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Navigate choppy waters

Organized leadership team is crucial

Question:

I'm the CFO at a small, privately held manufacturing company, founded in the 1960s. The company's current owners are second-generation owners, children of the founder. None of the owners' children are involved in the business, so there will be no third-generation owners, at least I don't think there will be. The owners aren't getting any younger and the issue of succession becomes a bigger concern with each passing year. I'm concerned there is a reluctance to confront this situation. While we've brought in some younger talent to balance the old guard, I would like to see greater urgency about the future and what is necessary to build on our success rather than rest on it. Inevitably, it seems to me that the owners need to share their game plan so that the company's leaders can begin the transition toward the next phase of the company. What are your thoughts?

Navigating our way through the constant changes that we experience in today's business environment can perhaps feel like navigating white-water rapids.

There are a variety of approaches to steer through such turbulence including: strategic planning, reengineering and process improvement; continuous learning; or perhaps other approaches with which you are familiar that come to mind. Teams are widely and successfully enlisted in all of these approaches.

In this column, in order to effectively navigate those choppy waters, I'll talk about the critical role of the leadership team, particularly the leader of the team. I'll also spell out the need to clarify vision and strategy as a basis for making timely adjustments that set the company on a targeted direction as it charts its future course.

As the organizational system becomes more and more complex, the problems to be solved require more than one set of

skills and the alignment of a number of sub-systems and sub-processes. There is also perhaps a need to take a cross-functional problem solving approach to ad-

ressing some of your business concerns. Organizations like yours are increasingly aware that it is easier to develop and improve systems and processes by working collaboratively within the organization.

Members of the leadership team are responsible for assuring organizational productivity and effectiveness. They are

the people who establish the "tone at the top." They are the principal architects of the corporate culture, the organization's "other bottom line." Top leaders help clarify the vision, mission, and values that are the foundation of the organization.

Clarity of purpose allows for organizational strategies to be specified. With these strategies specified, departments, work areas and/or teams can establish targeted goals and objectives. With clear-cut goals and objectives in place, individuals can make tangible connections with the roles and responsibilities that must be fulfilled.

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sure ongoing success. Primarily, they need to monitor and support the organization's progress around three particular challenges or tasks:

- » Developing the organization's purpose (i.e., Why? What?).
- » Establishing partnership – ways of relating (i.e., With Whom?).

- » Generating methods to achieve goals – a process (i.e., How?).

To stay focused on these three tasks, top leaders must:

- » Work closely with the other leaders.
- » Ensure that the leadership team's purpose and the organization's purposes are aligned.
- » Make sure the right people are in the right places, using the right tools at the right times.
- » Establish accountability throughout the organization by seeing to it that organizational members are clear about and committed to their roles and responsibilities, as well as the limits of their empowerment.

Organizations don't function well with vague purposes, ineffective communication channels, and unreliable work processes. It is fragmenting to work inside these organizations. It is also difficult for the external stakeholders of such organization to do business with them.

The Joiner Triangle is one way to envision three key elements that are prevalent in many of today's business strategies, and may be helpful for you in considering process improvement for your organization at-large. The triangle symbolizes the relationship between:

- » Dedication to client value.
- » A scientific approach to continuous improvement, and
- » An environment of teamwork and cooperation.

This relationship must exist if an organization is to be truly successful. When these three elements are aligned, they are extremely powerful in terms of creating business results. Note that the apex of the triangle is quality—as your clients define it. Also, note that the base of the triangle is defined by a data-based scientific approach to learning combined with an aligned “all-one-team” culture. Only by applying a scientific approach to the analysis of the way in which your services and products are delivered to your clients, and through aligning all of the organization's energies to meet the challenges that the analysis presents, can you continuously improve what you do and delight your clients.

Even if you're not doing this formally at the present time, you probably have adopted some of these practices into your business philosophy. In today's business, more decisions are being made on the basis of data instead of guesswork. More organizations are placing emphasis on quality as the customer perceives it or as defined by the organization's mission.

There is an increased emphasis on how the work gets done and tapping employees to create greater bottom-line impact.

Ultimately, my counsel is to work with the owners to specify the game plan they wish to use going forward. Interestingly, to do so might be to revisit some of the things that set the foundation for the organization as it got started. Think about the positive chain reaction that might be possible as the organization makes a renewed commitment to improving its work systems and processes:

- » Improve quality.
- » Decrease costs.
- » Improve productivity.
- » Increase market share.
- » Perpetuate the business.
- » Return on investment.
- » Growth and renewal.

This is a compelling vision of the future. Better than the guessing game that is being played now. Why not take the dare of the future by outlining a plan of attack for moving forward? From where I sit, it's a lot better than waiting around to see what's going to happen. ■

Daniel A. Schroeder, Ph.D. is president of Brookfield-based Organization Development Consultants, Inc. (www.OD-Consultants.com). He can be reached at (262) 827-1901 or Dan.Schroeder@OD-Consultants.com.