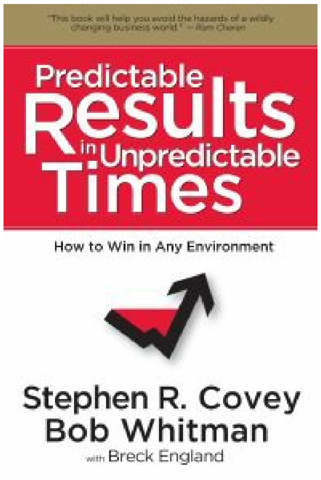

Book Predictable Results in Unpredictable Times

How to Win in Any Environment

Stephen R. Covey, Bob Whitman and Breck England
FranklinCovey Publishing, 2009
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Recommendation

When the going gets tough...well, most people freak out! Faced with immediate threats and an uncertain future, they react tentatively and unpredictably, which only makes bad matters worse. Stephen R. Covey, who wrote the blockbuster *The 7 Habits of Highly Effective People*, and co-author Bob Whitman, CEO of the FranklinCovey consultancy (writing with Breck England, the firm's top consultant), offer a clear, doable strategy for maintaining and even improving your business during tough economic times. Their four-part formula is compact, encouraging, straightforward and actionable: "Execute priorities with excellence. Move with the speed of trust. Achieve more with less. Reduce fear." The only mild caveat is that the book is so elemental it may leave the reader – particularly the less-experienced manager – wanting more. When hard economic times threaten to rock your boat, *BooksInShort* suggests reaching for this book to help steady your craft in the storm-tossed seas.

Take-Aways

- To achieve "predictable results" in difficult times, adhere to four winning principles.
- First principle: "Execute priorities with excellence." Set clear, actionable goals.
- Measure your results. Follow through with your staff.
- Second principle: "Move with the speed of trust." When your people trust you to provide a winnable strategy, you can act swiftly and cost-effectively.
- Increase trust by demonstrating your faith in others. Be dependable, open and honest.
- Third principle: "Achieve more with less." Prioritize activities that deliver value.
- To increase productivity, elevate the performance of average workers.
- Doing "more with less" only works if you do more of the right things, like focusing on your customers and employees.
- Fourth principle: "Reduce fear." To alleviate fear, channel your staff's energies into results. Focus your resources on your customers and employees.
- These principles respond to four fears that threaten your business: "failure to execute, crisis of trust, loss of focus and pervasive fear."

Summary

Managing in the Mountains

Managing your firm during tough times requires a special kind of focus. Consider the Tour de France, a grueling multiday, multilevel bike race through daunting terrain. The truly great teams take the lead during the most difficult mountainous parts of the race through the Alps. In the same way, great leaders stay strong during challenging economic times by guiding their organizations through four frightening threats.

"The measured risks of the past seem tame compared to what we face today."

They are:

1. **"Failure to execute"** – Can your employees carry out your strategy?
2. **"Crisis of trust"** – Will your staff continue to trust management's decisions?
3. **"Loss of focus"** – Will people stay on task?
4. **"Pervasive fear"** – Will they perform well in the face of risky unknowns?

"Like a weedy vine, fear comes up from under the surface and saps emotional energy that could be used productively."

Respond to each of these threats by using four keystone principles:

Principle One: "Execute Priorities with Excellence"

Make sure every member of your team knows his or her role in reaching clear, achievable goals. That is how world-renowned cyclist Lance Armstrong and his teams won the Tour de France an unprecedented seven times. How have they been able to win so often when other talented teams have failed to win even once? All the members of Armstrong's teams know their specific roles and how to execute them. In contrast, a member of cyclist Jan Ullrich's support team once defeated him in a mountain leg of the race.

"Too many organizations have no goals to speak of – that is, no one can speak of them because no one really knows what they are."

