

# **The Vital Corporation**

## **NOTES & ANALYSIS**

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**Contents** ([click link below to go to chapter notes](#))

<b>Chapter 1 THE CHALLENGE .....</b>	<b>4</b>
<b>Chapter 2 ENGINES OF GROWTH .....</b>	<b>6</b>
<b>Chapter 3 DIET FOR DOUBLING.....</b>	<b>12</b>
<b>Chapter 4 THE PROCESS.....</b>	<b>15</b>
<b>Chapter 5 THE MIRROR IMAGE OF GROWTH .....</b>	<b>22</b>
<b>Chapter 6 A VISION OF OPPORTUNITIES.....</b>	<b>24</b>
<b>Chapter 7 THE POWER OF VALUES .....</b>	<b>26</b>
<b>Chapter 8 PUTTING VALUES TO WORK.....</b>	<b>29</b>
<b>Chapter 9 PEOPLE: THE INEXHAUSTIBLE RESOURCE.....</b>	<b>33</b>
<b>Chapter 10 THE GREAT SECRET: ORGANISATION .....</b>	<b>41</b>
<b>Chapter 11 MAKING THE MARKET COME TO YOU.....</b>	<b>48</b>
<b>Chapter 12 TUNING IN TECHNOLOGY (Products &amp; Services).....</b>	<b>52</b>
<b>Chapter 13 GROWING CAPITAL (FINANCE) .....</b>	<b>54</b>
<b>Chapter 14 DOUBLING STRATEGIES.....</b>	<b>58</b>
<b>Chapter 15 PLANNING FOR PROFIT .....</b>	<b>61</b>

**“You are what you believe in.  
You become what you believe you can become.”  
*(Bhagavad Gita)***

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## Chapter 1 THE CHALLENGE

(to double or more profits in 2 years or less)

- Any company can double its profits or revenues or both in two years or less.
- Yet doubling is only a figure of speech. The real issue is about being the very best possible, achieving the maximum possible for your business. For some, doing the maximum possible may be tripling revenues.
- Any company in any type of situation can double or more.
  - Over the last few years we have observed *young companies* emerging from obscurity to take old established industries by storm,
  - We have also seen *established companies* suddenly awaken from slumber and soar into prominence like
  - we have watched *mega-corporations* amble on for years with flat sales or slow steady growth and then surge forward dramatically
- Numbers like doubling or more do not tell the whole story. They are only an indicator, an expression of something going on deeper within these companies.
- The authors studied over 1000 companies from all walks of life, all types, etc.
- The most significant common denominator which links them all together is that they have grown rapidly and profitably; and even more importantly, they have managed to maintain high rates of profitable growth over a considerable period of time.
- Growth is both a natural and universal phenomenon common to all living things.
- Few issues are so frequently discussed these days and yet so steeped in mystery as the phenomenon of rapid corporate growth.
- The mystique of rapid growth is reinforced by a host of myths and superstitions
- **Myth #1: There are inherent limits to how fast companies can grow:**
  - the 100 fastest growing public U.S. companies in 1987 grew at a compound annual rate ranging from 93% to 579%
- **Myth #2: Opportunities for rapid growth exist only in new, non-traditional or high-tech industries, which are not yet dominated by giants:**
  - It is true that many fast growing companies come from high-tech industries. But this generalization conceals the fact that a great many others do not
- **Myth #3: The bigger you are, the slower you grow:**
  - It can come from any size company; and does. e.g. Apple from 2007-2012
- **Myth #4: The larger you grow, the smaller your margin of profit:**
  - Apple continued very high profit rates as it grew from 50 to \$175 billion
- **Myth #5: Rapid growth cannot last:**

- We come finally to the most devastating of the myths about rapid growth, most devastating because it is most often true.
- Rapid growth is not only very common. It is usually very fleeting too.
- Yet still we refer to this frequently documented occurrence as a myth, not only because it is not always true, but also because it need not be true for any company that fully understands the process of growth and anticipates its demands.
- **The Greatest Myth of All:**
  - ***The only really binding limitations on our growth are the constraints placed on us by our limited perception of what is possible and our limited aspiration to achieve it.***
- **Three Conclusions:**
  - ***Really Wanting It, Making Effort Doubles or More*** -- *Rapid, sustained and profitable growth is possible for any company that really wants it and is willing for the effort. The emphasis is on wants and willing.*
  - ***Learning the Process Doubles or More***-- *Rapid growth in revenues and profits is the result of a process, a process that can be learned. The knowledge and skills needed to grow and keep growing a company can be acquired by anyone.*
  - ***Same Process for Individual, Company*** -- *The process of growth is fundamentally the same for the individual, the company, and the nation. In fact the three are inextricably intertwined, i.e. personal growth, corporate growth and national growth go together.*
    - Companies which strive for the maximum personal growth of their people tend to grow the fastest and the farthest.
    - So too, individuals who strive to fully release their personal energies and fully utilize their capacities for the growth of the companies they work for tend to grow the most as well, both in terms of career advancement and development of personality.
- This book has been designed to assist practicing managers to apply the ideas it contains directly to their companies/divisions/departments to accelerate the growth of their businesses and dramatically increase profitability.
- If you complete all the exercises suggested in the book, you will have created a detailed plan to achieve maximum growth and profits for your company.
- **Choose Goals** -- The first and most important thing you should do to apply the ideas in this book for the improvement of your business is to *choose a goal*. The effectiveness of the strategies described in the book depends on the clarity of your goal and the intensity of your commitment to it.
  - The goal you choose should be challenging and realistic. It should be one you can enthusiastically pursue. It should not be either so easy that it is not inspiring or so difficult that it seems impossible to realize.
  - Define your goal in terms of the dollar growth in revenues and profits you want to achieve in the next 12, 24 and 36 months.
  - First, choose the goal for growth in *revenues* over the next three years. Then project the growth in *profits* which will result from that revenue growth based on current operating margins.

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## Chapter 2 ENGINES OF GROWTH

(the five growth engines of the company)

- **Five Engines of Growth** -- Whatever your business, you possess five unlimited resources upon which to draw for growth, *five engines*, any one of which is powerful enough to double your revenues or-at the very least-your profits within a year or two.

There must be a need in society which the company serves, what is commonly called a **market**.

There must be also a **technology**, a know-how for producing a product or providing a service which the company offers to meet that market need.

There must, of course, be **people** - managers and workers who contribute their energies and ideas, talents and skills to deliver the products or services to meet the market need.

There must also be **capital** in one form or another from one source or another to support and finance the activity.

In order to give life to the other four-there must be an **organization**. Organization provides the structure and systems which direct the people and utilize the capital and technology to provide the products and services to meet the needs of the market.

- These five-market are all essential for the existence of any company.
- They are not only the five basic elements out of which businesses are created, they are also *powerful engines that can drive the growth of revenues and profits in every company*.
- Each of these five is a vast reservoir of potential energy which can be released and utilized for higher sales and higher productivity.
- *Drawing on the power of any one of them is enough to catapult a company into rapid growth.*
- **Drawing on the powers of all of them, even to a very limited extent, is enough to convert a near-fatal crisis into an opportunity for expansion.**
- Think for a moment about your company or about a company you know well.
  - Which of these five engines have been the engines that propelled its growth?
  - How has the company harnessed their powers?
  - How far has it really utilized their productive potentials? What more can be done to tap their capacities?

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## MARKET

- *When we speak of market, we refer to your perception of that market and the relationship you forge with it, both of which are directly and totally subject to your control.*
- One of the challenges for any company is to bridge the gap between what they make or offer to customers and *what the customers really want.*
- As soon as a company gets much larger or more complex than the corner store, a chasm begins to grow between what we think our customers want and what they actually want.
- There is a dangers of producing what we know or like rather than what the customer really wants
- Linear has energized its market by carefully attuning all its activities to meet the needs of its market and to deliver exactly what the customer wants.
- E.g. at Linear each circuit designer goes out into the marketplace with the sales people to talk with customers and find out what they want. Then the same person comes back to the laboratory and designs a product to meet that need. The designer then moves with the product through the production phase and goes back into the field to meet customers again and ensure that the product works as it was intended.
- *Market is energized by implementing high values like customer needs for determining what products and services to develop, monitoring changes in society, etc., providing great customer service, promptness of service, accuracy of information to customers; coordination between staff members and departments for implementing market approaches; etc.*

### Questionnaire for Market:

(score as: 0 = Never true at all; 2.5 = A little true; 5 = Partially true; 7.5 = Mostly true; 10 = Always fully true)

1. We know exactly who are customers are.
2. We are in contact with all potential customers for our products/services.
3. We understand the needs and preferences of our customers.
4. We are able to anticipate the changing needs of the market.
5. We are able to meet these changing needs.
6. We know our present market share and what we have to do to increase it.
7. We closely observe the marketing strategies of other companies in our market.
8. Our customers are pleased with the service they receive from our company.
9. We always deliver our products/services promptly.
10. We go out of our way to satisfy even the unreasonable demands of our customers.
11. Someone is available 24 hours a day, 7 days a week to answer questions or solve the problems of our customers.
12. We give timely and accurate information to our customers.
13. All of our people have a friendly attitude in their interactions with our customers.
14. Every member of our sales staff knows how to listen to customers, win their confidence and make them feel happy about the products/services we offer.
15. Our showrooms, offices and all other facilities open to the public are immaculately clean, orderly, and pleasing to the eye.
16. Our company employs highly innovative marketing strategies.
17. Our company's advertising campaigns are effective and imaginative.
18. All sales people undergo continuous sales training to improve their sales skills and product knowledge.

19. There is a smooth flow of information from the sales force back to the customer service department and vice versa.

20. We conduct regular sales meetings to discuss performance, set targets and develop new sales programs.

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### **TECHNOLOGY (Products & Services)**

- We use the word technology in its broadest sense as the "know-how" for running a business, the know-how for producing products and providing services as well as the products and services themselves.
  - [We can think of Technology as the Products and Services, including the knowhow, r&d, etc. that make it possible.]
- When we speak of technology, we mean *the way you perceive the products and services you provide and the methods you employ to generate them.*
- Adding just *one new dimension* to the way we look at a product or service reveals new applications and provides greater value-added to customers.
- Technology is also energized by implementing high corporate values like *quality, value, systematic functioning, constant improvement, innovation, high level of skill, and freedom.*
- These strategies have enabled companies to convert technology into a powerful engine for growth and a lucrative source of revenues.

### **Questionnaire for Technology (Products & Services):**

(score as: 0 = Never true at all; 2.5 = A little true; 5 = Partially true; 7.5 = Mostly true; 10 = Always fully true)

21. We offer the best value (quality for the price) available in the market.

22. Experts in the industry would characterize our product/service as "first with the latest."

23. We incorporate all new technological developments in our industry.

24. We operate at high levels of efficiency with the minimum of wastage.

25. We utilize the most advanced systems for quality control.

26. The productivity of our people is among the highest in the industry.

27. The productivity of our equipment/facilities is among the highest in the industry.

28. We are constantly trying to upgrade and improve our products/services.

29. Top management is fully aware of the importance of technology.

30. We are highly creative and innovative in developing new products/services.

31. We offer the widest range of products/services to our customers.

32. Our company fully guarantees the products/services we sell and backs them with a quick and fair claims service.

33. Every member of our customer service department possesses a high level of technical knowledge and competence.

34. Every member of our sales staff possesses complete technical knowledge about the products/services we offer.

35. Every member of our production/operations staff possesses a high level and well-rounded technical knowledge.



36. We allocate sufficient funds for the development of new products/services.
37. Production/operations is well coordinated with sales and marketing.
38. We continuously train our employees to improve safety and eliminate all types of accidents.
39. We are constantly trying to reduce the production cost of our products/services.
40. Those involved in product development are well-trained for their work.

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## ORGANIZATION

- When we speak of organization, we do not refer to the organizational chart which describes the division of responsibilities and levels of authority within a company. This is only an abstract, two-dimensional, structural representation of a complex, living organism with manifold and immense productive capabilities; having virtually unlimited creative power.
- *Organization supports the operation and success of the other four engines.*
  - *It provides the organization for better engagement in the market, for the development of very successful products, for energizing your people through greater clarity of purpose, method of implementation of their work, etc.; enables better utilization of money and company data analysis, etc.*
- Of the five engines, organization contains the greatest creative power for growth, yet it is the least understood and the least utilized.
- *Organization is that which provides the solid basis by which the company can thrive.*
- *Organization includes proper organizational structure, clear lines of authority, standardized systems, clarity of activities, comprehensive project management, standard operating procedures; communication, cooperation, coordination, integration in all facets of the firm; right, accurate flow of information, etc. It also includes proper planning and direction for improvement, decisive decision making and execution, and smooth flow of information throughout organization.*

### Questionnaire for Organization:

(score as: 0 = Never true at all; 2.5 = A little true; 5 = Partially true; 7.5 = Mostly true; 10 = Always fully true)

41. All activities of the company are carefully planned in advance and closely monitored during implementation.
42. Routine operations, projects and paperwork are completed on schedule.
43. Our organization is flexible and responsive to the changing demands made on it.
44. Our organizational structure is clear to everyone in the company and there are clear job descriptions for each position.
45. Higher levels of management respect the authority and freedom given to people at lower levels of the organization.
46. Decisions are taken and executed promptly.
47. We consciously build new systems large enough to support future expansion.
48. We order products/materials on time to ensure sufficient supplies.

49. The company is structured so as to minimize duplication of work and maximize efficiency.
50. Reoccurring problems are dealt with by introducing new systems or by improving existing ones.
51. When something goes wrong it is easy to determine who is responsible and accountable.
52. Decision-making is decentralized throughout the organization so that decisions are taken by the lowest level employee competent to do so.
53. All departments/offices/divisions are well coordinated so that information and work flows smoothly back and forth between them.
54. Decisions taken by top management are quickly and smoothly transmitted down to the lowest level of the company.
55. Information and ideas generated at lower levels of the organization are transmitted quickly and accurately to top management.
56. All file cabinets, offices, storage facilities and warehouses are maintained in a clean and orderly fashion.
57. The forms and systems employed by all departments and offices conform to a common standard.
58. The files maintained by each employee are organized so that other employees can easily access them and find materials in their absence. 26
59. Meetings are carried out in an effective and productive manner.
60. All systems are documented by written standard operating procedures to facilitate training of new persons and ensure uniformity of operations.

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## PEOPLE

- When we speak of people, we are thinking in terms of people's energies, knowledge, skills and capacities, their understanding and their attitudes, and how these can be fully mobilized for their personal growth and the growth of the company.
- If you have the right people, an atmosphere where people have freedom, and operate independently you have the key to business success.
- Consider also making your people investors and profit sharers
- The people engine includes *hiring and having the right people, best system for evaluating people, developing the skills and capacities of people, truly valuing people, giving them freedom in their jobs, provide a stress free environment for them, provide right levels of benefits, give social recognition, support the ongoing training, education and growth of people, etc.*

### Questionnaire for People:

(score as: 0 = Never true at all; 2.5 = A little true; 5 = Partially true; 7.5 = Mostly true; 10 = Always fully true)

61. We consciously recruit people with high energy levels and the right type of personality.
62. In recruiting new employees, we give high priority to selecting people with the highest level of education available.
63. Our company has a refined system for evaluating job applicants.
64. All new employees go through a comprehensive orientation program and job-related training before beginning work.

65. We strive to develop all the capacities and potentials of our people.
66. All employees receive regular job performance appraisals in order to help them improve their performance and plan for their career development.
67. Our employees feel a high level of enthusiasm and job satisfaction.
68. Our employees feel a minimum of stress on the job.
69. Our employees work together harmoniously as a team without conflict.
70. We give our people a great deal of freedom for individual initiative and creativity.
71. Our employees believe they are fairly compensated for the work they do.
72. Our compensation system links material benefits with individual or group performance.
73. Our company offers excellent long term benefits as part of its policy to provide job security to its employees.
74. We give social recognition and personal attention to employees that do a good job.
75. The company encourages and supports the on-going education of all of its employees.
76. Our managers possess a high level of organizational and managerial skills.
77. We systematically train and develop the managerial skills of young managers and potential managers.
78. All supervisory and managerial personnel in our company are continuously being trained to improve their interpersonal skills.
79. People within the company are self-disciplined in their work.
80. We continuously evaluate the training needs of each position and employee and provide appropriate training to ensure that individual skills meet job requirements.

