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Process of Improving Execution and Performance

For Maximum Accountability

This process requires support from the leadership, and employees.

Support being defined as, a clear understanding of the process and why it is needed to improve performance.

Some employees may completely agree with all or none of the concepts and implementation, and despite their opinions, proper execution demands they at minimum understand the process, and their role in the process. Those that do not share enthusiasm for accountability may learn over time to appreciate it more.

To capture the essence, the following describes the process and how to bring the team into the process so they can help shape the thinking as it evolves into your desired culture.

**Assumptions:**

1. A company culture may not be clearly defined, but exists by the very behavior patterns already occurring. Some of these may be good behaviors, others not!
2. The company may be utilizing a budget process with financial metrics to facilitate accountability without being inclusive of other important elements of execution and performance such as employee development, employee progress on executing the strategic initiatives for the company, self-development and others.
3. Some or all of the major components may be present in the company, such as a vision or mission, the key strategies, operating initiatives, but there is no process that adds disciplines to tie all of these together.

In short, what we are describing in the next part of the document is the path needed to define the exact disciplines required for any company. The disciplines are then available for the company to act upon, or not. In the end, this is a leadership function, and the process will yield the following:

Vision / Mission / Direction

**Company Core Values and Defined Behaviors to Operate**

1. Define the strategy to support achievement of vision/mission.
2. Gap Analysis whether company can complete the competency required to execute the strategy.
3. Define the people processes such as:
4. Detailed Job Expectations and Role Descriptions
5. Detailed Job Performance Measures including financial but also including core values, personal skill development, organizational skill development, career path options
6. Employee performance reviews quarterly – (not appraisals) but operating performance reviews against accountability standards from strategy, to core values, to people processes, to operating plan requirements.
7. Job/Talent/Competency assessments – what is required to do this job well and why. The assessment is not only an interviewing tool, but a leadership tool as well.
8. Performance Review Committee to review talent and leadership appointments and ask questions about development.
9. The financial metrics of course – budget/goals
10. The implementation of strategic initiatives review: such as marketing plan, operating plan, organization plan, and financial plan

The quarterly operating plan is a complete and intensive review of total performance at each level which begins to establish the values of the company both in terms of financial; performance, but also how we are improving financial performance around the company through strategy, people development, and operating process enhancement.

Strategy #1

People Processes

Operating Plan

*Implicit here is financial performance comes from people, so people need developed!*

For each strategy in the company, this process is repeated and occurs to validate the ability of the organization to execute the strategy, and if so create the backbone structure to do so, but if not, to recognize this and attack the needs to do so if the strategy is sound!

We establish a gap analysis – can we actually execute this strategy well?

Are who and what we have enough to execute?

Do we have the competency levels in the company?

If not, do we delay a great strategy? Hire the talent?

A company leadership team **must** come fully prepared to be honest and real about who and what they are, and understand that setting realistic goals requires an extremely candid look at the organization. And that over time, the effects of this process will be:

1. Intense focus on all performance objectives and the results.
2. Shifting/defining culture and core values from driving just financial performance to focus on developing people who drive financial performance and now have a leadership model for the process to continue past this leader.
3. Development of the employee as the core differentiating factor in the company from the market at large, which is difficult to duplicate versus a product or service offering in the market, which is easy to replicate.
4. Improved performance across all departments of the organization.

If a leadership team allows ego to enter into this process, it can create problems with execution. Faulty assumptions, like our people are the best and they can do it attitude may be optimistic but not realistic! The people process standards allow for a more unbiased assessment to occur, effectively checking ego related assumptions of leaders or managers.

Since no company operates as a democracy, the leaders ultimately have to make a choice about strategy, stretch goals, realistic targets, and the process of creating the “How”. So it becomes essential to have a process, and then use the process.

Many of the people processes will be the same for each strategy.

However, they may not be as well. Areas such as training, skill development, or starting a new strategy or initiative may require the company to look very different on its talent to execute the strategy.

In addition, the operating plans may require very different operating characteristics from one strategy to the next.

This process is about looking in the mirror hard and fast at reality as it exists today in your world. Not the reality as you may hope or want it to exist, but what you really have today, now, here in the present.

The vision, mission and core values (along with defined behaviors and disciplines) are what take you to the assessment of “How” to make the reality you desire really happen over time. A company needs to define the “How”, and it also needs the culture defined (The Why) or it will have made a faulty assumption. Which is, people don’t need to know why – Just do it! Leaders who ignore this principle of defining culture are ignoring human reality and imprinting their own cultural beliefs (which is we don’t need that stuff) instead of helping define disciplines that will sustain the organization.

Having a defined culture with behaviors and disciplines, allows leaders to change over time, but performance to remain incredibly consistent!

**This process is hard!**

**It is detailed!**

**It can be feisty at times!**

The process requires a model for communicating among your peers and your team. Here is the model for executive behaviors moving forward:

**Discuss**

**Conclude**

**Commit**

**Create**

**Execute**

**Adjust**

**Discuss:** Everything is discussed in a safe environment.

Issues, people, strategy, ideas, all need reviewed.