In a survey of 150,000 employees, only about 15% could recite their companies' main goals. Moreover, not even half of that 15% knew what they could do to help achieve their firms' objectives. And only some 9% felt committed to those targets. Companies that succeed during rough economic times set out clearly defined, simple goals that everyone in the organization knows and can use as operative priorities. Workers can't carry out meaningful tasks when their leaders post too many ill-defined objectives. Similarly, organizations can't succeed when employees are too beset to concentrate. Once you have the right ambitions, implementing them requires good execution. Winning companies consistently pursue these strategies:

- **"Focus on the top goals"** – Be precise. An objective such as "saving energy" is too vague for people to execute. However, stating that the company must reduce energy usage by 10% within a year is a measurable, achievable objective.
- **"Make sure everyone knows the specific job to be done to achieve these goals"** – If your staffers have clear targets, they can view their roles in production through the lens of whether their actions contribute to, or detract from, their purpose. That also enables them to seek opportunities to achieve their plans and to defeat any obstacles.
- **"Keep score"** – Measure how well your firm is performing in light of its main objectives. Many executives watch "lag measures," such as sales figures or income statements that reveal how well their companies have performed to date. However, "lead measures" that track results-oriented activities matter more. For Lance Armstrong's Tour de France team, lead measures include "hours in the saddle" as well as "hill repeats, aerodynamics and diet." Such leading metrics help you predict how your firm will perform. Use these calculations to identify three or four actions your team can undertake to fulfill its plans.
- **"Set up a regular cycle of follow-through"** – Executives often announce new long-range goals with elaborate fanfare but then let them fizzle within months. Without follow-through, people will assume that management placed the idea on the back burner. Defining a path, announcing it and expecting people to follow it is not enough. Constantly reiterate your hopes, track your progress and refocus your team's energies.

"Knowing the goal is not the same as knowing what to do to achieve it."

When you evaluate any group of employees, about 20% will be stars who excel, about 20% will be underperformers and 60% will be in the middle. If you could achieve more productivity out of the middle range, where you have your "biggest opportunity for performance improvement," you would greatly boost overall performance. To elevate the middle ranks:

- **"Identify islands of excellence"** – Recognize those who are doing an exemplary job and find out why. Have them teach or mentor middle performers. Set high ambitions and provide incentives for achieving them.
- **"Ask the team how to improve performance"** – The people working in an area every day often have the most insightful ideas about how and where to improve it. Don't squander this precious resource. Sometimes your own people have the best answers.

Principle Two: "Move with the Speed of Trust"

The employees in a successful company trust their leaders to outline winnable strategies. Such confidence is not an intangible asset or something relegated to touchy-feely seminars. It generates calculable outcomes because it affects a company's ability to act swiftly and economically. When trust deteriorates, work slows and costs increase. A consumer products company that people have faith in enjoys better sales because customers know they can rely on its consistency and quality. Buyers don't bicker over prices and, like suppliers, are more loyal because they prefer to do business with an entity they trust. Conversely, consumers punish low-trust companies through the bottom line. Sales lag, cash flow falters, costs grow, and complaints and problems escalate.

"With a clear, unmistakable mission, people can transform anxiety into action and productivity."

The surgical crew at Great Ormond Street Hospital in London lost public trust when seven babies died in cardiac care. Doctors found that the critical moment came when they moved infants from intensive care to surgery. The solution appeared one day as the dismayed, disheartened physicians happened to see a Formula One car race on the TV in their lounge. The group of doctors was amazed at the efficient way the 20-member pit crews changed tires, added gas and got the cars back on the track in 6.8 seconds.

"Clarity reduces fear, even if what is made clear isn't very positive."

One of the doctors, Dr. Allan Goldman, ended up delivering videos of the hospital's transfer process to Ferrari's headquarters in Italy. The mechanics' reaction: "Wow, they sure are disorganized." On a pit crew, every person has a set, timed task – and now, every member of Dr. Goldman's infant transfer surgical team does, too. The new system has reduced errors and restored trust internally and externally, making the hospital, once again, a high-trust organization.

> "Great leaders are different. They anchor themselves in principles that are certain and solid, even in an uncertain and fluid environment."

Carry out three steps to rebuild trust within your firm:

1. **"Create transparency"** – Spin, doubletalk, office politics and personal agendas dilute trust. Transparency, or verifiable truth, helps restore it.
2. **"Keep your commitments"** – Poor follow-through will erode trust. On the other hand, keeping your word and doing what you promise to do will rebuild it.
3. **"Extend trust to your team"** – Treating people as if they are honest and upright is often self-fulfilling. When you trust others, they will live up to that faith and will trust you.

> "People simply will not trust leaders whose integrity is questionable or whose motives come down to 'what's in it for me'."