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## **CAPITAL/FINANCE**

- The power of this engine goes way beyond mere investment value.
- When we speak of capital or finance, we do not confine ourselves to the quantity of money invested in your company or the sources and means of finance you draw upon to obtain it, but is also a way of looking at things-not just passively in order to track performance, but actively in order to manage it.
- The Capital engine involves *ways to raise capital, comprehensive accounting systems, controlling expenditures, minimizing costs across the organisation, investing in surplus cash, inventory control, evaluating credit risk, analyzing salaries commensurate to people's output, reducing wear and tear on things, etc.*
- When finance is looked at as a measure and an index of what is occurring in the company rather than an end in itself, it acquires new creative power.
- Apart from its role as a factor of production, there is a whole other way of looking at finance as a means to energize the other components of a business.

### **Questionnaire for Capital/Finance:**

(score as: 0 = Never true at all; 2.5 = A little true; 5 = Partially true; 7.5 = Mostly true; 10 = Always fully true)

81. We utilize all possible sources of capital from banks, suppliers' credit, financial markets, etc.

82. Our cost accounting systems enable us to accurately measure the cost of each activity and operation involved in producing products and services.
  83. We closely and regularly monitor our costs on each category of expenditure and compare it to past levels or established standards.
  84. We pay our bills on time.
  85. We collect receivables on time.
  86. We have detailed budgets for planning and projecting expenditures and cash flow.
  87. Our accounting systems are updated daily and maintained up-to-date.
  88. Our accounting systems measure the productivity of people in every activity and are used as an effective instrument to encourage high individual performance.
  89. We carefully control expenditures to keep them within budget.
  90. We maintain active and close relations with our shareholders, investors, bankers, and other financial institutions.
  91. We carefully invest surplus cash to achieve maximum returns.
  92. All people consciously strive to minimize costs and eliminate waste of all descriptions.
  93. We control inventory levels to achieve the maximum number of turns.
  94. All purchases of goods/services are routed through a central purchasing department to ensure we buy at the best prices.
  95. Our company is highly successful in evaluating credit risks and minimizing bad debts.
  96. Our company's return on investment is above average for the industry.
  97. We regularly monitor an array of financial indicators to forecast future activity and respond appropriately to new trends as they develop.
  98. Our managers carry out tasks appropriate for their level of compensation and delegate all tasks which can be done more cost effectively at lower levels of the organization.
  99. Our financial people possess all the knowledge and skills required to carry out their responsibilities effectively.
  100. Our facilities and equipment (physical assets) are carefully maintained to minimize wear and tear and ensure long life.
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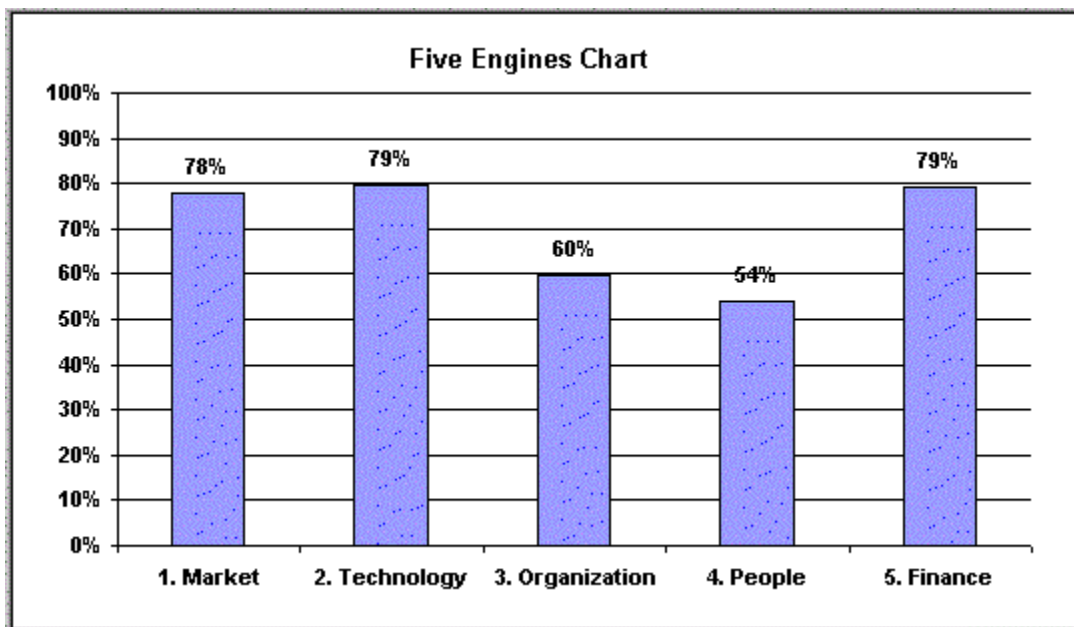
### **Chapter 3 DIET FOR DOUBLING**

(balancing & maximizing the five growth engines)

- **Let's examine the five components for your company**
  - Refer back to the business self-evaluation questionnaire at the end of the last chapter.
  - Which of the five components has been the most important engine for the growth of revenues and profits in your company up to now?
  - Which should be the engine for its future growth?
  - Which of the five has the greatest inherent power to propel growth?
- **Which of the five engines/components is the most important?**
- In board rooms across the country there are intense debates as to whether the company should be market-driven or product-driven, people-oriented or systems-oriented, dedicated to profits or to

quality, and so on. Ask most managers and they will immediately tell you one or another of the five is most important. And within the same company, you can hear many different views.

- Which is the most important engine for growth?
- **The answer is “All of them.”**
- A closer look at any business will reveal that not one but several engines have played important roles in its growth and that all five have been developed at least to the minimum level required to support that growth.
- The real issue is not whether a company should be market-driven, product-driven, people-driven, systems-driven or profit-driven. **It should be driven by all five.**
- **If any company wants to grow and keep growing profitably, it needs to develop all five; because each of these five is an engine that contains within itself virtually unlimited potentials for expansion and in order to more fully tap the potentials of any one, the others must be developed proportionately as well.**



- Fast growing companies have discovered the explosive power of at least one of the five engines. But why when they are so buoyant and expansive do they so often run into trouble? Because they have not learned the second basic truth about the five engines, a truth which we all were taught at the dinner table when we were children - **the importance of balance.**
  - Waltz Brothers recovered from the brink of bankruptcy by tapping some of the latent potentials of the five engines and by restoring the balance between them.
- **The real key to non-stop growth is a harmonious and balanced development of all five components, either successively or simultaneously.**
- Each of the five is a powerful engine for growth, but each also depends on the other four in order to fully flower and express its potentials. **When the development of any one of the five exceeds the present requirements of the company, the surplus energies from that component overflow and begin to stimulate the development of the others.**
  - E.g. when people are energized, customers are attracted to the company, systems work faster and better, money is utilized more efficiently and technological innovation increases. When the market is energized, employees are more enthusiastic, development of new technologies is

stimulated and systems are constantly being improved. When organization is tuned to perform at peak levels of efficiency, people feel more relaxed and happy, service to customers is superior, costs are reduced and coordination between research, production and the market improves.

- The reverse is also true. ***The lack of development of any one of the five components retards the development of the other four.***
  - E.g. the market for our product may be strong. But if we lack the technology needed to maintain quality, we cannot fully tap that market. We may have the most talented and highly motivated people, but without the right type of structure to direct them and the right type of systems to carry out routine operations effortlessly, anarchy and burnout will be the main result. We may have the best technology, but if we lack people with enough energy and the right skills, the market may not respond to what we offer.
  - As the Waltzes found out, an unbalanced development of the five components can slow or stop growth in its tracks and that is precisely what happens to most fast growing companies.
  - Mesa stopped growing because it lost its balance.
- Any company that focuses on one or two components to the exclusion of the others, runs the risk of becoming a leaning tower-a company like Chrysler Corporation in the 1960s and 1970s which focused on technology at the expense of the other four (particularly market), until the company was brought to the brink of disaster.
- Organizations grow consciously. They subconsciously too. They expand naturally without anyone really thinking about all the parts and their interrelationships.
- But they do have a choice. **Companies can exert *conscious* control over their own development and achieve through effort and alertness.**
- In addition to their absolute importance and the need for balanced development, **there is also a need for *harmonious interaction and close coordination* between the five engines.**
- Companies that are able to establish and maintain very high levels of synergy between the five engines are able to continuously grow rapidly and profitably.
- **What determines the relative strength, balance and coordination of the five engines in a company? It starts with the *people at the top* - their understanding, their attitudes and their preferences.**
- The role of the CEO is to ensure that all five powers are seen in proper perspective, that **their capacities are fully recognized and their interrelationships are fully appreciated.**
- The very act of giving serious attention to all five engines has a power to release some of their latent energies.
- TO DO:
- **Examine the relative strength of the five engines of your company and sketch them on a bar chart.**
  - Which are the *strongest*?
  - In an absolute sense according to your own ratings, how much further scope is there to strengthen these strong components?
  - Which are the *weakest* and how much scope is there to strengthen them?
  - Now compare the relative levels of their development. *How evenly are they balanced?*
  - How much developed capacity in the stronger components remains unutilized because one or more of the other components are not sufficiently developed to support it?

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## Chapter 4 THE PROCESS

(the energy conversion process that enables tremendous, sustained growth and profitability)

- Over the last few years we have asked more than 1,000 U.S. and foreign companies to describe to us their most recent experience of rapid growth.
- Their responses reveal that during periods of **rapid growth, companies share several common characteristic:** a high level of energy and enthusiasm, a clear sense of direction, smooth running systems, good coordination and teamwork, good morale, pride, non-stop recruitment of new people and continuous learning of new skills.
- **These characteristics reduce to four essential elements: high energy, clear direction, streamlined organization, and realization through skilled, motivated, right attitude people.**
- The relationships and interactions between these four are the keys to the process of converting corporate potentials into practical results in terms of high performance, high profitability and rapid growth.

### 1. ENERGY

- **In the Vital Difference, we described the tangibly intense atmosphere of energy we experienced in high performance companies**
- **High energy is the fuel and driving force for high achievement.**
  - It excites and enthuses people to great efforts and accomplishments. It spurs the organization to perfect its operations and raise the quality of its performance. It attracts customers, motivates employees and stimulates creativity and innovation.
- **The generation and unleashing of that energy and its effective utilization by the company are the keys to an endless expansion.**
- **The single most common characteristic reported by fast growing companies is a high level of energy.**
- Without that energy you cannot even think of doubling.
- **That energy starts with the people at the top - the founder, the CEO and the management team. They must generate energy, embody it, radiate it, communicate it to everyone else in the company and express it in everything they do.**
  - That energy is needed to maintain and develop every component and every activity of the company: to formulate and implement plans, to give and carry out instructions, to maintain regular production, to meet delivery schedules, even to maintain facilities in a clean and orderly fashion.
  - Energy is needed to enthuse our people, to excite our customers, to attract investors, to negotiate with vendors, to carry conviction with the board and the management team and every employee in the company.

### *Evaluating Energy in Your Company*

- **Think about the energy level in your company.** Are you generating and releasing sufficient energy to carry on routine operations effectively and to propel the growth of the business?

## 2. DIRECTION (development of goals)

- **Energy is the starting point, but energy alone is not enough.** By itself it is aimless, uncontrolled and unproductive. It will not produce anything. It may even become destructive like the raw energy of a cyclonic wind or a raging river.
- In order for a company to utilize that energy effectively, it must possess the other three characteristics we referred to earlier-*a clear direction, a streamlined and efficient organization, skilled and well-motivated people.*
- ***Direction, organization and people focus and channel the energy and convert it into higher sales and profits.***
- **Companies give direction to their energy by formulating goals to define their purpose and intentions.**
- These goals are both quantitative and qualitative.

### A. Quantitative Goals (Long and Short-Term)

- Quantitative goals define how large the company wants to become-large in terms of revenues or profits or production volumes or offices in the city, the state, the country or the world.
- Companies also direct their energies by establishing shorter term quantitative objectives – e.g. to double revenues in two years, to triple profits in three, etc.

### B. Quantitative Goals (Corporate Values)

- **Quantitative Goals describe what or *how much* a company wants to achieve. *Qualitative* goals define *the manner* in which it wants to achieve them.**
- Disney wants its theme parks to be *spotlessly clean* and its employees to be cheerful and friendly. Federal Express wants every parcel to be *delivered on time*. Marriott focuses on *carrying out every routine activity in a systematic manner*. Dupont gives a near fanatical importance to *safety*. Merck is obsessed with *product quality*. Northwestern Mutual places a tremendous importance on *communication and teamwork*. Delta wants all its *employees to feel happy and secure* as part of the corporate family. IBM is deeply *committed to the growth and development of its people*.
- **Qualitative goals are what we mean by corporate values.**
- **These values help us communicate to everyone in the company and to our customers and vendors precisely what type of performance we are trying to achieve.**
- **They direct the energies of our people, not only at the level of senior management, but all the way down through the organization by clearly stating how each activity should be performed.**
- **Values focus and concentrate energy.**
- When energy is given a specific direction it becomes capable of accomplishing work.
- **By giving direction to the energies in a company, corporate values and objectives convert those energies into a *force*.**
- **They not only focus the available energy. They also magnify it.**
- We all have seen the power of a goal to release people's energies for an extraordinary effort. In the last two minutes of the 1989 Superbowl game, the San Francisco 49ers drove 95 yards to score a touchdown and come from behind to beat the Cincinnati Bengals for the national championship. During that drive Joe Montana and his team moved down the field with a power and effectivity they had not displayed during the previous 58 minutes of the game. *That is the power of a goal to release and direct energies for accomplishment.*



## ***Evaluating Direction in Your Company***

- How effectively does your company give direction to the energies of its people?
- How clear and inspiring are its values and objectives?
- How fully are they understood and endorsed by people at different levels?

### **3. ORGANIZATION** (means of realizing goals)

- When a company's energies are given a clear direction, they are *ready* for purposeful action; to begin to achieve their goals.
- That force of directed energy needs to be channeled and harnessed into productive activities; to carry out specific tasks to achieve company objective and subjective goals.
- What enables this to happen?
- **That is the role of *organization*.**
- **Organization converts the *Force* of directed energy into a *Power* for accomplishment of work to set the stage for the achievement of corporate goals. Organization does that by-**
  - **defining levels of responsibility and authority:** who will make which decisions, who will give what instructions, who will execute each type of work, who will monitor and evaluate the work.
  - **defining systems and procedures:** how each operation is to be performed, how it will be communicated, and how different operations will be coordinated.
  - **utilizing the energy of countless people** - workers, supervisors, technicians, engineers, scientists, administrators, sales and marketing personnel, accountants, managers, etc. - to carry out a multitude of specialized activities according to specific plans in order to implement the company's values and achieve its objectives.
- **In other words, organization's role is to insure that the authority and responsibility, the company structure, the systems, the means of communication and coordination, and the people are in place to allow for the company's direction, including its objective and subjective goals (values) goals to be carried out.**
- **Organization thus focuses and distributes the energy precisely to the points at which it is needed so vast corporate profitability and success can be achieved.**

### **4. FULFILLMENT** (manifesting of goals via people's Attitudes and Skills)

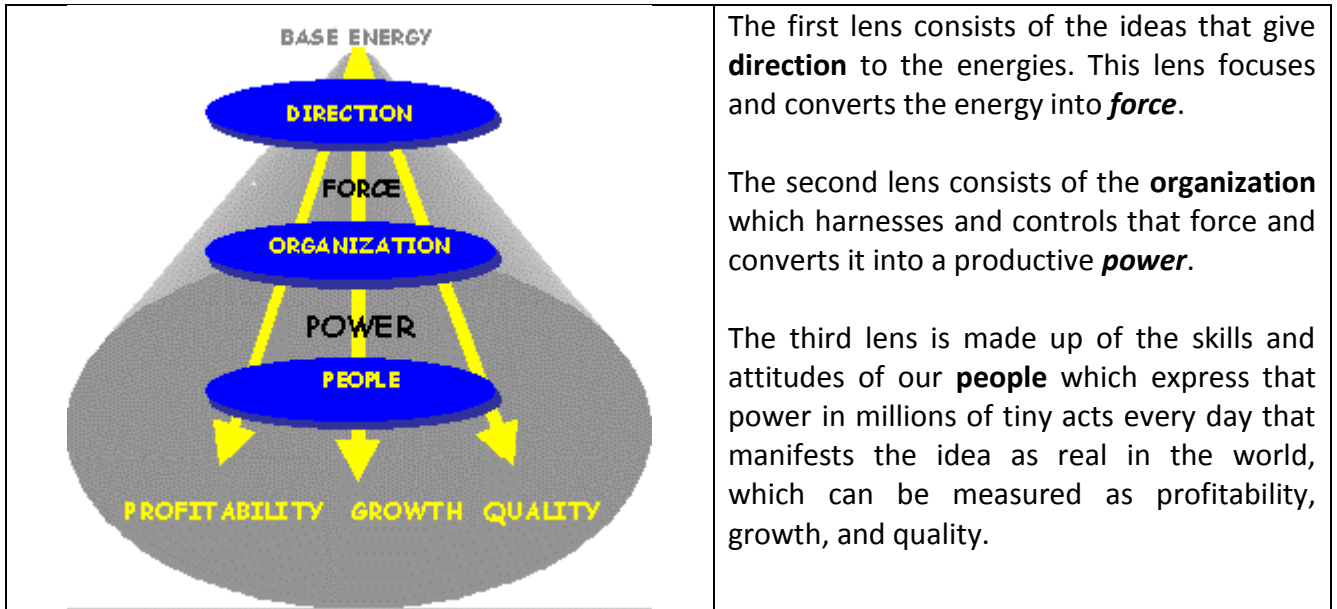
- **And yet the quality and effectivity of that work, and hence the fulfillment of the goals finally depends on one more crucial element - People.**
- **The *skills* and *attitudes* of our people who execute the work through the company's organization are the last vital link in the process of converting that raw energy into practical results – enabling high performance, profitability and rapid growth.**
- A company may have the best laid plans and the most sophisticated systems, but **if the skills and attitudes of its people are not appropriate, it cannot achieve the maximum results.**

## ***Evaluating Fulfillment in Your Company***

- Do your people have all the skills they need to get the maximum results from their efforts and maximum profits for the company?
- Do they seem to have the right attitudes for work?
- What more can you do to switch on your people for peak performance?

