areas that need immediate attention.

The most common areas that organisations find need to be focused on are much longer term than they first thought.

NO CLEAR VISION AND PURPOSE Many organisations neither understand nor convey why they exist and where they are heading. Yet fundamental to business success is clear vision and purpose, without which the business will inevitably fail.

A managing director of a successful manufacturer complained that he could not get his people to think for themselves. He said he needed "eyes in the back of his head" to make sure things were done right. He felt that he could not go on holiday and relax, and he wanted to retire in a few years time. I suggested that unless he communicated his reason for being in business with his staff and got them to share his enthusiasm in the future of the company, he would never be able to retire.

NO BUSINESS PLAN A number of businesses are still operating today without a business plan, without which it is almost impossible to obtain funding from a bank, to get another investor in, or to sell your business. Consequently, many business owners are left funding their dream through existing cash flow or by remortgaging their house. These businesses are most often cash strapped and unable to grow and capitalise on the market opportunities quickly enough to build a sustainable business in a competitive environment.

INEFFECTIVE COMMUNICATION In all the years I have been assessing organisations to the Baldrige model the one thing that is most misunderstood is 'alignment'. Without this an organisation cannot achieve what it wants to within time and budget. Alignment needs effective leadership communication from the person with the 'dream'.

Too many leaders complain that "they are misunderstood", or that "their people are disinterested" in the company and what they are trying to achieve. The most common reason for this is that they have not taken the time to share their dream with their staff, suppliers and others who will help them to achieve it.

FAILING TO LOOK AFTER YOUR CUSTOMERS It used to be easy for businesses in the past – as a customer you often had only one choice if you wanted to make a purchase. Today the tables have turned. Customers are spoiled for choice of where to buy from. Service is often the last deciding factor on who we actually give our business to. So why do some companies make it difficult to return faulty goods? Then publish among their company's values on their website that "our customers are our most important asset"? Will we do business with them again? Unlikely.

NOT ENGAGING STAFF IN THE BUSINESS Successful business people will often recommend hiring people who are better than us. This is true, but you must challenge them every day to keep them motivated otherwise they will leave. PEC Ltd created one of the most exciting and motivating environments because every member of staff was encouraged to be totally engaged in the business. As a result great things were achieved where the staff developed world-class petrol pumps, point-of-sale products and security systems that most of us have used.

NO DISCUSSION ON PERFORMANCE Staff often have no idea how they are performing, or how the company is performing. We all need to know how we are doing, where and when we make mistakes, and how we can do better. This is important both at a personal level and company level. One of my clients often had "staff problems" – niggling ones that would not go away, despite trying many options. I noted that staff had little idea on how they were doing and recommended regular formal and informal staff meetings. The niggling 'staff problems' vanished.

NO RESULTS OTHER THAN FINANCIAL While financials are important, as 'lag' measures they reflect the past and can not help to predict the future outcomes for the business. For this we need 'lead' measures. Since Kaplan and Norton introduced us to the balanced scorecard over 20 years ago leaders are still trying to drive their businesses with these lagging financial measures. To achieve your goals, put some key measures in place around the strategies that will help you to best achieve your vision and track those lead measures.

There are many more areas that businesses can improve to survive and succeed an economic downturn. The best way to find out the ones you should focus on is to conduct a performance assessment of your organisation. It will be worth your while in the long run. **M**

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