Xerox was struggling in 2001 when Anne Mulcahy became CEO. Sales were down, debt was high, the stock price was falling and an accounting scandal had destroyed the markets' trust in the company. Mulcahy remembers calling Warren Buffett for advice. He told her, "Focus on your customers and lead your people as though their lives depended on your success." Mulcahy made the difficult but necessary decision to cut expenses and debt, paid a $10 million fine and put money back into product development. She was completely transparent about her actions and intentions with her employees and other stakeholders. She followed through on her commitments and trusted her team to work hard and achieve the goals she set. Within six years Xerox was back on track and *Chief Executive* magazine named Mulcahy CEO of the year.

Principle Three: "Achieve More with Less"

Refocus your priorities to concentrate on activities that deliver value to your customer. Many managers try to do more with less in a crisis by laying off workers, selling assets or forgoing new projects.

> "In a crisis, narrowing the focus is critical."

Successful executives think strategically; they respond to crisis in two ways:

1. "Focus on building customer and employee loyalty."
2. "Push the 'reset' button to align the organization around those priorities."

During a crisis, many managers lose their focus on customers and employees and instead concentrate on budgets, balance sheets and the bottom line. Although you may ultimately need to let some people go, be aware that experienced workers might be the source of the solutions you seek. When faced with an economic downturn, one home improvement chain decided to cut costs by replacing experienced workers with part-timers. The result was a dramatic loss of customers who had relied on the chain's previously knowledgeable staff to help them buy the right gear.

> "Winning on the flats is one thing – winning in the mountains is another." (CEO and Tour de France biker Bob Whitman)

Doing more with less is only effective if you do more of the right things, like focusing on your customers. Begin by viewing every process in light of whether it helps you serve them better. Simplifying the choices at hand will help you achieve predictable, desirable results. For example, Unilever's sales rose when it reduced the number and variety of soaps and deodorants it offered. The message: When you're navigating rough terrain, do more of what your clients value most and less of everything else. And refocus on your employees. Research shows that when times get tough, people want to pitch in, make a difference and accomplish "meaningful work."

Principle Four: "Reduce Fear"

Help employees proactively channel their energies into results-oriented actions. People have many valid reasons to fear the future. Job security is practically out-of-date, retirement accounts are in jeopardy, prices are rising and health care costs are escalating. Fear takes a psychological toll on your employees' emotional and physical health. It wears people out. They may find that making decisions and taking action becomes more difficult. As their leader, your role is to reduce their fears and help them redirect their energies into something positive.

> "Even in tough times (perhaps especially in tough times), people want to contribute, they want to help, they want to make a difference."

When a plane leaving New York City was forced to make an emergency landing on the Hudson River, the passengers were surprisingly calm because the pilot told them exactly what was happening and how to respond. That is what great leaders must do during a crisis. Leadership requires straightforwardly explaining what is happening, outlining a strategy and telling employees how they can help. Enabling people to participate redirects their anxiety and gives them a sense of control.

> "A crisis tempts us to take the focus off customers and employees and onto the finances."

Worrying is natural, whether you are fretting about your child's runny nose or some international problem. Try to "work within your Circle of Influence," where you can address a problem, and don't exercise too much anxiety about your "Circle of Concern," where all you can do is fret about remote worries. Fearful people have trouble differentiating between worries beyond their control and anxieties they actually can help alleviate. The more you can transfer control to your Circle of Influence, the better you will feel about your future.

> "A turn in the economy can hurt you, but your own decisions can hurt you even more."

During the Industrial Age, managers treated their laborers much as if they were machines. If people didn't do their jobs, the managers replaced them. Leaders in the

Knowledge Age value and nurture people's abilities to learn, adapt, create and contribute. Employees work better if their managers value them and give them the freedom to excel in a known framework. For example, Melvin Wilson, the head of "storm logistics" for the state of Mississippi, faced a seemingly insurmountable challenge after Hurricane Katrina hit the Gulf coast of the U.S. He and his staff needed to restore power to about 200,000 customers in ravaged neighborhoods. Wilson and his 11,000 workers restored power in 12 days. How? He gave each line crew the authority to think and act independently on the job. He allowed the crew members to do whatever it took to restore power; they responded to his trust and confidence by tackling every obstacle and exceeding all expectations.

About the Authors

Dr. Stephen R. Covey wrote the landmark bestseller *The 7 Habits of Highly Effective People* and founded FranklinCovey Co., where **Bob Whitman,** an experienced executive (and champion triathlete), is president and CEO. **Dr. Breck England** is the firm's top international consultant.