## THE ENERGY CONVERSION PROCESS – Three Lenses

- From the above, we see that there a fundamental process that companies of every size and description engage in to energize themselves to dramatically increase profits and grow rapidly.
- This process can be thought of as a series of lenses which focus and *magnify corporate energies and convert them into material results.*



## EVALUATING THE PROCESS IN YOUR COMPANY

- **Think about how your company generates, releases, directs and channels the energies of its people.**
- **How effective is the company in converting these energies into productivity, profitability and growth?**
- **The following questionnaire is intended to assist you in evaluating the company to identify ways to increase the flow and conversion of energy into revenues and profits.**

### Energy

(score as: 0 = Never true at all; 2.5 = A little true; 5 = Partially true; 7.5 = Mostly true; 10 = Always fully true)

1. This is a high energy company.
2. This energy expresses as an intensity noticeable to everyone.
3. The CEO has a missionary zeal.
4. Senior management shares that zeal.
5. Managers exhibit high levels of energy and enthusiasm.
6. Customers feel attracted to this company.
7. People love to work at this company.
8. People are hard working.
9. Our employees are cheerful and enthusiastic.

10. Physical activities in the company are brisk and quick.
11. Our employees feel a minimum of fatigue and burnout on the job.
12. Fresh ideas are continuously being generated and encouraged.
13. People are always willing for a new effort.
14. The company is highly innovative and creative.
15. People are focused on their work (not distracted by non-work related activities).
16. All facilities are maintained at the highest level of cleanliness.
17. All areas are maintained at the highest level of orderliness.
18. Regularly scheduled activities (weekly, monthly, quarterly) are carried out at the appointed time without fail.
19. Decisions are taken and implemented promptly.
20. The company is able to perform at peak levels without feeling strained.

### **Direction**

(score as: 0 = Never true at all; 2.5 = A little true; 5 = Partially true; 7.5 = Mostly true; 10 = Always fully true)

21. The company has a clear perception of its mission and central purpose.
22. The CEO understands and embodies the mission and central purpose of the company.
23. Senior management understands and endorses the mission and central purpose of the company.
24. People at all other levels of the company understand and endorse the mission and central purpose of the company.
25. The CEO knows what is required to develop and balance the five components of the company to achieve its mission and central purpose.
26. Senior management knows what is required to develop and balance the five components of the company to achieve its mission and central purpose.
27. The company prepares strategic plans including long term financial projections and proformas.
28. The company prepares short term operational plans.
29. Each department prepares detailed budgets.
30. The company plans for future organizational needs.
31. The company plans for its future human resource needs.
32. The company prepares detailed sales and marketing plans.
33. The company plans for future products and services.
34. Employees enthusiastically endorse and pursue the company's goals and plans.
35. The company strives to achieve high corporate values.
36. The CEO embodies these values and strives to make them real in every activity in the company.
37. Senior management follows the lead of the CEO and strives to achieve high corporate values.
38. People at all other levels accept and endorse these values.
39. Clear standards of performance have been established for expressing these values in daily activities.
40. The company has clear policies and rules which support efficient operations and motivate people.

### **Organization**

(score as: 0 = Never true at all; 2.5 = A little true; 5 = Partially true; 7.5 = Mostly true; 10 = Always fully true)

#### ***--through Structure and Systems***

41. The company's organizational structure and functioning is clear to all employees.

42. The CEO and the top management team have clearly defined responsibilities and authority for achieving corporate objectives.
43. The CEO and the top management have clearly defined responsibilities and authority for implementing corporate values.
44. The responsibility and authority of each manager for achieving corporate objectives is clearly defined and understood.
45. The responsibility and authority of each manager for achieving corporate values is clearly defined and understood.
46. The structure of the company is flexible and adaptable to new organizational requirements.
47. People are held responsible for their performance.
48. There is a high level of discipline.
49. People are given a good deal of freedom for constructive individual initiative.
50. The organizational structure facilitates open and effective communication.
51. Operational systems function smoothly, efficiently and automatically.
52. The company has systems to monitor and measure performance on corporate goals.
53. The company has systems to monitor and measure performance on corporate values.
54. Managers spend an appropriate amount of time planning for growth and development of the organization rather than on operational tasks.
55. Systems are regularly reviewed to determine their effectiveness and efficiency.
56. Every department has developed standard operating procedures for all their routine activities.
57. The meetings held at all levels of the company are well organized, effective and completed on time.
58. There are systems in place to support the implementation of corporate values.
59. When customers enquire about the status of their orders, our systems enable us to respond immediately.
60. Systems are designed to minimize duplication and non-productive reporting.

***--through Communications and Coordination***

61. There is good communication between the CEO and senior management about the company's goals and values.
62. There is an open door policy at all levels of the company.
63. There is good communication between senior management and all department managers about the company's plans, goals and values.
64. There is good communication between departmental managers and their staff about the specific activities and projects required to achieve the plans and to implement the values.
65. There is good open communication among the top management team.
66. There is good communication/coordination between sales and marketing and production/operations.
67. There is good communication/coordination between the finance and accounting departments and other departments in the company regarding plans, budgets and other financial matters.
68. There is good communication/coordination between R & D and production/operations.
69. There is good communication/coordination between sales and marketing and R & D.
70. There is adequate written communication to support the decisions that are taken in meetings or other informal discussions.
71. There is a minimum of rumor and gossip
72. The company strives to share all relevant information with its employees in a quick and open manner.
73. Each individual/department receives feedback on their contribution to the achievement of corporate goals.
74. There are formal channels for communicating information of general interest to all employees, such as a company newsletter, company meetings, etc.

- 75. Employees have a high level of confidence in the information they receive from top management.
- 76. There is open and good communication between the company and its customers.
- 77. There is good coordination between field staff/offices and corporate headquarters.
- 78. There is good communication between top management and the board of directors/shareholders.
- 79. There is open and good communication between the company and its suppliers.
- 80. There is a channel by which the lowest level employee can effectively communicate with top management in when the situation warrants.

### **Fulfillment (through People)**

(score as: 0 = Never true at all; 2.5 = A little true; 5 = Partially true; 7.5 = Mostly true; 10 = Always fully true)

- 81. Our people take pride in doing the best job possible.
- 82. Our people feel closely identified with the interests of the company and are eager for its growth.
- 83. People within the company actively appreciate each other's point of view.
- 84. Our people express a cooperative attitude in all activities.
- 85. There is a culture of positive thinking and a "can do" attitude throughout the company.
- 86. People in the company are never satisfied and always want to improve our performance in every activity.
- 87. Everyone feels that they should constantly be learning new things.
- 88. There is an attitude throughout the company of wanting to please our customers, both external and internal customers.
- 89. There is a strong feeling of belonging to a team throughout the company.
- 90. Everyone feels they should put the company's interests ahead of their personal preferences and ambitions.
- 91. Our managers possess all the necessary skills to be effective in their jobs.
- 92. Our sales staff is very knowledgeable and skilled.
- 93. Our managers and customer service representatives have very good interpersonal skills.
- 94. All of our employees possess the skills needed to effectively organize their time and work.
- 95. Employees engaged in bookkeeping and accounting possess all the knowledge and skills needed for their work.
- 96. Our technical staff are highly skilled in their specialized areas.
- 97. Our managers are highly skilled in motivating their people.
- 98. All our people have good communication skills.
- 99. All executives and managers possess effective decision-making skills.
- 100. All executives and managers are skilled in organizing and conducting effective meetings.

### **Comments:**

-When we engage in Strategic Planning and implement our plan, we are *consciously* going through the energy conversion process of direction, organization, and fulfillment; of converting energy into a force and then a power and then it's manifestation as great results.

-One question is whether the company *consciously* engages the process or does it unconsciously, or even not at all. When leaders of the firm consciously engage the process, they control the destiny of the company, and create conditions for never-ending success and high profitability.

-This process is essentially the same for the individual, the company, the organization, the community, the society; even the universe itself. It is the process of creation, accomplishment, and success. In fact, even the smallest act we engage in contains this universal process in miniature.

-Keep in mind that the Five Components and the Process of Creation are not the same thing. The Five Components are the five essential aspects or building blocks of the firm. They can be likened to the pistons that drive the engine of a car. The Process on the other hand (of energy conversion through direction, organization, and fulfillment) creates the *energy* to drive and also further improve the 5 Components. It can be likened to the fuel that drives the pistons of a car.

-The more conscious and decided the company takes to the energy conversion process; to formulating a mission, goals, values, etc., the stronger each of the five components becomes.

-Note that we can identify weaknesses in each of the five components, and then follow the process to upgrade them.

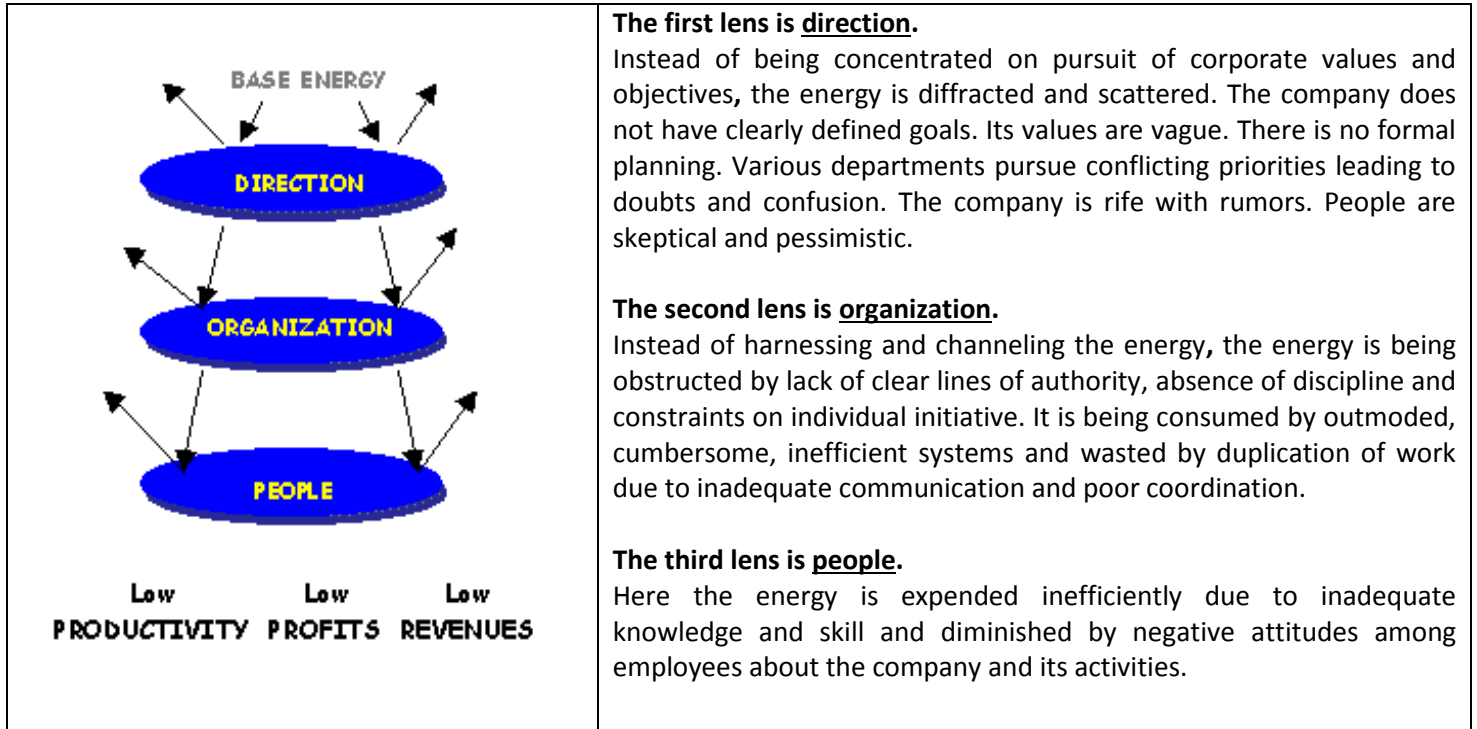
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## Chapter 5 THE MIRROR IMAGE OF GROWTH

(what retards growth in the energy conversion process)

- We addressed what makes rapid growth happen in the last chapter.
- **Then what makes rapid growth stop?**
- **Negative qualities invariably come with positive qualities in high growth companies.**
  - E.g. alongside high energy, a clear sense of direction, good morale, pride, enthusiasm, teamwork, good systems, good coordination, and continuous training, these same companies reported high levels of stress, fatigue, and burnout, chaos and confusion, breakdown of systems, conflict within the organization, poor coordination and communication, continuous shortage of skilled people and no time for training.
- **This reflects the fact that rapid growth is experienced differently in different stages of its progress.**
- **Rapid growth usually occurs as a steeply ascending curve followed by a steeply descending curve.**
- **The positive characteristics associated with growth - the energy, clear direction, enthusiasm, teamwork, and smooth systems - are commonly associated with the ascending curve when growth is taking off and profits are soaring.**
  - As growth gains momentum, enthusiasm rises. People feel excited and eager to meet the challenge. Differences of opinion and preference get pushed into the background as everyone focuses on common goals. There is not time for quarrels or disputes. The organization comes alive and functions at peak performance.
- **As growth accelerates the demands of work on each individual, department, system and operation become proportionately or even geometrically greater. The negative characteristics show themselves.**
  - Space becomes scarce, phone lines are constantly busy, computer systems are overloaded. These conditions place more and more demands on the individuals to adjust to or compensate for the shortages by greater personal effort and longer working hours. Stress, fatigue, burnout and internal conflicts increase. Employee turnover rises. etc.

- Customers get frustrated by poor or slow service and go elsewhere with their orders. New products get buried in R & D and never leave the drawing boards. Management cancels plans for expanding into new territories. **Growth slows or stops altogether.**
- Thus is exactly opposite to the one we described in the last chapter. There we saw how companies release and garner all available corporate energies, and then focus, direct, magnify and multiply them to achieve extraordinary results
- **Here we see how even highly successful companies dissipate the energies that they have released, scatter, disperse and waste them**
- **The reverse of the process by which companies convert energy into results is the process by which they disperse those energies in wasteful and unproductive activity. Below we see how:**



## REFOCUSING THE LENSES FOR CONTINUOUS SUCCESS

- Like all other living things, companies exist and oscillate between two extremes or poles of existence.
- At one pole they are exploding with a boundless youthful creative energy, expansive, exuberant, lightning quick and responsive, aware of boundless opportunity, performing at peak levels, and growing by leaps and bounds.
- At the other end they are dull, heavy and slow, overcome by inertia and resistant to change, old in their thoughts and actions, aware only of limitations and obstructions, stagnant and gradually degenerating.
- In between these two extremes are the companies that have levelled off. They have not yet started up the ascending curve to rapid growth or not yet started down the descending curve to losses and possible extinction.
- Whether a company is at one extreme or the other or somewhere in between has relatively little to do with age or size. We have seen very young, small companies behaving like aged invalids and very ancient, large ones behaving like exuberant children. But a company's position on the spiral of ascent and descent has everything to do with its attitude and the way it utilizes the energies at its disposal.

