

Driving Results Based on Organizational Goals

An Introduction to Results Management

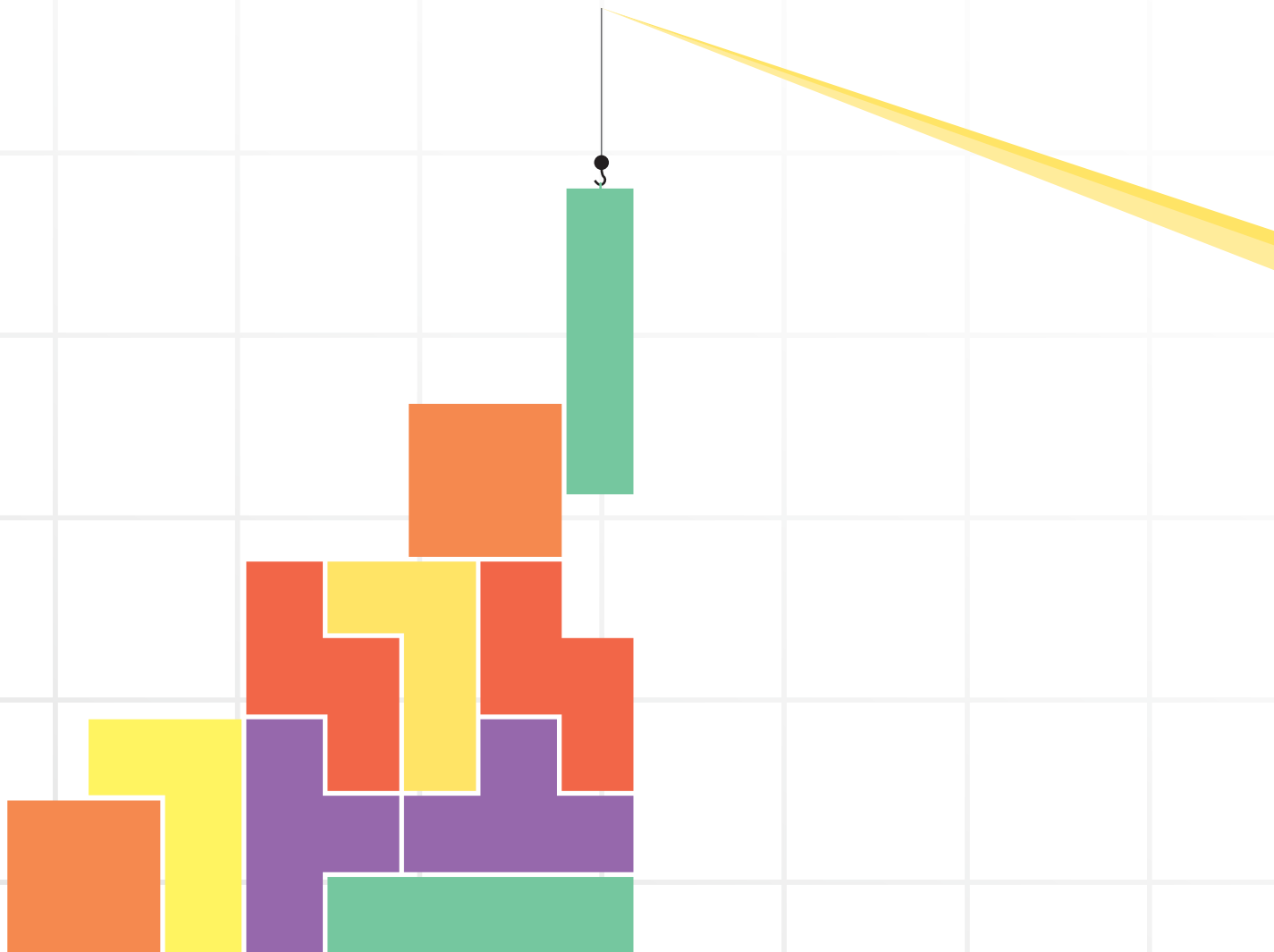


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The State of Business Planning Today

Businesses today – in virtually any industry or sector – have a single common challenge: how do we get there from here? How do we achieve our goals, grow our profits, introduce a new product, reach a strategic objective, (or whatever that goal may be), and monitor our progress along the way?

There are no shortages of business school classes, textbooks or pundits with ideas. No dearth of solutions vowing to support efforts, with everything from business intelligence software to general office productivity tools promising to help along the way.

So why do problems remain? Why are deadlines still missed and why does accountability remain elusive?

There are many reasons, including the simple reality that in today's current business environment, it is difficult to keep every member of a division, department or team "rowing" in the right direction – holding the line on accountability, sharing updates and maintaining version control.

