Book Good Enough Isn't Enough

Nine Challenges for Companies That Choose to Be Great

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Recommendation

Alan Weiss's clarion call for corporate excellence may remind you of your parents' stern guidance in your youth. You weren't sure you wanted to listen to their traditional viewpoints, but you knew they were right. Weiss cites today's watered-down sense of social accountability as the bad seed that has spoiled corporate standards. He insists that constantly lowering standards is not the way to achieve lasting excellence. He warns that executives need to exercise common sense rather than chase every management fad they encounter or succumb to high-priced consultants. Similarly, he warns that executives who surround themselves with sycophants will get carried away with their own egos. At times, Weiss seems to get a bit carried away himself, regaling how he browbeat the service rep when his bottled water delivery went to the wrong address. But *BooksInShort* recommends this book as beneficial to executives - and even to consultants - as a refreshing throwback to days before the advent of kinder, gentler management.

Take-Aways

- Lasting excellence is rare because organizations fail to make the difficult choices it requires.
- Sustained excellence requires vision, new talent and balanced customer and stakeholder interests.
- Most companies won't upset the status quo. Great organizations constantly strive to improve and never are satisfied with success.
- Reject the socially pervasive tendency to accept reduced standards.
- Results count, not effort or process.
- Great organizations provide a clear vision that shapes employees' daily choices.
- Common sense is a great antidote to management and customer-service fads.
- Re-engineer your culture so that subordinates can dissent.
- Don't try to economize your way to greatness; you will find diminished returns.
- Compensate executives only when they achieve company objectives.

Summary

Ten Factors of Greatness

Every company wants to attain a lasting degree of excellence, yet very few do. A great product might get you to the top, but only great management will keep you there. To emulate the great companies that stay great, follow these 10 rules:

1. Align Goals - Ideally, everyone from the receptionist to the guy who installs the computer network should "buy in" to the company's goals. But most executives focus strictly on the business side. Truly exceptional managers also focus on the cultural side of the company - worker morale and motivation, values, employee recognition and behavior. Cultural issues affect the bottom line in numerous, invisible ways.

   "No organization I've ever seen has unhappy employees and happy customers."

Corporate culture is the key mechanism you must use to align individual goals with corporate goals. Simply campaigning for "customer focus" and "servant leadership" won't do. You must encourage behavior that brings individual goals into alignment with corporate goals - whether that means sharing production or yield goals with all levels of your organization, broadening your incentive schemes or getting people involved in new ways that stretch their concept of the job. "Organizational chains of command tend to paint the most positive face on disaster, disguise discontent as helpful support, and pretend that banners in the cafeteria will take care of everything."

1. Disagree Honorably - Ever hear of the family with a dead relative whose cobwebbed corpse still fills the rocking chair up in the loft? Everyone treads about, uneasy that someone will mention grandma. Sadly, it's the same in many executive boardrooms, where the unspoken rule is never to raise an issue that would lead to confrontation - unless, of course, the boss raises it first. Under such circumstances, people hardly can feel that they can work openly toward a shared goal. Conversely, bosses who demand honesty and candor often are tough or intimidating. It is up to an organization's leaders to nurture a culture that encourages honesty and frankness, as well as honorable disagreement.
2. Behave Exemplarily - George Orwell's Animal Farm credo, "All animals are equal, but some animals are more equal than others," can be a deadly formula. An organization's leaders are its models. People base their behavior on what they see leaders do. If you say one thing and do another, people will mirror that behavior. If you cut salaries, cut your own, too. If you declare that the office is a no-smoking zone, don't smoke there. Executives must lead by example.
3. Interact Realistically - You have to be realistic about customers, even with today's customer-centric focus. Employees know, for example, that customers are not always right. You put your employees in awkward positions when you tell them to grant customers' demands no matter what.
4. Maintain Perspective - Often what seems like a crisis is actually a normal organizational event: earnings dip one quarter or an important customer departs. You have to respond. But your response should demonstrate to employees, customers and stakeholders that you have a balanced perspective. Announce bad news as readily as good news. Communication and candor go a long way.
5. Eliminate Underachievers - Nothing wastes executive time more than trying to develop chronic underachievers. Oddly, most organizations leave their high performers to fend for themselves, while spoon-feeding the mediocre ones.
6. Focus on Output, Not Input - Results are what matter; results are what count. If you are measuring activity or effort as opposed to results, you probably are leading your organization astray. The salesperson's job is to close sales, not to make sales calls. Measure results.
7. Create a Supportive Environment - You must encourage employees to help one another. They must feel that management supports their efforts. The thousands of interactions your customers have with line workers determine your ultimate success. It all starts with caring for your workers.
8. Have a Creative Culture - You can't strive to be as good as the competition. You have to strive consistently to be better. This calls for great courage, and companies need to recognize this fact. You have to constantly work to get better.
9. Overcome Challenges - Organizations face nine major challenges.

Organizational Challenges

Here is a list of the nine hurdles you will have to clear to move your organization beyond good and to keep it in the realm of

excellence:

1. Overcome the temptation to lower your standards - Most companies reduce standards whenever a sufficient number of individuals fail to achieve them. Managers who would not hesitate to lay off thousands in hard times cringe at the thought of confronting poor performers. Leaders often do not notice or do not penalize poor performance, and therefore underachievers never have an opportunity to improve. "Exceeds expectations" appears so often on annual performance reviews that the phrase almost has become meaningless.