- Like the lenses in our eyes, the lenses of a company have to be continuously refocused on a constantly changing and moving world both outside and within the company.
- This task can never be complete, so long as a company wants to keep growing and surpassing its previous performance. And regardless of its age, as soon as it stops wanting growth, it embarks on the descending curve

#### YOUR COMPANY ANALYSIS

- What about the three lenses in your company?
- What is their energy coefficient?
- To what extent do they focus and magnify corporate energies?
- To what extent do they diffract and disperse them?
- *Refer back to the questionnaire at the end of the last chapter.*
- Are you fully releasing the potential energies of your people?
- Are you giving clear direction to those energies through commitment to values and objectives?
- Does the organization effectively harness and channel those energies for productive work?
- Do your people have the right attitudes and skills to effectively express the energy and achieve maximum results?

#### Develop an action plan

- List on the form the actions you propose to take to improve the generation, direction, organization and expression of energies in your company and to eliminate the dispersion and loss of energies due to lack of direction, organization, skills and attitudes.
- If possible, try to roughly estimate the impact which these actions will have on the revenues and profits of your business over the next few years.

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## Chapter 6 A VISION OF OPPORTUNITIES

(opportunities in the market for the growth of your company)

#### AWARENESS OF OPPORTUNITIES, URGE FOR ACHIEVEMENT, COMMITMENT TO REALIZE IT

- Planning strategically for growth involves asking and answering three fundamental questions about your business: Where are we? Where do we want to go? and How are we going to get there?
- Thus far we have been primarily concerned with the first of these questions-where are we.
- We have looked at the five components of your business and raised questions to help you evaluate the relative strengths and weaknesses of these powerful engines. We have also examined the process of energy conversion.
- Now we come to the second basic planning question-**where do we want to go.**
- **Awareness of the opportunities available for growth is the first step toward knowing where we want to go.**
- Bedowitz and Levin of AMBRE saw an opportunity in a fragmented industry composed of thousands of small mom-and-pop operators.
- **Awareness of an opportunity is essential, but awareness alone is not enough. There must also be a compelling urge for achievement.**



- **That urge or determination to achieve releases our energies for effective action.**
- In an industry dominated by giant UPS since 1907, Fred Smith was able to see tremendous opportunity where others saw none, because he understood the significance of changes in life style. He saw that the pace of modern life was accelerating rapidly and that people were no longer satisfied with one week or even three day parcel delivery. By simply abridging that time to overnight, he founded through Federal Express a new multi-billion dollar industry.
- **The leader must have an awareness of opportunity and an aspiration to realize it. These two result in a commitment on one's part to pursue the opportunity.** Fred Smith at FedEx had that.
- When that commitment is complete, it expresses as an infectious and overflowing enthusiasm. That enthusiasm releases the energy of the leader and sparks the imagination of key people in the company.
- **A perception of opportunity and a will to achieve it are twin keys that unlock the powers of rapid growth.**

#### PERCEIVING NEW OPPORTUNITIES IN SOCIETY BEYOND OUR COMFORT ZONE

- **Life is continuously throwing up new opportunities in every industry for those who have the eyes to perceive them. It does not require a visionary's genius, just an open mind and a will to see.**
- **New opportunities are constantly emerging because society is continuously evolving, and the rate of social development is greater today than at any prior time in recorded history.**
- **Every change that occurs as part of this process has direct or indirect impact on virtually every aspect of social life and, therefore, on virtually every business as well.**
- Ordinarily we view the changes taking place around us from the perspective of our present needs and activities. We take note of those with immediate and direct impact on what and where we are today.
- We ignore many important but apparently unrelated trends because we do not see how they will or could impact on the five social resources which constitute our business.
- **If we really want to understand the full significance and potential of these changes, we must step out of our present context for a moment, cast off our mental set, and look freshly at what is really going on.**
- **Every development in society completely redraws the whole map of the future and creates new opportunities all around us.**

#### RAPID DEVELOPMENT OF NEW TECHNOLOGIES IN SOCIETY

- The number of new products and processes being developed is increasing exponentially.
- The time from invention in the laboratory to acceptance in the marketplace has shrunk from decades to months.
- These trends signify that more and better opportunities are being thrown up for grabs every year, every month, almost every day.
- **In virtually every industry, the rapid development of new technologies generates opportunities for new and improved services as well as new products.**

#### *Evaluating Technological Development in Your Industry*

- Think about your industry and your business.
- Think about your industry and your business
- What are the technological developments that have created opportunities for new or improved products or services in your industry over the past decade?

- What technological developments are now emerging which represent new opportunities in the immediate future?
- What other developments are on the horizon which hold promise down the line?

### **ACTION PLAN FOR OPPORTUNITIES**

1. Review the basic factors which create opportunities and identify the opportunities in your industry which your company can and should take advantage of in order to achieve your revenue and profit goals.
2. Write an action plan for developing each of these opportunities.
3. Estimate the impact

## **Chapter 7 THE POWER OF VALUES**

### **INTRODUCTION TO CORPORATE VALUES**

- The opportunities created by these external treasures pale into insignificance when compared with the vast riches which every company can unearth within itself. **The key to those riches is values.**
- **Values possess power, a phenomenal power-the power to energize a company for rapid growth in revenues and profits.**
- Like opportunities in the external environment, **the only essential conditions are: you must be aware of their enormous potentials and you must really want to tap them.**
- Companies direct their energies by focusing on the achievement of corporate goals. The goal may be to achieve a quantitative target for units produced and sold or dollars of revenue and profit.
- The goal may also be to improve the quality of performance-**to do work better, faster, more efficiently, more safely, more systematically, with improved communication or coordination, in a manner more pleasing to customers or more satisfying to employees, etc. These qualitative goals are what we mean by corporate values.**
- Bang and Olufsen found an opportunity not externally, but inside itself by applying the values of **great customer service.**
  - They got virtually everyone in the company involved.
  - He brought in a consultant to work with groups of employees to define what customer service should mean to the company and elicit their ideas on how to improve it. The idea seemed to appeal to everyone and it caught on.
  - These efforts generated tremendous energy and excitement. Employees became more active and enthusiastic. Customers began to look on the company differently, as a friend and a partner.
  - By the end of the year, Bang & Olufsen was rated the best customer service company by specialty home entertainment retailers. And after three years of no growth, the company's sales grew by 35%. That is the power of a value.

### **VALUES RELEASE ENERGY**

- **Values release energy because they motivate people.**
- **They motivate people to work together collectively to improve overall corporate performance.**

- **Values promote non-stop expansion**
- **Values have no limit of scope, for they can never be fully and finally achieved. They are like ever-receding or never-ending goals. Their potential is endless and infinite. So is their power.**

#### VALUES ARE PRECISE MEASURES OF PERFORMANCE

- Although revenues, profits, production volume and other quantitative goals are good measures for overall corporate performance, they are too broad and crude to serve as effective and motivating measures of individual and group performance on many jobs and activities. **But the quality of performance on every job, every activity, and every act can be accurately assessed in terms of values.**
- E.g. American Express is a company dedicated to the value of customer service. The company has discovered how effective values can be for measuring and improving performance. **It has set clear standards for what type of service it wants to deliver:** replace lost or stolen charge cards within 24 hours, process new card applications within 15 days, ensure bills are completely error free, etc.

#### VALUES GENERATE HIGH PROFITS

- **Companies which rated their implementation of key corporate values the highest also reported the highest levels of revenue growth and profitability in their respective industries.**
- Studies of performance on specific values indicate a direct link between financial performance and implementation of values.
- "Companies that offer the highest quality of products and services achieved the best long term financial results in terms of market share, return on investment and asset turnover."
- Punctuality or speed is another crucial value for high performance, one whose importance is greater than ever before.

#### VALUES APPLY TO EVERY ACTIVITY

- Improving corporate performance on a single value can virtually transform the way a company functions.
- Take punctuality or speed of response for example.
- Punctuality applies to virtually everything a company does-from the speed with which it answers the phone, replies to letters, processes orders, pays and collects money to the speed with which it adopts new technologies, develops new products, introduces new systems, responds to new market opportunities, recruits and trains people, plans and evaluates work, etc.
- Actually it is not possible to raise performance on any one value very high without improving performance on other values as well.
  - Punctuality is improved through more systematic functioning, better coordination and teamwork, enhanced communication, etc.

#### VALUES ARE THE KEYS TO THE FIVE ENGINES

- Each of the five components of a business consists of many types of activities. By raising the quality of performance on these activities, we release the potentials of the component and turn it into an engine of growth.
- One interesting aspect of values, is that a value can be applied to all of the five engines of growth.
  - E.g. Quality, accuracy, orderliness, and punctuality are as important in finance as they are in production.

- Innovation applies to designing systems, developing advertisements and raising capital as much as it does to improving technology.
- Therefore, raising performance on even one value across the boards can have a tremendous impact on all five components of the company. Every value is a window of opportunity for raising overall corporate functioning, just as much as a new market or a new product.

#### VALUES RAISE THE QUANTITY QUALITY OF CORPORATE ENERGIES BEYOND MERE PHYSICAL MEANS

- In most companies, the process of energy conversion discussed earlier occurs primarily at the level of **physical energy and physical work**-which is the lowest and least powerful level of functioning.
- **Values upgrade the quantity and quality of energy available by harnessing organizational energies**-the power of authority, freedom, systems, coordination and communication-and psychological energies-our interest, excitement, enthusiasm, pride, emotions, innovation and inspiration.
- **Values elevate our work from the level of mere physical activity to the level of organized efficiency, emotional involvement and mental creativity.**
- **Values also focus and multiply these energies more effectively.** They refine the lenses and generate more efficient transmission and utilization of the available energies.
- **We can perceive values at three levels: physical, organizational, and psychological.**

#### *Rate the Company on the Following Values (scoring 1-100)*

##### PHYSICAL VALUES:

1. **Orderliness:** In all aspects of the company. Of offices; of paperwork, etc.
2. **Punctuality:** In all functionings of the company; from individuals to timeliness of delivery
3. **Cleanliness:** of offices, production and warehouse facilities, equipment, customer service areas, raw material and finished product inventory, closets, bathrooms, etc.
4. **Regularity:** of meetings, reports, sales calls, performance reviews.
5. **Efficient use of money and materials:** in purchase of raw materials, parts and supplies, in production, shipping, transport, research, etc.
6. **Quality of product:** in terms of functionality, value, reliability, repeatability, life-span, packaging, presentation, safety, etc.
7. **Quality of service:** in terms of timeliness, reliability, suitability, value, repeatability, courtesy and friendliness.
8. **Maximum utilization of time:** of senior management, middle management, supervisors, other employees, technical staff, customers and vendors.
9. **Optimum utilization of space:** in offices, files, showrooms, warehouses, production facilities, etc.
10. **Optimum utilization of plant and machinery:** in production capacity, offices, retail outlets, vehicles, etc.
11. **Maintenance of equipment:** in terms of frequency, quality, cleanliness, care.
12. **Safety:** in offices, warehouses, production and research facilities, vehicles, for employees, vendors and customers.

##### ORGANIZATIONAL VALUES:

13. **Discipline:** in adherence to company policy, rules, systems, procedures, schedules, standards, ethics, etc.
14. **Freedom for initiative:** to make suggestions, develop plans, take decisions, carry out or modify actions, etc.
15. **Accountability:** of individuals, departments and divisions for performance, results, problems, etc.

16. **Standardization:** in terms of forms, files, procedures, reports, performance evaluation, equipment, training, recruitment, orientation, communications, etc.
17. **Systematization:** in sales, marketing, customer service, accounting, research, production, engineering, estimating, recruitment, training, promotions, communications, coordination, reporting, etc.
18. **Coordination:** horizontally between of departments of plans, activities, and systems.
19. **Integration:** for smooth operation vertically between different levels of the organization in terms of plans, decisions, priorities.
20. **Communication:** up and down and sideways within the company, with customers and vendors, in terms of openness, frankness, clarity, frequency, accuracy, timeliness and brevity.
21. **Cooperation (teamwork):** between individuals, departments, divisions, branches, etc.

PSYCHOLOGICAL VALUES:

22. **Pleasing the customer:** in terms of promptness, courtesy, friendliness, thoughtfulness, anticipation of needs, meeting unreasonable demands, making happy.
23. **Respect for the individual:** in establishing rules and policies, design of systems, taking decisions, executing instructions, etc. in terms of people's health, safety, self-esteem, feelings, and opinions.
24. **Decisiveness:** in solving problems, planning, executing plans, in terms of speed and commitment to decisions once taken.
25. **Developing People (personal growth):** through education, training, increasing responsibilities, promotion, flowering of capacities.
26. **Loyalty:** to and from suppliers, customers and employees.
27. **Service to society:** community welfare, environmental protection, development of products and services that meet real physical, social or psychological needs.
28. **Integrity:** honesty.
29. **Innovation:** improvements in marketing, research, production methods, systems, financial management, human resource development.
30. **Creativity:** in terms of new products, new ideas, new systems, new production methods, new applications of technology, new methods of financing, new marketing strategies.
31. **Harmony:** the overall atmosphere of smooth and harmonious interaction between people, departments, divisions, systems, activities, rules and policies within the company and between these elements and the external environment, customers, vendors, community, laws, etc.

**Comment:** When a company does strategic planning it is consciously engaging in the Energy Conversion Process. When Values are implemented in the plan (especially when implemented down to the smallest activities and acts in the company) it has power to harness vast amounts of energy and therefore evoke powerful work results, enabling high, even exponential increases in profitability.

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## Chapter 8 PUTTING VALUES TO WORK

- Each time a company makes the transition to the next higher level in terms of the size, scale or complexity of business, it has to significantly increase its implementation of values in order to maintain high performance.

- Success on a larger scale and at a higher level of the business world is directly and proportionately related to the level and intensity of value implementation.
- Linear Technology is one of the few fast growing companies we studied where the process of institutionalizing values has been taken quite far.
- The company has developed specific quantifiable standards for product quality and service response time, as well as annual goals for raising those standards. It also has created an unusual structure to monitor and enhance performance on these values.
- In researching major corporations with a long history of rapid growth and high profitability-companies that consistently rank among the largest, most profitable and most-admired in their industries were invariably companies with a very strong commitment to a wide range of high corporate values and that **this commitment was put into practice in virtually every activity they perform.**
- Think about the ratings you gave to your company's values in the exercise at the end of the last chapter. Which values can be strengthened to accelerate its growth?

#### INSTITUTIONALIZING VALUES

- **Values become permanent when they become an integral part and parcel of the way the company carries out all its operations. The process of institutionalizing values requires five essential steps: commitment, standards, structure, systems, and skills.**

#### Commitment

- **Making a firm and genuine decision to implement a value and then remaining committed to that decision through thick and thin is serious business.** It's a funny thing, but as soon as companies make that commitment or say they have, life has a way of knocking on the door to test just how serious they really are.
- (**Comment:** It is life responding to make a decision/commitment, i.e. attracting results from seemingly out of nowhere.)
- **Think about the values of your company. Is senior management fully committed to those values? Middle management? Other employees?**
- **Think about values the company would like to implement better. Is the company really and fully committed to improving performance on them?**
- **If you are a divisional, department or branch manager, are you committed to improving value implementation in your area of responsibility?**

#### Standards

- Commitment is absolutely essential, but by itself it is not enough.
- In order to ensure that everyone understands the same thing when we speak of a value and in order to give a very clear guideline against which to evaluate our performance, **values should be defined in terms of simple, quantifiable standards of performance.**
- Virtually any value can be measured against a standard of one type or another.
- Merck insists that their representatives accurately and objectively present both the positive and negative characteristics of each drug. Merck has clear standards for evaluating the credibility of its sales representatives. Periodically it conducts surveys asking physicians to rate the quality and accuracy of the information which the representatives provide them.
- The top management of Northwestern has measured the clarity and effectivity of its communication with employees by conducting a survey asking employees how much confidence they have in information coming from above.