Consider this scenario. You're the Vice President of Operations at a mid-size technology company and your CEO has tasked you with driving a five percent cost savings across the company. It's the fourth quarter and you just found out that you are sitting at only two percent. With less than three months to go in the year, chances are slim to none that you are going to achieve your stated goal. Which leads to an important question...why? Why didn't you know sooner and what could have been done along the way? And why is it so difficult to provide the explanations that your CEO demands?

It's not that American business isn't trying. Billions of dollars are spent on consultants, business plans and software solutions. But somewhere between the development and implementation of a plan, to the management and monitoring of the plan against stated goals, there is a disconnect.

Renowned business strategy gurus from Harvard Business School, Robert Kaplan and David Norton, believe that up to 90 percent of organizations fail to successfully implement their strategies.¹ *The Economist* Intelligence Unit estimates that organizations fail to realize 40 percent of the potential value of their strategies.²

The collective results speak for themselves. The status quo in business today, such as falling back onto tried-and-true methods to achieve objectives (e.g. spreadsheets, emails, phone), isn't working and doesn't lead to meaningful results.

What's needed by business today is a *new approach* to achieving objectives, and to simply getting things done.



Up to **90 percent** of organizations fail to successfully implement their strategies.

Changing the Conversation

Clearly, the current business climate mandates that it's time to change the conversation from it's hard to drive results because I can't:

- Make my plan visible and clear at all levels of the organization
- Monitor progress of each goal
- Know where to intervene to make course corrections
- Hold everyone accountable so that the goal is achieved

To one that will help organizations:

- Visualize a plan, share that vision with key team members, secure commitment to needed tasks, and create accountability for completing tasks on time
- Provide context and insights for action
- Tackle problems and issues as they arise and course correct in real time
- Become forward thinking and proactive – and not just managers constantly checking on status reports to get historical updates
- Go beyond standard business tools, spreadsheets, and email communications

Thousands of U.S. executives face crises that can make or break an organization on a near-daily basis.

For example:

- The pleasantries have been completed, and the entrées have been ordered. Paul and I have been doing quarterly dinners for as long as I have been CEO. No surprise to me when the conversation takes a sharp turn to business. Paul clears his throat and pauses briefly, his tone is somber. “The word on the street is that we’re about to lose our largest client to our biggest competitor.” I am usually a master at hiding my emotions, but a slight gasp escapes my lips. First in the chain of command, last in the “know.” Did I miss the email on this one?
- My phone rings at 6:30 sharp on Monday morning. It's two weeks before the Christmas holiday, and my COO is calling to tell me that we have yet to receive this year's biggest and most coveted selling item – a product we are counting on to make our numbers for the year. The wholesaler is firm that there's no way now to fulfill the order. We just didn't get our act together fast enough to get an allocation. Not only will we miss our numbers for the quarter, we'll miss our numbers for the year. This is not the type of holiday present our shareholders will appreciate. Clearly there was a breakdown somewhere on the team. Clearly this could have been avoided.
- Our product launch was less than 48 hours from our targeted “go-live” date. I'm standing in the break room, desperate for my first cup of coffee, when I happen to overhear our product managers lamenting about a software glitch that has put everything on an indefinite hold. When were they going to let me in on this? I shudder to think what would have happened if we had hit the send button, with a nationwide release on a new product that might not be market ready for who knows how long.

As these common scenarios highlight, there's a substantial cost to not knowing what is happening in your organization.

“Execution is not just tactics—it is a discipline and a system. It has to be built into a company's strategy, its goals, and its culture.”

~Larry Bossidy

How Business Planning Challenges are Addressed Today

Historically, most businesses in the U.S. today have had challenges achieving goals or implementing their business plans. All too often, plans, even those developed by costly consultants, become shelfware never to be executed. In fact, *The Harvard Business Review* reports that 66% of the time, plans fail using traditional business planning methods.³

To address the obstacles to achieving goals, there are scores of classes at business schools, books by successful executives, conferences, and more. For example, Porter's Five Forces, the Boston Consulting Group (BCG) "cash cow" model, and Strength, Weaknesses, Opportunities, Tactics (SWOT) analysis, all delve into what constitutes a good business plan. In addition, there are well-established methods to resolve specific problems, such as Lean and Six Sigma.

While each of these approaches is appropriate for certain sets of business needs, even collectively, they don't address all the requirements of business planning and execution challenges. Moreover, there is no standardized enterprise software available to support these methodologies.

As a result, most organizations attempt to coordinate efforts by using standard office productivity tools such as:

- Individual tools, including phone, email, Microsoft Office® or group tools, including shared file storage, and social media platforms, such as Yammer
- Unified communications tools, such as integrated email, voice mail, instant messaging, and virtual meeting management

By definition, business productivity tools *should* make organizations more effective. In general, they have not shown much value as a strategy to achieve business objectives or create a collaborative environment. Individual productivity tools don't do a good job of helping groups work together toward common objectives. Unified communication tools have proven to be too much of a blank canvas to drive groups toward specified goals.

