

Build A High-Performance Organization: The Framework

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Why do some companies consistently perform in the top 10 percent of their industry across a broad range of financial and operating metrics? Is it superior strategy, better talent? Based on our experience, it comes down to organization excellence, or execution.

Vince Lombardi used to say it does not matter if the competition knows what we are going to do. They will not be able to stop us because they cannot execute as well as we can. John Stump, the present CEO of Wells Fargo said something similar. "I could leave our strategy on an airplane seat and have a competitor read it; it would not make any difference."

Let's define a high-performance organization – an organization which can consistently execute better than the organizations with which it competes and generate superior results. Now that we have defined what we want to achieve, let's discuss how to get there.

Framework for Achieving Organization Excellence

At Growth Strategy Partners, we have developed a framework to help clients evaluate their organization's state of organizational excellence and guide them on the pathway to continuously elevate it. It is based on a combination of research and the senior operating experience of the partners. Using the framework, multiple businesses have elevated their results into the top 10 percent across a broad range of financial and operating metrics.

Below, a graphical image of the framework identifies the seven organization elements and illustrates their interrelationships. The seven elements are structure, capabilities, processes, integration, KPl's/Management reports, values/culture and execution. Execution is the centerpiece. It is the ultimate ambition – to build an organization which can consistently execute better than its competitors. But to succeed, leadership needs to work on all seven elements at the same time. They are all connected and need to be reinforcing of each other. In turn, they all need to be congruent with the overall vision and strategy for the company.

7 Organizational Elements

It is important to always begin with the end in mind. In seeking to transform your organization, a leader must start with a vision of what he wants his organization to look like how it will work. To help construct the needed vision, for each of the seven elements, we have defined the ideal state.

<u>Structure</u> – Supports strategy and effective execution.

<u>Capabilities</u> – "A" or "B" performers on every position

Processes – Standardized, reliable and efficient

<u>Integration</u> – Organization works together as one seamless team

KPI"s & Analytics – Robust, visible, easy-to-use feedback

Values & Culture – Defined values and culture consistently reinforced by leadership

Execution – Organization can consistently perform at a high level

At first glance, the goals or standards may seem too ambitious or out-of-reach of your organization. But our experience indicates they are definitely achievable. We have done it as leaders. We have also helped clients to dramatically improve the execution effectiveness of their organization - and their results as well. It does take time and consistent effort, but the standards are achievable for all organizations.

In fact all employees would like to be a part of this type of organization. We have rarely met a person who did not want to be part of a winning team. It the primary responsibility and challenge of the leadership team to create the environment which helps engage all employees in the process of improving the company and help them believe they are truly part of a special, winning organization.

There are two sides of an organization – the hard side and the soft side. The hard side includes the organization's plans, its goals and objectives, its operating and financial metrics. The soft side is composed of the organization's values, its culture, the motivations and behaviors of its employees. Building a high performance organization requires that leadership address both sides at the same time. Our framework addresses both sides. And once again, they need to be congruent with each other.

Where does your Organization Stand?

The framework is designed to help leaders understand the organization elements and provide a pathway to get there. In support of that objective, we have created a one-page diagnostic matrix. For each of the seven organization elements, the matrix delineates five levels of effectiveness with Level 5 being the ideal state as defined above. You can find the Organization Excellence Diagnostic here on our website http://growthstrategypartners.com/assessments/

We welcome you to visit our site and take the assessment. The first step in building a plan to move forward is to thoroughly understand your present situation.

The ensuing parts of the Build a High Performance Organization blog series will discuss the best practices for each of the seven organization design elements.

Growth Strategy Partners is a management consulting firm which accelerates the revenue, profit and organizational excellence of privately held businesses by implementing our research driven 7 Keys to Growth. To learn more visit www.GrowthStrategyPartners.com or call 781.837.3276.