- The value of Innovation can be assessed by the number of new ideas, strategies, programs, products or patents generated. The number of complaints received is an index of service quality.
- **The best results are obtained when senior management sets the broad, overall standards for the company-such as reducing product development time by 50% or completely eliminating safety-related accidents-and then allows operational managers or personnel to formulate the standards for individual tasks or activities that are needed to meet the overall corporate standard.**
- In order to be effective, standards should be simple, clear, quantifiable, measurable and achievable.
- **Standards are most effective when everyone buys into them and feels a challenge to achieve them, not when they are used as a means of pointing out the inadequacies of people's present performance.**
- **Are there quantifiable standards for measuring implementation of key values in your company on every important activity?**

### Structure

- Structures define responsibility and authority.
- They tell us who is in charge of which department, which activity **and which value.**
- A structure can be a department, a committee or an individual job description.
- Linear Technology has specific departments for *quality assurance and customer service*. And yet every department at Linear is partially responsible for achieving high quality and service.
  - The product engineers, the field service engineers, and the production engineers.
- At SAS everybody assumes responsibility for getting flights off on-time, even the baggage handlers and maintenance crews. The same is true of every value.
- **Has your company clearly defined the responsibilities of each department and position for implementing key corporate values?**

### Systems

- **Though you may have standards for your values, you also have to have in place the necessary systems to monitor the performance on those standards.**
- E.g. to support the value of customer service, the service department at Listen Up set a standard of responding to customer enquiries about the status of a repair job within 30 seconds. And so a new computerized tracking system was developed and introduced that could instantly generate a status report on any pending job. The new system brought down response time to less than one minute, probably a record in the industry.
- When Delta established the goal of 100% on time departures, a computer terminal was installed to enable the CEO to monitor corporate performance on the value punctuality.
- Merck has elaborate systems to support its commitment to credibility. All advertisements and product literature have to be reviewed and approved by a committee prior to being used. Virtually every piece of paper that goes from the company to the customer is monitored to insure that the information given is correct.
- **Does your company have in place all the systems it needs to achieve high performance on key values and to monitor that performance on a regular basis?**
- **Do all those systems function as smoothly and swiftly as they should? If not, achieving and maintaining your standards may be very difficult. What practical steps can you take to improve your company's systems for value implementation?**

## Skills

- You can have all the good intentions in the world, clear standards, responsible people and magnificent systems, but without the right skills it may all be for naught.
- **There are literally hundreds of skills needed to achieve high performance on even one value - physical skills, technical skills, organizational skills, interpersonal skills, managerial and psychological skills too.**
- Northwestern Mutual analyzes the training needs of every manager and employee, because the company recognizes the importance of continuously improving the interpersonal skills of its people to support the value of teamwork.
- Merck's sales people have the best reputation among physicians for the quality of service and accuracy of their presentations, because Merck has a training program that has become a model and standard for the pharmaceutical industry.
- **If your goal is to achieve high values and non-stop growth, you cannot afford to omit even one small skill.**
- **Think about all the skills your company needs to achieve high performance on key corporate values. Does everyone have the skills they need to fulfill their responsibilities for the value? What additional training should be done to upgrade skills for value implementation?**

## STRATEGIES TO IMPLEMENT VALUES IN YOUR COMPANY

- **Review the list of 30 values listed in the previous chapter.**
- Which values should we raise first? Is it more effective to concentrate all your efforts on improving one value or to work on all of them simultaneously?
- In our experience there are several effective strategies that can be employed to utilize values as a springboard for rapid growth and doubling profitability. Three different approaches are outlined below.

### 1. Raise performance on every corporate value by 5 to 10%

- The most powerful way to grow a company is to develop each component and element in a balanced manner. Focusing on the development of many values simultaneously ensures the greatest balance and harmony and generates the maximum results. However, it is also the most difficult strategy to execute, because it requires concentration on many things at once. Incremental progress on many values does not seem as dramatic or significant as sizable progress in one or a few areas, but this strategy generates the maximum results.

### 2. Implement one value to the highest possible level that it can go

- This approach has the advantage of being very clearly focused on a single goal. Focusing on one value is easier and more dramatic. But raising performance on any value throughout the company requires improving performance on many others as well, so the focus is not as narrow as it may seem. The power of this strategy comes from applying the one chosen value comprehensively in every major and minor activity and raising it to the highest conceivable level in all these areas. If you are working on only one value, it is best to choose one that is centrally related to your business and which is rated weakest of the important values.

### 3. Implement three values to double their present level



- **This strategy is our favorite.** It has some of the advantages of both of the others. It is more balanced than focusing on one value and easier to execute than focusing on 30. We recommend selecting three values which are relatively weak and, therefore, possess the greatest potential for improvement.
  - We suggest that the initial effort to improve each of the three values be started three months apart, i.e. start on one value now, another three months later and the third six months later. But once you have started improving a value, it is important to maintain and continue making improvements during successive periods when you are also working on the other values.
- 

## Chapter 9 PEOPLE: THE INEXHAUSTIBLE RESOURCE

(how to energize people to enable great success in the company)

- **In the preceding chapters, we have looked at companies from three different perspectives:**
  - First, we looked at the anatomy of a business, **the five components** - people, technology, market, capital and organization - without which no company can come into existence, survive or grow.
  - Then we looked at corporate physiology, **the process** by which companies generate and release energy, harness and channel it, and convert it into practical results to achieve their goals for growth and profitability.
  - Finally, we looked at how by focusing on **corporate values**, companies can raise the process of energy generation and conversion to peak levels for maximum growth and maximum profitability.
- **In the next several chapters we will further explore each of the five engines.**
- **We will begin in this chapter by exploring the varied powers of the People engine.**
- The powers of people are most dramatically expressed in revolution-the Boston Tea Party, the storming of the Bastille, the flower power of the 1960s. In these rare moments of inspiration (or exasperation), some of the latent powers that lie hidden below respond to an idealistic call and explode upon the placid surface of social life.
- We have seen in Japan a nation that has generated a formidable productive power by releasing and harnessing the *social and cultural energies* of its people-which are expressed as dedication, patriotism and loyalty to the company and the national economy.
- The progress of the U.S. over the last 200 years can be traced back to the unique ability of this country to awaken and release the *creative energies of the individual* and to become a nation of entrepreneurs seething with more creative energy and activity than any other in the world.
- **Thus we can identify three types or levels of energy in man - the physical energy of his body, the social energy of a common member of the group, and the psychological energy of the unique individual.**
- Every human being possesses these three levels of energy in some measure. Every company taps and utilizes these different energies to some extent. **Our aim is to release all of these energies to the maximum extent possible and channel them to achieve maximum results for your company.**
- Let us begin with the known and the obvious and explore the ascending powers of people.

## THE ASCENDING POWERS OF PEOPLE:

We see that there is an ascending levels of increasingly effective ways to energize people -- from physical to social powers. Beyond these are the psychological "Higher Powers" to energize them. Let's start with the physical powers, specifically recruiting people with high energy.

### 1. PHYSICAL POWERS THAT ENERGIZE PEOPLE

#### Recruiting People with High Energy

- The physical health and energy of a person is just as important as it ever was. Yet it is surprising how few companies consciously look for energy when they recruit new people.
- **Recruiting people with high levels of energy and good health makes everything a company does that much easier and more successful.**
- Many of the fast growing companies we have seen go out of their way to look for people with the energy needed for quick action and non-stop change.
- AMRE looks for high energy sales people. Linear Technology wants chip designers who are not only technically qualified, but who have the energy and persistence to push their designs all the way through and make sure that they get translated into products.

#### Fair, Performance-based Compensation energizes

##### FAIRNESS

- Getting energetic people is the first essential step. Getting them to express that energy in work is the second, and that has a lot to do with compensation.
- We have seen companies invent many clever ways to get more from their people than they give, but very few prove more resourceful than their people in maintaining a fair balance between work and rewards
- **In order for compensation to release people's physical energies for work, it must be perceived as fair.** We have been in companies with high absenteeism, high turnover and low morale that never seem to make the connection between pay and performance. Even when companies realize they are losing people because they pay poorly,
- Compensation should be perceived as fair, which means it is not enough that it is fair.
- Offering good benefits along with low base pay usually does not work. Employees tend to look on base salary as the measure of their worth and bonuses and profit-sharing as something extra, based on their performance and the company's.

##### PAY & PERFORMANCE

- Beyond fairness, there are higher dimensions to compensation, which can release many times greater energy than equal pay for equal work.
- **Compensation releases a lot more energy when it is directly tied to performance.**
- At Gartner analysts' pay is based on 65% fixed salary and 35% performance-related bonus.

##### SHARE THE WEALTH

- **The greatest power of compensation is released when the growth of the individual and the growth of the company are very closely linked with one another.**

- At Expeditors International every branch manager has invested personally in the local branch company he or she manages and receives, in addition to salary, 22% of the pre-tax operating income of the office, to take home and/or distribute to employees as an incentive.
- Another share the wealth approach is the ability of public corporations to offer stock options to employees that may appreciate rapidly as the company grows.
- Vipont Pharmaceuticals coupled a modest pay package with an aggressive stock-option plan that has made many employees shareholders and some of them quite wealthy.
- **Successful companies are companies that share the wealth.**
- **Think about the structure of compensation in your company.**
  - How effectively does it release the physical energies of your people for hard work?
  - Does it sufficiently motivate them to perform at peak levels of enthusiasm?
  - Does it create a direct and proportionate link between the financial success of the company and the financial rewards for your people?

#### EXCEPTIONS TO THE RULE

- Good compensation is not only or always energizing. There are at least two fairly common situations in which it can also be de-energizing.
- **Satisfaction that Levels off.** The first is a well-known phenomenon in fast growing public companies of satisfaction. Some people who join a company before or during the early stages of its take-off reap such enormous financial rewards from being in the right time at the right place that they become satisfied and level off.
  - Most of the fast growing companies we have been into have either had that experience or are now in the midst of it.
- **Disturbing, troublesome influence.** The second exception to the principle is that if a person is paid more than his capacities or his sense of responsibility justify, he may not only level-off but even become a disturbing and troublesome influence in the company.
  - We have seen this phenomenon time and again at every level from senior executives to clerks and laborers. Yet surprisingly few managers recognize the danger.
  - Problem employees turn out to be very often paid too much.

#### Training energizes

- **Learning a new skill is energizing.** It can even be exhilarating. Exercising a skill in which you are competent generates a sense of confidence and mastery. It makes any work enjoyable, even exciting.
- Now think of all the people in your company who have never been trained to do all the things they are doing. How much agony could have been avoided?
- **A tremendous amount of energy can be released in these people by giving them training to make the exercise of their skills perfect and enjoyable.**
- **No company knows the power of training than IBM.** (I was trained by them the very day I started selling computers! Trained on how to sell through one's highest consciousness.)
- A guiding principle of Embassy Suites Hotels is that minimum wage employees possess the ability to perform well in higher level positions, provided they are given proper training.
  - The company offers a variety of skill courses and awards pay increases to those who pass them. Thus, the company mobilizes two powerful levers-compensation and training-for releasing greater energy from their people.
- Motorola was running a rate of return of about 30 times the dollars invested on training.

### Three Levels of Skills

- As there are graded levels or methods of compensation, there is an ascending gradation of skills that can release and direct the expression of people's energies.
- The first level consists of **physical skills** (e.g. driving or typing) and technical skills (e.g. product knowledge, repairing a product, operating equipment) which release and direct people's physical energies.
- **Interpersonal skills** (e.g. selling, negotiating, communicating, motivating) and organizational skills (e.g. systematizing, coordinating) are of a higher level and are more powerful energizers.
- **The highest level skills are mental** (e.g. managing, planning, problem-solving) **and psychological** (e.g. understanding and judging people, giving attention, pleasing others). Although the interpersonal, organizational and higher order skills possess a greater capacity to release and harness energy, for purposes of completeness we refer to them all at this point in the progression of powers for energizing people.

### Training on Skills energizes

- **Which skills should we train for? Train for every physical, technical, interpersonal, organizational, managerial and psychological skill required to be the very best in your business.**
- **How much or how often should we train our people? As much and as often as possible, and keep on training them. There is no more powerful way to energize your people and your company for non-stop growth.**
- What would be the impact on their energy and morale if you trained all the people who need it in the company? Think 30 times the dollars invested, as in the case of Motorola.
- As we went from one fast growing company to another, we were somewhat surprised at how uncommon formal training programs are and how seriously they have retarded the growth of these businesses.
- Companies which continue to grow over long periods of time put in place the training systems needed to generate highly skilled people from within, rather than remain dependent on the whims and fluctuations of the marketplace.
- One common attitude regarding training is summed up in the words, "We cannot train the people we need. Our business is unique. **Yet the most successful companies in every industry are companies that believe that they can teach virtually anyone their business, given the time, interest and minimum capacity.**
- The fundamental principle of formal training is that it is possible to teach any capable person in a relatively short period of time the knowledge and skills for a job which others have acquired through long years of work experienced

### Cleanliness and Orderliness energizes

- **Cleanliness of Facilities** -- What is striking and inexplicable is what we have observed in companies which make an effort to dramatically improve the level of cleanliness in their facilities. People get energized and money pours in. Cleanliness has a great power to energize work and people.
- Examine any work area where quality is poor, accidents frequently occur or morale is a problem. Chances are it is also dirty. Make an effort to clean it. Work and people will get energized. So will money.
- **Orderliness** is another physical value with a great power to energize work and people. Orderliness has a greater power than cleanliness, because it requires mental as well as physical effort to put things in a rational order. H
- "Cleanliness and orderliness help to coordinate work. They are good for morale. They also give a good impression to the customer,"

- **Safety** is another powerful value that can release abundant physical energy, but which also has the capacity to release higher energies as well. Safety requires a clean and orderly environment, as well as well-timed and disciplined actions.
- **How much energy does your company release in its people by implementing values like cleanliness, orderliness and safety or other physical values?**
- **Why not increase the level of commitment and implementation to raise corporate energies to their peak?**

## 2. SOCIAL POWERS THAT ENERGIZE PEOPLE

### Social Recognition energizes

- Each person has a social personality that responds to attention and recognition from others.
- Companies that recognize the social needs of their people and create opportunities for the fulfillment of those needs release powerful energies in their people, energies which material incentives alone cannot bring out.
- The simplest way to tap these energies is to create an external standard by which people can evaluate their own performance.
- Awards and celebration programs that generate widespread social recognition for high achievement.

### Career Paths energizes

- There is a close relationship between the growth of a company and the **opportunities which it creates for the growth of its people.**
- **Opening the door of career paths to the staff has, such as an opportunity for a staffer to learn how to become a manager even if he isn't one now, an energizing effect.**

### Teamwork & Communications energizes

- Organizational values such as teamwork and communication bring out higher level energies, both because they demand considerably greater effort and skill to establish and maintain and because they appeal to deeper seated sentiments in people and generate more intense satisfaction.
- Implementing organizational values has the power to release and channel great energy, regardless of how large or how small your business may be.
- The skills required for implementing organizational values are of a higher order. They are not only organizational, but also interpersonal and psychological
- **Teamwork** – In our survey of U.S. companies cited earlier, high energy and high levels of teamwork were the two most common characteristics reported during periods of rapid growth. It will energize your people to no end.
- **Communication** -- Communication and teamwork go together. They are both powerful energizers. **Real communication takes place only when people fully understand the why and wherefore for the instructions they receive and are given an opportunity to respond with questions or comments.**
- You can implement the values of teamwork and communication through the values implementation stages of structure, systems, skills of people, etc. as you would implement any value. E.g. adjusting the structure of the work staff to accommodate better teamwork or putting new systems in place to foster better communication.

### 3. PSYCHOLOGICAL POWERS THAT ENERGIZE PEOPLE (“The Higher Powers”)

- The most powerful of the ascending powers to energize people in the company is what we call the “Higher Powers.”
- The first six strategies focused on releasing the physical and social energies in people for maximum productivity and involvement in work. We now come to the highest category, **strategies designed to bring out the psychological energies of every individual and encourage each of them to grow personally through their work.**
- **Recognizing Uniqueness of Individual.** It is the company that recognizes the uniqueness of every person and provides ample opportunities for each individual to express that uniqueness creatively in their work-for their personal growth and for the growth of the company.

#### **Educated People energizes**

- **Recruiting Educated People.** Recruiting for education, even when it does not bring with it greater practical knowledge or job-related information, almost always brings greater capacity of the person for understanding, problem-solving, adaptability to change and personal growth.
- **Encouraging Continuous Education.** Many companies recognize the irreplaceable contribution of education to the capacities of their people and encourage their employees to continuously seek further and higher levels of education throughout their careers.

#### **Experienced People energizes**

- Companies which are able to grow rapidly and sustain high rates of growth for considerable periods of time are companies managed by people who have been through it all before.
- Companies which encounter innumerable problems in the course of their growth are usually those who are unable to anticipate the demands of growth and provide for them in advance, because management lacks the previous experience to know what is coming.

The best strategy is to recruit for education and experience wherever both are available; recruit for experience first wherever you desperately need it to get started or sustain growth; and recruit for education first wherever you are building for a bigger and better future.