It's the elephant in the room that nobody talks about, but they should be. And at least asking the question, "Does anyone find those tools to be effective in helping us achieve our team objectives?" For example, take the spreadsheet as a group productivity tool. After one or two update cycles, it is typically a mess and usually no longer effective in providing the collaboration environment originally intended.

There are business intelligence (BI) tools available today that are intended to show progress toward achieving results. However, they are only a dashboard designed to take in quantitative data, such as numbers, data, and graphs. As we know, numbers only tell half of the story. They're focused on the "what" and less on the "why." An effective dashboard should include both quantitative and qualitative data.



More than **98 percent** of organizations do not have an enterprise tool dedicated to specifically helping groups collectively drive results.⁴

Further, there is no capability to coordinate activities to achieve a common goal. For example, BI tools support reporting and analytics, but offer virtually no ability to collect information from individuals, focusing instead only on enterprise systems for data. What's more, they are designed primarily for executives. They typically do not involve all levels of the organization in the information flow.

Because these tools are not designed specifically to help multiple people collectively drive results, using them to create, disseminate, monitor, and correct the course of progress toward achieving results is inefficient, frustrating and often unsuccessful.

These problems compound as businesses grow and expand, organically and through mergers and acquisitions. It becomes increasingly difficult to communicate and then hold everyone accountable to the same standards. In short, even in the best of circumstances, it's difficult for busy executives to:

- Determine where and when they need to intervene
- Monitor progress, especially for large organizations with multiple initiatives
- Hold departments, teams, managers, and individuals accountable

How does business today strive to overcome challenges? In addition to annual efforts to develop plans, there are, of course, the meetings to discuss, develop, and review plans. Meetings which, in and of themselves, often produce little value and sap productivity and dollars. For example, an organization with a management team of five people, at an annual salary of \$200,000 per person, spends an average of 15 hours a week in meetings. The weekly meeting cost for only these executives is \$8,152, and the annual costs are a shocking \$424,000! Utilizing a better system for plan development, execution and monitoring could reduce meeting costs by 40 percent and save \$170,000 per year for just this small group of people.⁵ Meetings are important, but the key is to ensure they are always focused on driving results and achieving objectives.

It starts with meetings...

- Estimated that **\$37 billion per year** is spent in unnecessary meetings
- Executives spend up to **18 hours per week** in meetings⁶
- An estimated **25 to 50 percent** of all meeting time is wasted.



A New Approach – Results Management

There is a proven solution on the horizon called Results Management. Results Management is a new business platform already being adopted by leading corporations nationwide that empowers business leaders with the visibility and the capacity to coordinate their organizations to drive results, efficiently and consistently. Results Management creates:

- **Visibility** by giving business executives a complete view of their organization that allows them to see what's going well, where things are falling behind, and how to course correct in real time.
- **Coordination** that creates fully aligned teams to ensure that everyone is working on the right things at the right time, so that all activities become meaningful to the overarching goal.



By engendering real time, top-to-bottom visibility and exception-based management, Results Management gives executives a complete view of the organization so they know exactly where to focus to achieve results. It also provides greater transparency. Executives can not only successfully monitor performance and self-correct, they can actually shift the focus of planning away from list checking and toward driving actual results.

What is the power behind this new concept? A proven Results Management platform that promises to revolutionize the way businesses drive results – through innovative technology.

The principles of Results Management, driven through this powerful software solution, enable managers to assign responsibility, track progress and hold individuals accountable, perhaps the most important elements of driving results with a business plan.

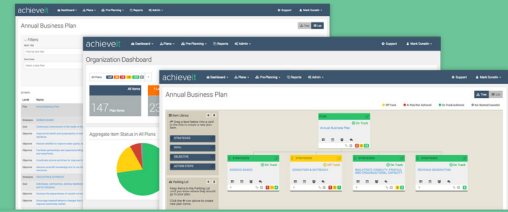
To create a Results Management approach to organizational change and planning, organizations must start with a strong objective that answers the “Why, What, When, Who, and How?”

The next step is to determine what needs to be done within a given time period and commit to a list of realistic outcomes. Additional steps include:

- Developing clear, concise and achievable goals
- Assigning projects with clear due dates and the names of specific managers and individuals *accountable* for achieving results
- Providing clarity to all relevant team members and communicating key information and milestones to the entire management hierarchy
- Intervening promptly when deadlines are missed
- Identify problems and obstacles to achieving goals and working with those accountable for results to make necessary changes

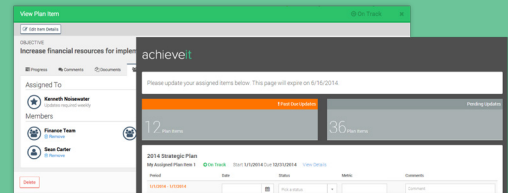
And, most importantly, identifying an experienced software partner to help design and implement the organization’s new Results Management initiative.