A leader’s job is to facilitate and listen, and ask questions, not to judge.

**Conclude:** Make assessments and conclusions about the strategy, the abilities and competencies, the ideas, and make the judgments here. There is also the need to define the work gaps, if things need to be done, what are they, when, who, and what to expect.

**Commit:** The team commits to the ideas and has solidarity coming out of the

Conclusions phase. The action plans for the work to be completed from the gaps.

**Create:** Any work that needs created is done. Cultural definitions, disciplines, training, people assessments, role descriptions, performance-appraisals, you name it, whatever needs created, gets done from the assignments and action steps from conclusions.

**Execute:** Leadership team needs to review the creativity, and to be sure the strategy, the people processes, and the operating disciplines are all matched-up in proper alignment and working together. Total accountability, no wiggle room! Now we actually have to do these things inside of our processes we just committed to. This of course is the most difficult because it is different than what we have done. A full quarterly performance review takes a lot of time, but it becomes invaluable.

**Adjust:** The leadership team adjusts the operating plan as the results dictate. Sometimes we need to de-hire personnel who are not adjusting quickly enough, and begin to re-hire personnel who will, based on process.

The leadership team has to understand the concept above for the proper dialogue to work. Once we make a team commitment, there can be no isolated attempts by individuals to tear down that commitment. This would be outside the culture, and would result in a change of leaders. The time to argue, present, disagree is in the discussion phase, and once conclusions are made, the team makes the commitment together.

Review the steps in the process below:

**Step 1:** Defining the Vision/Mission of the organization/functional area of company

**Step 2:** Define the Company Desired Core Values as they relate to Vision/Mission

**Step 3:** Define the specific behavioral activities that correspond to the core values of the organization. This includes not just the philosophical business approach, but a much more detailed set of disciplined behaviors for **how** you behave in the market.

**Step 4:** Evaluate the current strategies – are they good/bad

Conduct a Gap Analysis about current strategies with people processes, and operating planning capabilities in the organization.

These candid assessments will establish a framework for self-evaluation about the strategies, are they working, how well, any adjustments needed such as a delay, hold in the market, or change/add strategies.

**Step 5:** Establish the specific people processes the company needs to use to insure accountability, performance, development etc.

This occurs for each individual strategy. Overlap will naturally occur, yet it is important to overview each strategy to insure any areas of key people processes and development do not get left off the leadership review process for execution.

**Step 6:** Develop the specific, measurable operating template for each strategy to include:

1. The Marketing Operating Requirements
2. The Financial Operating Requirements
3. The Human Resource/Organizational Requirements
4. The Operations/Production Requirements

If you have 4 strategies, you will have at least 4 operating action plans:

The Specific **How To** action steps must be defined for each strategy and this becomes the benchmark for the quarterly performance review, knowing full well there are quarterly milestones that must be met to account for performance, and the performance reviews will reflect the behaviors in all 4 areas, not just financial performance.

**Step 7:** Train and execute the leadership team of the company on the process.

**Step 8:** Begin executing the process – quarterly reviews and feedback

A Few Examples of the People Processes in Action:

1. Job Expectations and Role Descriptions that include all performance requirements that are now part of the quarterly operating reviews.
2. Skill assessment tools by role, to evaluate the person with the role that is now part of the quarterly operating review.
3. Individual skill development plans to develop personnel that are now reviewed quarterly from the plan, also that leaders can review in their personnel evaluation sessions.
4. Training plans and training by individual position – company organized and employee selected for internal company work, and their own personal skill and training work.
5. Quarterly Performance Reviews to include the entire operating performance plans – strategy execution – people process execution – operating plan execution.
6. Compensation and rewards by position that match the entire execution model, financial performance, strategy execution, personnel development.
7. Appraisal processes accounting for entire model of execution – raises based not just on financial performance but overall model.
8. Clearly defined human resource development career path for each employee, and the same career path advancement definitions by role in the company – marketing to sales, sales to marketing, sales manager to marketing executive, marketing executive to branch manager, branch manager to VP or whatever the company desires – just define and communicate the opportunities – and the requirements.
9. Leadership expectations letters – communication from one-two steps removed – defined the role, defining the new position – defining the expectations, defining the behaviors of the new role – imagine a letter from the President in your new job congratulating you on the new position, and outlining the very specific strategies to execute, the specific performance objectives for your new job, 2 points of market share in two years, EBIT performance, employee development, your own career being watched from above, inventory turns, etc. Would you pay attention to those things?
10. A leadership talent review team – to:
11. Review all key talent in the organization – for strengths/developmental needs/career path options. This team acts with supervisors during reviews.
12. Challenge leadership decisions on promoting employees and create input to insure the promotion and employee are right for role, and ready, and facilitate input on those that may need further development.