#### **Managers’ Managerial & Interpersonal Skills energizes**

- A manager needs a host of mental and psychological skills like planning, prioritizing, analyzing and solving problems, goal setting, scheduling, exercising authority, decision-making, time management, seeing work from a wider perspective, listening, coordination, understanding and judging people, which he or she may have acquired in the course of his specialized job or through long experience, but equally likely not at all.
- That is why IBM requires every manager in the company, including senior executives heading large divisions, to undergo a minimum of 40 hours a year of non-technical training in interpersonal and managerial skills.

#### **Accelerated Management Development**

- **Developing Managers from Lower Level Positions Internally.** Though there are shortages of managers that can be filled from outside, it is also true that any capable individual can be made into a competent manager through appropriate training.

- Suppose just for a moment that every managerial position in your company could be filled by a person with the managerial competence of the CEO or senior executives? what would be the effect? It would be great.
- **Upgrading Skills and Values of Current Managers.** The qualifications in terms of skills and values of a senior executive can be acquired by a junior executive or manager all or in part through formal training.
  - Every young manager in the company can acquire in a year or even two the information, skills and values possessed by your senior executives to a large extent.
  - How much more efficient, dynamic, energetic and profitable would your company be as a result? How much greater would be its potentials for growth in the immediate future?
  - This is the guiding principle behind Federal Express's management development programs.

#### **Giving Greater Personal Attention to People energizes**

- **Giving more attention to others energizes them to no end.**
- **When managers give more attention to subordinates it tends to improve the performance of every employee in the company. It can bring forth capacities from them no one ever imagined they possess.**
- **Companies that continue to perform at high levels year after year, you will find that these are companies which knowingly or unknowingly believe in the power of attention and encourage their managers to shower it on their people for the growth of those people and the growth of the company.**

#### **Psychological Values**

- There are companies that not only survive Great Depressions, major and minor recessions, economic cycles for the nation and their industry, but continue to grow through it all, year after year, decade after decade, even when their industry is taking a tail spin or the economy is in a dive. That is because these companies have succeeded in tapping and releasing some of the deepest springs of human energy—the energy generated by **commitment to psychological values like respect for the individual, personal growth, harmony and service to society.**
- **Respect and commitment to the individual can have a great energizing effect.**
  - E.g. IBM would not lay off any employees during the great depression, causing the staff to be energized and boom during the decades that followed.
- **Commitment to personal growth of the staff is even more powerful still.**
  - Much of what we have discussed so far is this. I.e. the development of their physical, social, mental and emotional capacities of the staff.
  - The process can be accelerated and magnified by a conscious corporate effort and programs so that individuals are-
    - **continuously acquiring new mental and psychological skills**
    - **being exposed to new learning experiences,**
    - **being given opportunities to grow by taking on challenging responsibilities**

#### **Developing Individuality energizes**

- We have been examining strategies to release people's physical, social, emotional and mental energies in work. **The greatest of these energies is the inner urge or aspiration in each person to develop his or her own unique individuality.**

- It is that energy which provides the driving force for the entrepreneurial spirit that has made this nation so creative and productive.
- Pretty much the top leaders of a company can express these.
- **Imagine the impact on the company if these creative energies, which lie within every person, could be released in all or many of those who presently follow the dictates and execute the inspiration of one or a few leaders.**
- Then instead of the company being propelled forward by the force of a few people at the top, it could develop 10, 100 or 1000 engines of growth powerful enough to propel it to 10, 100 or 1,000 times its present size.
- The attitude required is one of genuine, deep appreciation for the incredible creativity and resourcefulness of the human being and **the willingness to give people the freedom to express that endowment.**
- **Any company that succeeds-even to a small degree-in sustaining an atmosphere where every individual has an opportunity to flower can plan to double itself, not once or on occasion, but double every year.**

### ***STRATEGIES FOR ENERGIZING PEOPLE***

Use the strategies listed below to develop action plans to unleash the powers of your people. Estimate the impact which these actions will have on your company's revenues and profits over the next three years.

- Recruit people with a high level of energy and good health.
- Review your wage and salary scales and ensure that the compensation for every position is not only fair, but perceived as fair. Wherever necessary, educate people to understand the true value of the company's benefits package.
- Link compensation directly with performance for every job.
- Introduce profit-sharing or equity programs to make your people "owners" of the company.
- Develop the physical and technical skills of your people through formal training programs.
- Implement physical values like cleanliness, orderliness and safety to the highest possible level through appropriate standards, structures, systems and skills.
- Recruit people with the right types of personality to work well in your company and implement its values.
- Establish formal and informal programs to give social recognition to high performers in every department, not just in sales. Every day make it a point to go out and find someone doing something right and recognize it.
- Develop the interpersonal and organizational skills of your people through formal training programs.
- Define clear paths for career development in the company and put in place an effective performance appraisal system to evaluate people's performance and help them acquire higher level abilities.
- Implement organizational values such as teamwork and communication to a very high level.
- Consider training internal non-managers to become managers in your organization through training programs.
- Continuously upgrade the skills and application of company values of current managers.



- Make giving greater attention to subordinates a value that every manager or superior practices.
  - Doing everything you can to develop the individuality, creative energies of every employee.
  - Help staffers in their personal growth by offering guidance of various sorts
  - Offer programs and training that develops individuality.
  - Develop systems to allow people to give feedback in all manner of work that is utilized.
  - Make tolerance and respect for the opinions of everyone a key corporate value.
- 

## Chapter 10 THE GREAT SECRET: ORGANISATION

- **Here we will explore the varied powers of the People engine.**
- **What is the greatest invention of all time?**
- The greatest invention of them all is something without which virtually all of the other great discoveries would be rendered almost useless. That something is **organization**.
- Being anti-establishment, anti-bureaucracy and anti-organization has become respectable and even fashionable. Yet, the fact is that organization contains the deepest secrets and greatest unutilized potentials for the rapid growth of your company.
- Organization is one of the five components each of which we are now exploring - in the previous, this and next chapters.
- **Organization is the power that brings the other four components together, unites them and makes them productive.**
  - Without some type of organization, people cannot work together toward a common goal, money cannot be productively invested, technology cannot be developed or applied on a large scale, and markets cannot develop beyond the level of barter trade between individuals.
- The entire development of civilization has actually been made possible by the evolution of larger, more complex, more efficient and more innovative types of organization. Organization is the least appreciated, least admired of the five components.
- Minit International put in place the **right structure, systems, and well-synchronized activities** to expand almost effortlessly around the world. That is the power of organization.
- **Organization enables an individual to extend himself infinitely in space and time, to perform thousands of actions simultaneously and to accomplish work on a scale that is impossible for any individual or group of individuals, no matter how large their number, to accomplish without it.**
- **We can see the power of organization built into a personal computer, its software, and the Internet to organize things unboundedly in space and time.**
- With Organization any company can rise to the top of its industry locally, nationally or even internationally.

### ORGANIZATION IS MUCH MALIGNED

- **Why is Organization so maligned and misunderstood? There are five reasons.**
- The *first* is because of the five components, its powers are the least visible and its actions the least dramatic, while its inadequacies are highly visible and its failures to act are directly felt by everyone.

- Organization is not something physical like people, money, a product or a customer that can be seen or touched. When it is most effective, it is least noticed and felt. On the other hand, because it is so pervasive and so essential, when it breaks down or malfunctions, everyone knows it and feels it and everything grinds to a halt.
- The *second* reason and the accusation most frequently raised against organization is that it stifles individual initiative and creativity.
  - But in actuality, organization is the most creative of the five components. Creativity means to combine things in new ways to generate new results. Organization is constantly creating new combinations of people, actions, systems, capital, technology and market needs.
  - What then of the bureaucracy which encumbers our operations, demotivates our people, turns off customers, and blissfully disregards new technology? Bureaucracy is all too real and pervasive. But bureaucracy has nothing to do with any inherent deficiency in the powers of organization.
- The *third* reason organization is held in disfavor, is that most companies and managers are not very good at it. We have lots of motivating leaders, brilliant technocrats, financial wizards and marketing geniuses, but not too many entrepreneurs and executives who are really masters of the technology of organization.
- The *fourth* reason organization is so often disparaged is that it has no defenders, no constituency and no special interest group lobbying for its needs, because no one has been made responsible for it.
  - Most companies can clearly identify one or more persons or departments responsible for the development of the other four components - market, finance, technology and people. But who in your company is responsible for organization and its development? In a vast majority of companies the answer is "no one" or "everyone", which usually amount to the same thing.
- The *final* reason is that to a large extent organization is a free resource. It requires relatively little or no investment in comparison with the returns it gives.
  - Most companies are so preoccupied with caring for their "interests" that they ignore their greatest opportunities.
- For all these reasons most companies think of organization more like Achilles' heel than Archimedes' lever.
- **This is especially true when companies are growing rapidly.**
- That is why so many of the negative characteristics of rapid growth reported in Chapter Five directly relate to organization, or rather the absence of adequate organization-chaos and confusion, breakdown of systems, internal conflicts, poor coordination and poor communication.

### **THREE SUBUNITS OF ORGANIZATION – Positions, Activities, Systems**

In this chapter we propose to look at the organization of your company and determine how suited it is to achieve the company's growth and profit goals. We begin by looking at the fundamental principles upon which every organization is based and from which it derives its powers and potentials.

- Our objective is to identify the untapped powers, the gaps and missing links which when supplied will give greater energy, life and creativity to your organization and your company.
- **Organization consists of three basic subunits:**
  - **Positions.** The basic subunit of organizational structure is the individual job position. Positions are grouped together to form teams, departments, task forces, offices, regions, divisions, etc.

- **Activities.** The basic subunit of functioning is the individual *act*. Hundreds of individual acts are linked together to form major and minor activities, such as purchasing, recruiting, production, estimating, sales, advertising, meetings, correspondence, accounting, etc.
- **Systems** are the subunits which connect positions with each other, activities with each other, and positions and activities together.
- The key to the growth of organization lies in understanding how each of these subunits develops and how they interact with one another to form an organic whole, which is capable of life, growth and creativity.

## **1. ANALYZING JOB POSITIONS**

- **We'll begin with the Job Position.**
- **Structure** answers the questions: Who is responsible? Who has authority? **The structure of a company consists of many individual job positions** ranked in orderly relationship to one another.
- Let's then begin by looking at your job position and ask some basic questions:
- **1. Are their job responsibilities clear to each employee?**
  - Each job consists of certain responsibilities and a certain measure of authority to carry them out.
  - The clarity of those responsibilities has a major impact on how each individual performs as part of a greater whole, the organization, and how the organization performs in relationship to the individual.
  - Imagine if there were duplicate responsibilities, or ambiguous ones, or ones that did not exist at all! It creates confusion, exasperation, and saps energy of people.
  - *To what extent are responsibilities on jobs matched by the authority to carry them out in full?*
- **2. Does authority match responsibility?**
  - **Examine any job; of self, subordinates, and remainder of staff and determine if the responsibilities of that job also has the authority included in it to carry them out.**
  - E.g. if you have to continually depend on higher level employee's authority to carry out one's own responsibility on the job, the work could get bogged down.
  - *To what extent do responsibilities and authority match in your company?*
- **3. Given your job position level, are your responsibilities the right one for your job?**
- **4. Analyzing the Subunits of a Job**
  - **Think about the tasks and sub-tasks involved in any job. Now ask whether any of these could be carried out just as well or better and more cost-effectively at a lower level. You will see how much time can be freed up to do what is really important.**
  - Such an analysis can be done for every job in the company.
  - It is most effective when it starts at the very top and moves down level after level.
  - By analyzing jobs, established companies usually discover, like Ford, that they can do more work with the same people or the same work with fewer people.
  - (On the other hand, young growth oriented companies usually discover that they are trying to do too much with the existing people and that key responsibilities needed to sustain high rates of growth cannot be properly handled without adding new positions at one level or another.)
  - **An organization grows when it is able to carry out a higher level or a wider scale of activity at a lower level of the organization.**
    - **When the manager succeeds in creating a capacity in people at a lower level to do the same work with the same skill and quality under his guidance and authority, the organization progresses. That is the process of *organizational growth*.**

- **When an individual succeeds in improving his effectiveness and taking on higher responsibilities by delegating less important tasks to people at lower levels, he makes individual progress and rises in the organization. That is the process of *personal growth*.**
- Thus analyzing jobs in the company is a powerful tool for the company to improve organizational efficiency and for the manager to grow in personal effectiveness.

### Rules of Delegation

- The above process is sometimes referred to as “delegation.”
- Few managers will quarrel with the idea of delegating physical tasks. **But the heart of delegation is delegating decisions, i.e. responsibility and authority.**
- When asked to identify the first step in effective delegation, most managers respond: "Find the right person." We disagree.
- **Create a system for evaluating alternative solutions**
  - The first step in effective delegation is to identify the knowledge, guidelines or thought processes which you utilize in making a decision and create a system for evaluating alternatives.
  - It is possible to create a system that will not only take decisions as effectively as the person responsible, but actually more effectively; because it will ask all the right questions all the time, whereas you ask most of the right questions most of the time.
- **Select the right person**
  - the right person is both one who has the *ability* to undertake the work-and who has the *time* to undertake the work-
- **The right training is not given.**
- **Put a performance monitoring system in place**
  - Delegation without control is abdication. Effective delegation requires a feedback system to monitor performance on a regular basis.
- **Freedom to act of person delegated to**
  - Delegation means to instruct someone what result you want to achieve and then leave that person free to determine the best way to achieve that result.
  - "The real problem of delegation is to stop doing a thing after you have delegated it!"
  - The hardest part about delegating is to stop wanting to do what you know that someone else can do in your place.
- Delegation is not merely an important management skill by which managers improve their efficiency and accomplish more work. **Delegation is part of the process by which companies evolve to higher and higher levels of organization.**
- **Through delegation, the structure of the company is constantly changing**, even when the positions and titles remain the same. Delegation enables the CEO, the management team and managers at all levels to continuously redefine their jobs and the acts which they perform.
- **Delegation, at the micro-level of the individual job and task, enables a company to instill a culture of perpetual change that ensures freshness and prevents the organization from becoming old, static and bureaucratic. A perpetual process of delegation enables a company to keep growing perpetually.**
- In addition, the ability to recognize when new positions are needed and to add them in time is essential for continuous growth.

## **2. ANALYZING ACTIVITIES**

- The individual act is the basic subunit of corporate functioning. Each step performed by an individual in carrying out a task in fulfillment of a responsibility of his or her job is a mental or physical act. These **acts are linked with other acts in a chain to generate activities.**
- **Examples of activities are advertising, order taking, invoicing, product development, project management, purchasing, maintenance, customer service, dispatch, etc.**
- **Organization is the capacity to carry out several different activities at different times or different places in such a way that they serve a common purpose.**
- **Anything that increases the capacity to conduct activities efficiently and effectively increases the power and productivity of the organization.**
- Like jobs, activities can be continuously improved too. Each improvement releases fresh energy and makes the organization more effective.
- One company was carrying out many actions, activities successively, that could be equally well performed simultaneously.
- Today many manufacturers are analyzing their product development activities in order to reduce the time from initial conception to putting a new product or new model on the market.
- AT&T, HP, and others have substantially reduced development time this way.

### ***Analyzing Key Activities in Your Company***

- 1. Conduct an analysis of five key activities in your company.
- 2. Evaluate each activity in terms of the following questions:
  - a. Do the people responsible for the activity have all the information and skills they require for the job?
  - b. Do they have all the authority required?
  - c. Are the proper systems in place to carry out and monitor the activity?
  - d. Can these systems be improved?
  - e. Can the activity be done with fewer people?
  - f. Can quality and reliability be improved?
  - g. Can speed be increased?
  - h. Can coordination between this and other related activities be increased?
  - i. Can cost be reduced?
- 3. Identify specific actions you can take to improve the performance of the activity.
- 4. Repeat the analysis for other major and minor activities.