Visibility



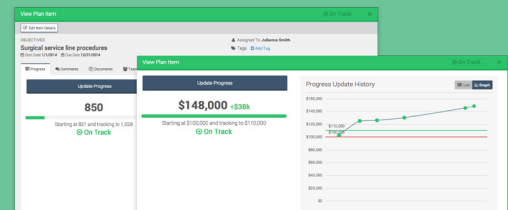
Get visibility into what you really care about – business plan status

Coordination



Fully align your resources to drive results

Results



Reach unprecedented levels of performance – consistently

The Value Proposition

A focus on Results Management, one that emphasizes clear, attainable goals and accountability throughout the system, is an important step for today's C-suite to consider.

Such capabilities provide businesses today with unprecedented levels of performance. There is power in having all of an organization's plans in one enterprise system. The combination of visibility and coordination is one that drives results, and gives organizational leadership the confidence to become high-performing leaders.

Real-world examples of the solution's value can be seen in the experience of a large healthcare organization in the Midwest. The organization regularly constructed enterprise plans that involved numerous members of each department.

Each quarter, the various stakeholders of the plans would report out on status and key results. This process involved scheduling meetings, sending emails and managing calendars. The process would take two to three weeks to complete. When the organization introduced a Results Management system, that very same two-to-three week process was cut down to just two to three days – a reduction of approximately 80 percent in cycle time! The resulting time savings produced significant cost savings directly related to the reduction in meetings associated with producing the quarterly report. The time saved can now be focused on driving actual results rather than exerting energy on data collection and report generation.

Organizations of any size and in any industry can benefit from a Results Management approach, as can virtually any department (Operations, Marketing, Finance, and HR).

New cloud-based application now exists to enable organizations to better achieve the goals of Results Management. It's time for businesses to go beyond standard business intelligence tools, which only provide visibility, and general office productivity tools, which aren't designed to achieve a common goal. Businesses today must be able to fully align all of the steps and resources required to achieve a result. Managers must be able to assign responsibility, track progress and hold individuals accountable – all in the same software application.

To reach those goals, look for software solutions that:

- Support the principles of Results Management
- Ensure accountability, so team members are aware of who is responsible for what and when, and managers can track progress and intervene if necessary
- Bring clarity on performance of goals to date
- Go beyond emailing spreadsheets, presentations and documents
- Provide a user-friendly experience
- Help everyone focus on results and the things that matter
- Provide an easy-to-read/learn dashboard summarizing key objectives, team members, due dates, and status

Results Management provides visibility, coordination, improved performance, better results, and ultimately gives the C-suite and key program stakeholders confidence.



Summary

While the past decade has been challenging for business leaders, the coming years promise even more challenges as competition becomes more intense in our globalized economic environment.

Businesses seeking to achieve their objectives today must remember that there is a cost to doing nothing - falling back onto tried-and-true methods won't work. It's time for meaningful change and for a new approach to driving results against your business plans. Now is the time to embrace innovative technology that will ensure visibility, coordination, accountability, and ultimately give executives the peace of mind and confidence to reach unprecedented levels of performance. Now is the time to explore, embrace and implement Results Management.

“There are basically two types of people. People who accomplish things, and people who claim to have accomplished things. The first group is less crowded.”

~Mark Twain

Data Sources

¹ Robert S. Kaplan and David P. Norton, *The Strategy Focused Organization* (Harvard Business School Press, 2000).

² The Economist Intelligence Unit. *Designing Effective Collaboration*, 2008.

³ Why Strategic Planning Fails, *The Higher Ed CIO*, August 16, 2011, <http://blog.thehigheredcio.com/2011/08/16/why-strategic-planning-fails/>.

⁴ AchieveIt internal estimate

⁵ “Meeting Cost Calculator,” *Effective Meetings*, accessed December 9, 2014, <http://www.effectivemeetings.com>

⁶ Rachel Emma Silverman, “Where’s the Boss? Trapped in a Meeting,” *The Wall Street Journal*, Feb. 14, 2012.

Additional information and insights into the state of Business Planning today can be found in the following books and articles:

Larry Bossidy and Ram Charlan, *Execution: The Discipline of Getting Things Done* (Crown Publishing Group, 2009).

Bill Conerly, *The Flexible Stance; Surviving in a Boom/Bust Economy* (e-book, 2014).

Michael Kaiser, “What Makes a Plan Strategic?” *The Huffington Post*, June 23, 2014.

Mark Arnold, “5 Ways to Build a Successful Strategic Plan,” *Credit Union Times Magazine*, June 11, 2014.