

The first day of Spring. New shoots, new ideas, new paths to explore.



Winter is traditionally the time for taking stock, reviewing and assessing the year just ending and making plans for the coming year.

Spring is action time.

Unfortunately, honest review and pragmatic planning are more observed in the breach than practiced.

The larger a business becomes, the higher the probability that senior management are isolated from what's happening on the ground and insulated against direct contact with their general workforce.

The further an organisation is positioned from commercial reality, the lower the probability that senior management understand the day to day business.

For contrast, consider a public sector entity with 30,000 employees, revenue of \$4 billion, and annual deficits (i.e. losses) vs. a private company in the same sector with 13,000 employees, revenue of \$3.7 billion and EBIDTA of over \$550 million.

Ineffective boards vacillate, even when presented with simple clear cut choices, because they lack basic knowledge of the mechanics of the business and are often paralyzed by their fear of getting it wrong, or falling out of favour.

Isolated, insulated managers are a liability in any company and often compound this with 'group-think' where the only ideas they entertain come from within their cadre, or from sycophants.

It is common for hundreds, even thousands, of hours to be invested in preparing "strategic" plans that no one reads or understands, that are totally divorced from the realities of the business and its position in its market, and whose sole real purpose is to enable the continued employment of its authors.

I spent an entire weekend once on a retreat with 200 senior executives in a luxury resort where we talked about (notice - talked about) lean and agile principles and transforming service delivery by reducing "friction" and focusing on the highest quality of customer service. Which all sounds great. But...

The same organisation required 14 signatures to dispose of a chair. And was paying \$100,000 a month to store old and damaged furniture, obsolete plant and equipment, as well as fixtures and fittings ripped out when facilities were refurbished.

Another paid over \$10 million for a costing system, yet 5 years later still hadn't started to use it. To make matters worse, despite spending another \$10 million and more on implementation fees over the next 4 years, it still didn't have a functioning system.

This same body managed to spend \$15 million on a project with an approved budget of under \$1 million.

I could go on, and on but you get my point.

How does this help you?

Remember, seniority in rank doesn't guarantee wisdom. Same goes for seniority in years.

Question the position, perspective and prejudices of everyone involved in your business.

Self-interest trumps company interests. Always.

The surest way to advance your corporate agenda is to sell your vision of the future to your stakeholders.

You don't need a big committee and a 500 page strategy document for that. You don't even need 1 page.

What you do need is a clear picture of where you're going, why you're going there and why your audience should come with you.

You will tailor your message for each specific audience – staff, managers, customers, suppliers, bankers, regulators, etc.

But the core message remains the same – this is where we're going, this is why we're going there, we'd like you to join us / stay with us.

Once you know that, the rest is straightforward – figuring out what you need to get or change to bring you there, getting the resources, making the changes and moving forward.

If you and your board can't get that down pat in under an hour, THAT's where you start...

Have you any experiences like these? Or thoughts on the topic? Let me know in the comments below.

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