## **3. ANALYZING SYSTEMS**

- **Systems are the mechanism which an organization uses to link activities with each other and to link activities with positions.**
- **Examples of systems are lead generation, customer service, purchasing, sales conversion, hiring, inventory management, website, training, shipping, pricing, accounting, information systems, operations, payroll, safety, order fulfillment, collections, custodial**
- **Systems possess the power to carry out activities much more quickly, precisely and regularly than individuals can perform them on their own.**
- **The productivity of an organization is determined by the extent to which routine and recurring physical activities are systematized as standard operating procedures.**
- **Systems possess an amazing power of expansion.**

- **Systems derive their power directly from corporate values like orderliness, punctuality, standardization, coordination, etc.**
- Systems are usually associated with drudgery, bureaucracy and monotonous repetition. But the companies which are the most creative and fun to work in are very often those which have converting systematic functioning into a fine art.
- The high level of customer service and the genuinely friendly and relaxed manner of Marriott hotel employees are a direct result of the systems the company has in place to make everyone's job easier.
- Time after time we have found that in companies which have built up basic systems to support smooth-running routine activities, people are more relaxed and cheerful and enjoy their work better.
- "I've never been in a functionally freer creative environment than here" [due to the systems in place.]
- **Constantly assess the effectiveness of important systems in the company in terms of their speed, manpower requirements, quality of work, and cost of operation. Identify steps to improve their performance on these variables.**
- Systems grow by continuous refinement and innovation. Even relatively minor improvements can energize a simple activity.
- Systems are like atoms. They contain tremendous latent energy. The more refined the improvements, the greater the power released.

### ***Analyzing Key Systems in Your Company***

- 1. What have you done lately to streamline your systems and build them up for rapid growth? 1. Conduct an analysis of five key systems in your company.
- 2. Evaluate each system in terms of four criteria: speed of operation, manpower requirement, quality and reliability, and cost effectiveness. Rate the system on each of the four criteria on scale from 0 (low) to 25 (high). The maximum score for each system is 100 points.
- 3. Identify specific actions you can take to improve the performance of these systems on these criteria.
- 4. Repeat the analysis for other major and minor systems.

### **COORDINATION AND INTEGRATION**

- We have examined the basic subunits of organization – job position, activities, systems -- and the way they fit together and interact to accomplish the company's work. We have also looked at some of the ways in which they develop and how that improves the functioning of the organization.
- However, the real energy of organization is generated by the **relationships created between the subunits.**
- The real creativity of organization lies in its ability to link these subunits - people, activities, systems, materials and time - together in ever new, more complex, more effective combinations.
- **The real power of organization arises from its capacity for coordination and integration of people, activities and systems. Coordination and integration are two of the advanced tools of organization.**
- We said earlier that the development of *jobs* increases the level of integration in the organization by linking higher and lower levels closely together, so they act as a single whole and shifting actions from higher to lower levels. The development of *systems* increases the level of coordination in the organization by linking separate activities and separate systems together as part of a greater unified whole.
- The power of coordination and integration can be most dramatically illustrated by their absence.
- When Iacocca joined Chrysler, the company had all the pieces in place, but they were not working together with one another.
- Coordination of activities can generate a powerful impetus for growth.

- In our survey of U.S. companies, the larger and more profitable companies reported **closer coordination in all areas**: between sales and marketing, marketing and research, research and production, and production and sales.
- The real power of Linear's organization arises from its **commitment to the value of coordination** in virtually every one of the company's departments, activities and systems.
  - Responsibility for that coordination is built right into the job description of the design engineer.
  - E.g. Linear has created an entire cadre of field application engineers, FAEs, to accompany the sales people on visits to customers to improve the linkage between design, production and sales.

## **FREEDOM AND DISCIPLINE**

- Freedom is the essential condition for creativity. The individual grows only in freedom, but organization is based on the principle of order and stability.
- The ultimate measure of an organization is its ability to give people freedom without losing its cohesiveness and effectiveness.
- **The proper balance of self-discipline and freedom provides the stability and creativity needed for an endless expansion.**
- **Freedom and discipline are not mutually exclusive. Rather they make each other possible.** Freedom without discipline is chaos. Discipline without freedom is tyranny.
- **The ultimate secret is to arrive at a delicate balance between the two.**
  - **The company should provide freedom for entrepreneurial energies and newly emerging ideas and initiatives to sprout and develop, unencumbered by excessive organizational constraint.**
  - **At the same time, it should fully organize all established areas, systematize every routine and recurring operation, so that those activities can proceed smoothly and effortlessly, leaving the best minds and the greatest energy free for creativity and innovation.**

## **COMPANY AS LIVING ORGANIZATIONS**

- **The secret to keeping an organization alive and youthful is to keep it operating at its maximum capacity and to keep increasing that capacity by constantly upgrading the quality of its subunits and the coordination and integration between them.**
- **Then the organization flowers into a living organism with its own energy and dynamism for growth.**
- **Organization is most alive when its every act is fresh and vibrant with energy. It is possible for companies to structure and carry out work in such a way that every activity, every job, every individual act becomes a refreshing and energizing experience for the individual, and a stimulus for the further growth of the company.**

## **STRATEGIES TO ENERGIZE YOUR ORGANIZATION**

- 1. **Establish clear job descriptions** for every position and create a system whereby the responsibilities and authority of each position are clear to other people in the company.
- 2. **Analyze the jobs** of executives, managers and supervisors to identify tasks that can be delegated to lower levels and the conditions necessary to make that delegation effective.
- 3. **Conduct an analysis of major activities** in the company such as selling, advertising, order taking, invoicing, product development, project management, purchasing, maintenance, customer service, dispatch, etc. to identify ways to increase the speed, reduce the cost, eliminate unnecessary steps and improve the quality of these activities. Afterwards extend the analysis to minor activities as well.

- 4. Assess the effectiveness of important systems in the company in terms of their speed, manpower requirements, quality of work and cost of operation. Identify steps to improve their performance on these variables.
  - 5. One way to ensure that your organization remains youthful, vigorous and perpetually fresh is to implement values to a high level. Every value has a direct or indirect impact on the organization, but the most powerful are the organizational values such as coordination, integration, discipline, freedom, standardization, teamwork, and communication.
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## Chapter 11 MAKING THE MARKET COME TO YOU

- **Here we will explore the varied powers of the Market engine.**
- **By market we mean the development of customers -- whether to grow it or better accommodate it.**
- We saw in previous chapters how companies grow their markets:
- We saw that change in society creates new needs and new markets for companies that are quick to perceive their significance and to seize the opportunity. New technologies, new life styles, new laws and political configurations, and new types of organization are social developments with major impact on market opportunities.
- We also looked at companies which have grown their markets by implementing values like customer service, quality, and on-time delivery.
- These two approaches to the market, one focused on external changes and the other on internal developments, are important elements of **a more comprehensive approach to the market which we will now investigate.**

### THREE LEVELS OF MARKET NEEDS YOU CAN TAP

- The needs of the market exists in three different ways:
- **At the first level, the market consists of a finite number of *recognized needs*, and companies compete to meet those needs.**
  - **This is the basis of niche marketing.** Study the existing market and find a segment or subsegment where your company can effectively compete. Niche marketing is effective, because it enables a company to focus on what it does best.
  - **But the niche approach is also limited.** It starts and ends with the existing market and tries to maximize gains within the present field. If your company approaches the market from this point of view, **its growth is confined to the already established needs of the market.**
- **At the second level, the market consists of needs which exist, but are *unrecognized by society and companies*, and therefore are unmet.**
  - Companies grow by recognizing those unfulfilled needs, creating a general awareness of them and then meeting them. This is what Fred Smith did when he founded Federal Express.
  - You do not have to be an original thinker or visionary to identify unmet needs. You need an open, curious mind and careful observation.



- What are the unrecognized needs in your industry? What new dimension or incremental improvement can you add to an existing product or service that will meet a latent need of society or your customers and create a new market that does not now exist?
- **At the third level there is in every industry a gap between what the market actually needs or wants and what companies perceive the market wants. That gap represents fertile untapped ground for any company that can become more conscious of the market's real wants.**
  - The American automobile industry had become notorious for its blatant inability or unwillingness to really understand what the market wants and to provide it.
  - **How do you become conscious of something of which you are unconscious? One simple method is to ask!**
  - Closing the gap between what the market wants and what we think it wants is an exercise in objectivity and humility.
  - **When is the last time you really and systematically asked your customers about their preferences? If it was not today or yesterday, perhaps you should ask again.**
- **And yet the problem is the customer often can't help you identify new opportunities. They just don't know.**
- If the customers cannot tell you their preferences, then how do you find out?
- **That requires a new attitude and an effort to identify with the customer.**
- **The attitude as "putting yourself on the other side of the counter and looking at things from the customer's point of view."**
- The effort required is one of careful observation, perception, and thoughtfulness.

#### **VIEWING THE CUSTOMER FROM FOUR DIFFERENT PERSPECTIVES**

- As companies relate to the market at three different levels, they also view the customer from four different perspectives.
- The wider and deeper the view, the greater is the market that opens.
- **First and most commonly, companies relate to the customer from the point of view of the product. I have a product to sell. Anyone who buys it is my customer.**
  - Companies with this view have a very limited idea of who their customers are, what their needs are or how to attract more of them. They rely on the product to do that.
- **The second view is more expansive. Look at the customer as a member of society. Identify the social characteristics of the customer and think of ways to meet the needs of specific social groups.**
  - Julius Rosenwald followed this approach when he introduced Sear's famed money-back guarantee at the turn of the century. Sears was selling to rural farmers, who were highly suspicious of urban merchants, especially mail-order merchants!
  - Henry Ford did the same thing when he built a low-priced car for the working class man.
  - Liz Claiborne introduced a line of garments specially designed for working women.
  - Gideon Gartner packaged information on the computer industry specifically for decision-making computer users, he was looking at a social subset too.
- **The third view of the customer opens even greater vistas. Look at the customer simply as an individual. Recognize the needs and preferences that any individual would have and cater to them.**
  - Apple Computers thought from the individual's point of view when they created the user-friendly Macintosh computer.
  - FedEx discovered that immediate information about the status of the parcel was even more important to many customers than on-time delivery itself.

- **The fourth and most powerful view is to relate to the customer, not merely as an individual who shares much in common with everyone else, but as a unique individual who has unique needs, preferences and identity.**
  - The effort a company makes to custom-tailor a product or service to meet a specific need, to solve problems to the customer's total satisfaction, or just to recognize the customer by name makes a lasting impression.

#### Questions to Address:

- **Who are your customers? How well do you know them? How deeply do you cater to the specific needs and characteristics which distinguish them from others? What more can you do to differentiate your products or services, so that they more closely meet your customers' social or individual characteristics?**

#### ATTRACTING THE MARKET BY STRENGTHENING THE COMPANY

- **When a company appeals very deeply and powerfully to the conscious or unconscious need of the market, the market rushes toward it and literally drives its growth.**
- **It is possible for any company to make the market respond with that intensity by what the company does within itself, without going out to seek the market at all.**
- The following strategies can be used to energize the market for your company and bring it to your door.
  1. Hard work attracts the market. When customers perceive this they are attracted to partake of it.
  2. When work is well-organized, streamlined and smooth running, it attracts the market even more. Customers who come in contact feel a sense of competence and confidence that brings them back.
    - Organization influences quality, friendliness, speed of response, accuracy, reliability, orderliness...literally everything your company does.
    - Organization even helps you know your customers better. Knowing exactly who your customers are enables your company to utilize the most effective means for reaching them.
  3. Perfect work attracts the market.
    - It is work that is done by happy employees in a harmonious and flawless manner by implementing corporate values to a high degree.
    - Companies that achieve this level of performance are irresistibly attractive to customers. People enjoy making contact with the company and seek every opportunity to come back.
  4. Raising performance on any value can energize the market.
    - SAS did it with speed and customer service. Ford did it with quality. Merck has done it with credibility. Northwestern Mutual has done it through a commitment to teamwork and customer service. AMRE did it with systematic functioning and development of its people.
    - Even a simple value like cleanliness can have a tremendous impact.
  5. Knowledgeable, well-trained, cheerful people with pleasant, positive attitudes toward the customer can make a world of difference.
    - You cannot order people to be cheerful. If you want your people to please your customers, make sure your people are happy.
  6. Managing finance properly can enable a company to expand its market or create new markets.
    - By maintaining itself as the low-cost airline on commuter runs, Mesa has been able to not only compete effectively, but to actually create new markets in some cases.
    - Federal Express also found that by improving operational efficiencies, it was able to reduce costs and prices by 30% over the last ten years. Lower price dramatically expanded the market.
  7. Many technologies can be adapted to improve the product or the quality of service to customers and evoke a response from the market.

- When Federal Express installed DADS computer terminals in every truck and gave a supertracker hand-held terminal to every courier, it really energized people. Their sense of pride and motivation increased dramatically. Customers also evinced great curiosity about the new technology too.
- What technology from other industries could your company adapt to give it a leading edge in service to your customers or product quality?
- 8. Extending the use of your existing products and services to serve new purposes or meet new needs attracts the market.
- 9. Improving the quality and accuracy of information to the customer attracts the market.
- 10. Relating to the customer as a unique individual attracts.
  - Nothing makes people respond more than genuine interest and personal attention. Take sincere interest in your customers for their own sake-and not merely because they are customers-and they will seek excuses to relate to your company for the sheer joy of the attention they receive.

## ATTRACTING THE CUSTOMER BY GIVING HIM ATTENTION

### Employee Requirements for Giving Attention to Customer

- The last strategy on *personal attention* needs further explanation.
- **Nothing attracts customer like personal attention given to them in the form of pleasant, courteous, high quality service.**
- Two things are essential in order to give that attention.
- *First*, management and every employee must fully understand and believe that it is good to do so and feel enthusiastic about pleasing the customer.
  - If it is done out of a genuine desire to help and make happy, it is most powerful. All negative attitudes-e.g. the customer is unreasonable, the customer is foolish, the customer is ripping us off-must be tempered by a genuine desire to please.
- *Second*, the company and all its people must have sufficient energy to give that attention.
  - The needs of the customer are endless. Therefore, the effort requires an enormous energy, which the company must be able to release from its people and harness effectively without waste.
  - People must be enthused and continuously learning new skills, so that their energies are constantly overflowing.
  - Systems must be fine-tuned and smooth-running, so that all available energy is properly utilized for service. Personalized service can be given to all customers only when impersonal systems are employed to manage routine work down to the last detail. The systems must be developed enough to smoothly handle even heavy bursts of activity and yet flexible enough to adapt to unusual, individual customer demands.

### Three Ways to Give Attention to the Customer

- **Giving attention to the customer means to be genuinely interested in the needs, requirements, ways of life, tastes and levels of appreciation of people in the society.**
- This effort has several dimensions.
- 1. There should be a full knowledge of the needs of present customers and the way your products or services are used by them.
- 2. There has to be an awareness of how the ultimate customers actually live or work and how they actually use the products or services as part of that living and working.

- 3. There should also be a full knowledge of the future needs of the customer, new ways in which the products can be used to meet new needs or to raise the level of comfort, convenience, productivity, etc. This requires an analytical study of the customer to discover what might bring greater satisfaction.

### Summary

- **In other words, for a company to energize the market it must be continuously striving to know, understand, serve, please and anticipate the needs of its customers, while at the same time constantly fostering the growth and fulfillment of its own employees to release their enthusiastic energies and perfecting the systems needed for delivering attention to the customer.**
- *Customers perceive differences. Those differences do not have to be very great in order to make a great deal of difference in our market-just great enough to distinguish us one way or the other from our competitors.*

## Chapter 12 TUNING IN TECHNOLOGY (Products & Services)

- Here we will explore the varied powers of the Technology engine.
- By **Technology** we don't mean high tech, but the know-how that enables a company to produce and distribute a product or provide a service to the market.
- In this chapter, we explore two basic strategies for energizing technology: implementing values and integrating technology more closely with the other four components.

### THREE LEVELS OF TECHNOLOGY

- There are three levels of technology - productive, innovative and creative.
- Productive technology is any technology which has a practical utility.
- By innovative technology, we mean technology which has been *improved* to add greater value, function, economy or quality.
- Creative technology contains an original element. It is not just improved, it is *something new*.
  - Technological creativity can be achieved by combining or relating technology to the other four components in new ways. These are some basic principles for identifying potential areas of technological innovation and creativity:

### STRATEGIES FOR ENERGIZING TECHNOLOGY

- **ADD, INTEGRATE TECHNOLOGY**
  - Add new or old technology to enhance the value of your product or service.
- **SEE TECHNOLOGY FROM MARKET'S VIEWPOINT**
  - Look at technology from the market's point of view . Take a conscious effort to identify ways in which your products or services could be made to better serve the needs of the market.
- **CREATE OR INNOVATE TECHNOLOGY TO MEET PSYCHOLOGICAL NEEDS:**
  - Provide enjoyment or security or educational value to a technology enhances its value.
    - The Apple Macintosh computer was a joy to use that many of its users literally loved. Same with iPhone and iPad.

- **LOOK FOR INNOVATIONS THAT REDUCE COST**

- E.g. Federal Express searches high and low for every possible means to bring down the cost of transporting parcels. This resulted in additional capacity equivalent to the purchase of thirteen new aircraft for a nominal cost, saving the company over a hundred million dollars on equipment.