   "Very few companies are successful over the long haul. In fact, the lifespan of organizational success is ephemeral, more like a fruit fly than a tortoise."

Systematically raise performance measures rather than lowering them. Design incentives to make people stretch. While good companies try to maintain high performance, managers of great companies find out what brought them to that high level in the first place. Then, they use those processes to attain even greater heights. To raise the bar, you may need a sponsor. Find a backer who has the clout, budget, charisma or drive to promote the idea, and who has the persistence to tolerate setbacks and delays.

1. Institute Accountability - Because people are quick to play the victim and lay blame elsewhere, a culture of accountability can go a long way toward reaching a new level of excellence. To do this, you have to institute the correct system of measures and rewards. Measuring the volume of an activity is quite different from measuring quality. If you reward only volume, quality will suffer. Such a measurement isn't enough to make workers aware of what they should be doing. You must empower them to do what you want. Imbue them with the will to carry out the proper procedure.

   "Highly successful companies may achieve that status by dint of their products and services, but they don't remain in that lofty air because of their products and services. They stay there because of the manner in which they are led and managed."

Motivating workers to do the right thing often is the hardest part. Finally, when you catch somebody doing something right, reinforce the positive action either with praise or some other reward. Chronic poor performance only exists under poor leadership.

1. Invoke Common Sense - Common sense isn't that common. For decades, gurus have scammed managers with the most recent management or efficiency fad. Line workers tend to see the latest initiative coming, and they figure out a way to endure the gimmick and still get their work done.

   "What's happening to excellence? It's been undermined and sabotaged by trite bromides, complacent leaders and apathetic consumers."

All management initiatives are not useless, but choose and apply initiatives with common sense. Ultimately, any management initiative must benefit customers, stakeholders or both. Maintaining this common-sense focus will help an organization avoid wasted energy.

1. Create a Corporate Vision - This is not easy to achieve, and consultants may confuse the picture rather than clarify it. Similarly, creating a mission statement that reads like corporate pabulum is equally unpalatable. Four realities tend to render mission statements ineffective:

- Senior management often ignores them.
- No one can remember what the mission statements say.
- They are bland to the point of being uninspiring.
- They lack relevancy to the organization and its workers.

   "Great organizations have clear values that manifest themselves in everyone's behaviors."

The corporate mission statement rarely is a tool to help set standards for daily behavior. That is where it falls short. Leadership must state the company's values in a way that suggests what behaviors will achieve the stated vision. Aligning the vision with the goals of individual employees is a useful way to elicit their support.

1. Stay Out of Court - In today's litigious society you probably are not going to stay out of court completely. But insisting that

managers meet standards and treat people fairly will help eliminate lawsuits with your employees. Finding a non-legal remedy to your external disputes will keep you from wasting your resources in the courtroom when you should be conducting business.

2. Stop Trying to Economize Your Way to Greatness - Somewhere along the way people got the idea that you grow a company by cutting its costs. While operating efficiently is important, it only becomes the focus in mature industries that aren't expecting future growth. For the most part, your success as a manager will depend on helping your company grow.

   "Our schools are graduating students who can't locate Peru on a map, calculate the square footage of a room, or name one of Shakespeare's plays."

Growth takes creativity, and a savvy investment of resources, not haphazard cost-cutting. Hacking valuable employees from the payroll is not on anyone's list of smart management practices - it's one of the fastest ways to destroy morale. Instead, support ethical employment practices, and find a way to increase revenue. Malingerers who aren't producing should not find a warm hearth inside your company's doors.

1. End Executive Compensation that Rewards Mediocrity - Many companies actually pay their executives to be mediocre. Consider Michael Ovitz, whom Disney paid $90 million to step down from his post after he accomplished virtually nothing. Treat your executives as employees, not gods. Pay your CEO what the market requires. Compensate your executives according to their ability to move the organization to where it needs to go. And compensate them according to results.

2. Be a Tougher Consumer - Poor service levels have beaten down consumers to the point where some behave as supplicants rather than buyers. Customers need to renew their sense of self-worth, and insist on receiving value. Mediocrity exists because we accept it as the norm. Companies must communicate their standards to their vendors. Similarly, companies must accept critical feedback from customers when their opinions have a reasonable basis in fact. To encourage consumer responsiveness, align your rewards system with your company's long-term goals. Every company rewards workers who meet quarterly and annual goals, but developing long-lasting business relationships with your key customers may take a different approach.

   "We seem to have lost the connection between reward and value in contemporary society."

Make the Choice - The choice is between decline and excellence. Renewed excellence must begin with leadership, and leadership must begin with impeccable integrity and fairness. Leaders must have the courage to take, and to support, prudent risks. Companies grow more by developing their strengths than by eliminating weakness. When was the last time you saw a leader provide a visible reward to someone who took a risk and failed while trying to do the right thing on behalf of the company? Successful leaders focus on results rather than tasks, and they apply their common sense to avoid fads or quick fixes.

About the Author

Alan Weiss, Ph.D. is president of Summit Consulting Group. A regular on the consulting speakers' circuit, Weiss has written more than 400 articles and 10 books, including *Money Talks and Our Emperors Have No Clothes.*