- **USE TECHNOLOGY TO RAISE THE LEVEL OF QUALITY**

- Quality is a value that can be applied to all aspects of the company, including its products and services.
- Technology can be used to improve the quality.
- E.g. Systems such as statistical process control are being used to provide immediate feedback on quality deviations as they come off the machine.
- Anywhere technology can be used to raise quality should be considered.
- In tandem with a commitment to quality, to the awareness of quality amongst all staff, and the raising of skills and knowledge in relation to through training, it will have great results

## **TECHNOLOGY IN RELATION TO OTHER ENGINES**

- The full productive and creative power of technology becomes available only when it is kept in proper balance with the other components.

### **Market can energize technology**

- Market can energize the development of technology.
- E.g. Mesa Airlines had a knack for properly matching its equipment with the needs of the market. Their growth was propelled by its ability to recognize the potential markets and fit the right size equipment to those markets.
- Apple computer saw the market for digital music at a time there was illegal download and developed the sophisticated and easy to use iPod player.

### **Organization can energize technology**

- Just as the Market engine can energize the development of Technology, so can the Organization engine.
- We see this in the Production aspect of Technology
- E.g. in order for Ross Incineration to keep the incinerator operating at the highest levels of efficiency with the minimum of unscheduled shutdowns they improved organizational structure with new people in charge, and also put in new systems in place to monitor and analyze performance of the equipment.
- Virtually every activity and system related to the incinerator were reviewed and upgraded to improve performance.
- We also see the energizing impact of Organization in the R&D aspect of Technology
- E.g. Linear Technology brought out the creativity of its chip designers through close coordination with production. Coordination is an organizational value.
- **There are any number of ways that improved organizational structure, activities, systems, coordination, communications, et al can energize Technology (including products and services offered)**

## **STRATEGIES TO ENERGIZE TECHNOLOGY**

- 1. Improve the technology of your product or service by adding one new dimension to it.
- 2. Combine a new or old technology with your product or service to enhance its value.

- 3. Look at the products or services your company provides from the market's point of view. What can you do to better meet the needs of your customers?
- 4. Can you attune your product or service to meet a psychological need, so that it provides greater enjoyment, security or educational value to the customer?
- 5. Examine every technology your company employs and identify ways to reduce cost.
- 6. Implement the value quality in every possible area through all five stages of value implementation.
- 7. Improve and systematize preventive maintenance programs for all equipment and machinery.
- 8. Match your technology as closely as possible with the needs of the market.
- 9. What improvements can you make in your organization that will improve the development and operation of technology?
- 10. What new or improved technologies can you introduce that will improve the functioning of your organization?
- 11. What can you do to improve the development and operation of technology by better recruitment, training and motivation of your people?
- 12. How can you utilize technology to make work easier, more interesting and more rewarding for people?

## Chapter 13 GROWING CAPITAL (FINANCE)

- **Here we will explore the varied powers of the Capital (Finance) engine.**
- Capital is a power which can be attracted, mastered and harnessed for productive purposes by any company.
- As the market is attracted to companies which create the right internal conditions, so is capital.
- Capital differs from the other four components. **It is at once a productive resource and a result of productive work. (I.e. is an enabling resource as well as a result.)**
- Capital is an essential requirement for the activities of a company and an essential end result of those activities too.
  - Thus capital and profit are two different forms of the same thing.
- **Capital is a symbol of productive power. It contains all the other components within itself in potential.**
- It can be converted into many different forms and used to stimulate the growth of any of the other components-
  - to purchase or develop technology, hire people, build organization and develop a market.

### Linking Five Components to Finance

- **The linkage and interrelationship between capital and the other components is a key to energizing capital and converting it into an engine of growth.**
- E.g. can build up the other engines as a means to attract investors.
  - Vipont developed a strategic plan to build up all five components to make the company profitable and attractive to investors, which they did

## **Innovative Ways to Raise Capital**

- A company can come up with innovative ways to raise capital
  - Vipont developed very innovative ways to raise capital, through clever sophisticated interrelation (explained on p. 167)
  - Linear Technologies developed very innovative ways to raise capital, through clever sophisticated interrelation (explained on p. 168)
- **In an enterprising business environment like ours, society is constantly creating new ways to raise capital for business.**
- **They should be constantly thinking and looking for innovative ways to attract capital for non-stop expansion.**

## **METHODS OF ENERGIZING CAPITAL/FINANCE**

### **Give it the attention it deserves**

- Like people, capital responds to attention.
- Companies give attention to capital through the way they account for money and other assets.
- **It may sound surprising, but many companies do not know what they earn or what they make- especially companies that are in financial trouble.**
- **One of the worst offending areas is inventory.**
  - From very small companies to very large, keeping an accurate count and valuation of inventory is a task many find daunting, because accurate inventory accounting requires flawless systems at virtually every point connected to the product
  - Bryn Mawr Stereo has one of the best inventory control systems we have encountered in a retail business. In twenty years in business, he never had a year where he did less business or made less profit than the year before.

### **Accounts should be up-to-date**

- **Keeping accounts up to date is very uncommon in companies.**
- **Look at any company that is losing money. Chances are very good that its accounts are far behind schedule.**
  - Typically such companies complete their accounts just in time to go to their bankers for further finance or to pay taxes.
- **Getting and keeping accounts up-to-date has a great power-and it is not easy.**
- **How long does it take your company to close the books at the end of each month and find out how much it made or lost?**
  - Every day's delay is a real de-energizer to the growth of your business. Close the gap and watch the results.

### **Paying Bills and Collecting Debts Owed**

- **Related to accounts, pay your bills as quickly as you can and collect receivables as quickly as you can too. [Comment: It tends to attract money to you!]**

- How enthusiastic would your employees be if they were never quite sure if and when they would be getting their paychecks? Paying others quickly goes a long way in energizes them in their relationship with your company.
- Winning over your vendors is worth ten times more than the deals a company can make or the interest it can save by slowing down payments to suppliers.

#### Use the accounts as an active instrument

- **Many companies use accounting primarily as a passive tool for recording and monitoring income and expenditure. But accounting can also be employed as an active instrument and powerful tool for monitoring and improving the performance of any business.**
  - Gartner Group produces an income statement within seven days after closing its books at the end of every month. The statement details the performance of every department and service which the company offers and shows which ones are making and losing money.
  - AMRE completes 175 home remodelling jobs around the country every day. Within two days, corporate controller Dennie Brown knows exactly how much the company earned on each individual job.
- **Both of these companies utilize accounting as an active tool for making up-to-the-minute management decisions that directly impact on the bottom line. That requires up-to-the-minute accounting.**

#### Use cost accounting as an index of performance

- **Take meticulous efforts to eliminate all wasteful and unnecessary expenditures.**

#### Saving money vs. cutting costs

- **The most profitable companies are not the ones that constantly cut costs across the board. They are the ones that know how to save money.**
- The cost cutter says: Do not hire more people, regardless of the need; postpone putting in that system, in spite of what it will do to improve quality or efficiency; live with the cramped quarters, even if they impact on morale and productivity.
- **Cost cutting is a negative activity. It achieves its results through contraction. Whereas saving money is a positive and expansive activity that achieves its results by raising the quality and quantity of performance.**
- **Saving money means to carefully analyze every job, system and activity, then ask: How can we do it better or for less money?**
  - Federal Express is firmly committed to saving every cent it can, provided that saving takes them a step closer to realizing Smith's vision of the future and provided it does not contradict the company's commitment to its core values-people, service, safety, etc. Their achievement is not the result of scrupulous cost cutting. It is the result of a constant effort to improve the overall efficiency of the system at every conceivable point.



- **Saving money requires clear goals, an intimate knowledge of the business, and a genuine commitment to building up the company to higher levels of performance.**

#### **Capital-related systems can energize people**

- **One can utilize internal indicators that can motivate people.**
  - Gartner Group employs an index that measures everything in terms of their impact on the total value of contracts. Sales people are paid commission only on the net increase in contracts they have on the books from one period to the next. It motivates sales, service managers, and researchers people to sell on an average twice as much business as competitors.
  - Precision Grinding developed a simple system to measure the amount of revenue the company earns from the work completed by each workman in terms of revenue dollars per hour. It increased productivity by 40% and turned a losing business into a very profitable one.
- **In order for financial measures to motivate people, they should be simple and easy to understand.**
- **They should also be easy to calculate and track**

#### **Attitude is critical**

- **In order to make capital a positive energizing power, it should only be used in a positive way by people with a positive attitude. Taking a positive and expansive attitude toward spending and collecting money is not easy, but it can be very energizing.**

#### ***METHODS OF ENERGIZING CAPITAL/FINANCE (Summary)***

Think about the way capital is managed in your company and answer these basic questions.

- Is your company exploring and taking advantage of every conceivable source of finance to grow your business?
- What can be done to improve the accuracy and timeliness of accounting, so that information on performance is available as soon as possible after the day, the week, the month or the job is over?
- How can your company utilize financial information as a positive instrument for tracking and monitoring performance on key activities?
- What type of indicators can you develop as positive motivating tools to help managers and employees evaluate their own performance?
- What are the key areas on which the company can save money by improving performance? What can be done to raise performance in those areas?
- What can you do to generate a more positive attitude in your company regarding the way money is used to motivate employees and vendors?

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## Chapter 14 DOUBLING STRATEGIES

- There is a process which can be utilized by any company to grow rapidly and profitably, ***provided that it really wants rapid growth.***
- We defined rapid growth as doubling revenues or profits in 12 to 24 months, but added that for some companies a much higher rate of growth is possible.
- We will explore here practical strategies for accelerated growth.
- These strategies are divided into three major categories-partial and comprehensive strategies to energize the company from above downward and isolated strategies that work to energize each individual from below upwards.

### 1. PARTIAL STRATEGIES

- **We call a strategy partial, when it focuses on tapping the potentials from one aspect of the business, either one of the five components or one of the thirty values listed earlier.**
  - (one aspect of business) Precision Grinding Inc. converted a 11% loss into 12% profit within a year, primarily by focusing on improving its financial systems and performance on quality and on-time delivery.
  - (engine; values) Bang & Olufsen of America grew by 35% in a year by energizing the component market through its commitment to the value of customer service.
  - (values) A partial strategy of commitment to two powerful corporate values -- quality and service to society -- has been the driving force for Ben & Jerry's growth from \$614,000 to \$45 million in seven years.
- **Most of the companies referred to in this book have achieved very high rates of growth and high levels of profitability by focusing on one or two components or one or two key corporate values.**
- **If your company's goal is only to double or triple in size, a partial strategy, which focuses on one component or one value that is relatively weak, is more than sufficient in most cases to accomplish that limited purpose.**

### 2. COMPREHENSIVE STRATEGIES

- **If your company's goal is something more than a mere doubling**, a partial strategy may not be for you. If, for instance, your goal is to become the leader in your area or your industry, locally, nationally or internationally, **you need a comprehensive strategy** for accelerating the growth of your company through the process described in this book.
- **Comprehensive strategies grow all the components and create a dynamic equilibrium between them by energizing all stages of the energy conversion process through value implementation.** This strategy acts from above downward to achieve long-term growth and high profitability.

### **3. ENERGIZING FROM BELOW (through individual acts)**

- The partial and comprehensive strategies start at the top of the company, with the CEO or similar and work their way down. This is how the process works in most companies.
- **It is also possible to start at the bottom at the level of individual acts and by energizing many of them release fresh energies that spread by contagion from one act to the next, from one level to the next, until ultimately they energize the whole company to the top and to its core.**
- **The process that rises upwards from below can be initiated by any manager, any individual and spreads spontaneously in an atmosphere of freedom.**
- Next we'll consider how to energize individual acts.

#### **FIFTEEN WAYS TO ENERGIZE AN ACT**

- Every act in a company can be energized by any individual, no matter how small and how routine it is.
- Each energized act infuses fresh energy into the organization and makes work more alive and enjoyable.
  - People begin to think, feel and respond differently.
  - Employees come to work with a different attitude.
  - Customers approach the company with new expectations.
  - The contagion of freshness spreads to other people and other acts, until it becomes a culture or way of life within the company.

Here are a number of ways to energize the act:

- **Act from the other person's point of view**
  - This one principle is enough to transform any company into a living mountain of vibrant energy.
  - Taking the other person's point of view applies to everyone
  - Tom Watson of IBM went down to the factory floor and asked machinery operators how their jobs could be made easier and more productive. Taking his employees' point of view really energized his people and resulted in significant productivity gains as well. Often as a result unthought of positive things start happening.
- **Thoughtfulness**
  - Give to another person a little bit more than they have reason to expect and both you and the other person will be energized. Often as a result unthought of positive things start happening.
- **Strive for perfection**
  - Striving for perfection continuously releases greater energy in the individual and in the act. When a company can generate this attitude in small routine acts, it leads to continuous innovation and improvements.
  - Every act becomes a subject for observation and possible modification.
  - Every unconscious habit comes under conscious scrutiny. Every act gets energized. Often as a result unthought of positive things start happening.
- **Relate to the uniqueness in every act**
  - The surest way to take all the energy out of an act is to respond from habit to the sameness in the act. Every act is unique in some way,

- If you relate to the uniqueness in any act and respond out of freshness, it gets energized. Often as a result unthought of positive things start happening.
- **Create a sense of ownership by giving authority**
  - Giving a person authority and responsibility over any act is energizing, even when the authority is over something very small.
- **Put in a system wherever it is missing**
  - Establishing order, ease and harmony in place of chaos and confusion relieves stress and frustration and can be very energizing.
- **Relate an act with another act**
  - Taking the effort to relate two or more acts which are normally carried out independently of one another relieves irritation, improves efficiency and releases energy.
- **Imparting or upgrading a skill energizes**
- **Implement any value in the act**
  - Bringing down any value to the level of the individual act can have energizing impact. The smaller the act the greater the power.
- **The power of attitude**
  - A positive attitude has the power to energize any situation.
- **Create challenges and opportunities for people to be successful**
  - Recognize achievement and create opportunities for people to be successful. Success is a self-gratifying experience.
- **Give personal attention**
  - Give personal attention and recognition to anyone or everyone. Nothing energizes more.
- **Tools of measurement energize**
  - Any work becomes more lively, when objective measures are introduced for evaluating it.
- **Take active interest in the promotion and progress of your subordinates**
- **Focus on work, not the person or the position**
  - In any group work situation, we are conscious that someone is the boss and others are subordinates, someone is the "expert" or "authority" and others are not. Eliminating that distinction from thought, speech and action has a very energizing impact on the group.

## THE COMPLETE ACT [\[added comment\]](#)

- The Complete Act is a term suggests perfection in an act that leads to great success through it.
- **An act is a Complete Act when you know what you want, you have the will to carry it out, and you do so with right skill and attitudes.**
  - Whether the act is something as minor as brushing your teeth or putting a stamp on an envelope, all the way to a major activity, such as meeting with an important client or shipping out a critical order.
- The Complete Act parallels the Energy Conversion Process from direction to organization to manifestation. They are micro and macro versions of the same Process of Accomplishment and Creation.

## **OVERALL THOUGHTS ON THE PROCESS, THE FIVE ENGINES, AND VAST SUCCESS**

- **The five components are the resources and engines. Each is an inexhaustible source of energy. The bringing together of these five to form a business is the creative act that releases the energy of the components and turns them into engines for growth.**
- **Any company that fully understands the structure of the five components and their interactions and the process of energy conversion can launch itself on a never-ending cycle of growth that generates higher revenues and higher profits year after year and decade after decade.**
- **The process of energy conversion is a living organic process. It is the process of growth. So in its highest expression it transforms an organization into a living organism with a life and vitality of its own.**
- **If you are thinking that growth has to take a long time, think again. Life is filled with examples of individuals and companies rising with lightning speed to the top. The real determinant of time is only the intensity of the aspiration that inspires you to grow.**

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## Chapter 15 PLANNING FOR PROFIT

### WHAT CREATES PROFIT

There are many sources of profit, many factors that generate it, many differences between the profitable and unprofitable business. Here are key factors that determine work output/productivity and therefore create profit:

**High Energy** -- Without energy there is no work, no profit. The higher the energy, the greater the profit.

**High Values** -- Without values, work is substandard. The higher the values that are actually achieved in physical work, the greater the financial results.

**Clear Objectives** -- Work becomes efficient only when the objectives are clear to everyone.

**Right Structure** -- Profits are generated by good organization. Good organization is based on right structure.

**Right Systems** -- Systems are the foundation of efficient operations, and they can always be made better.

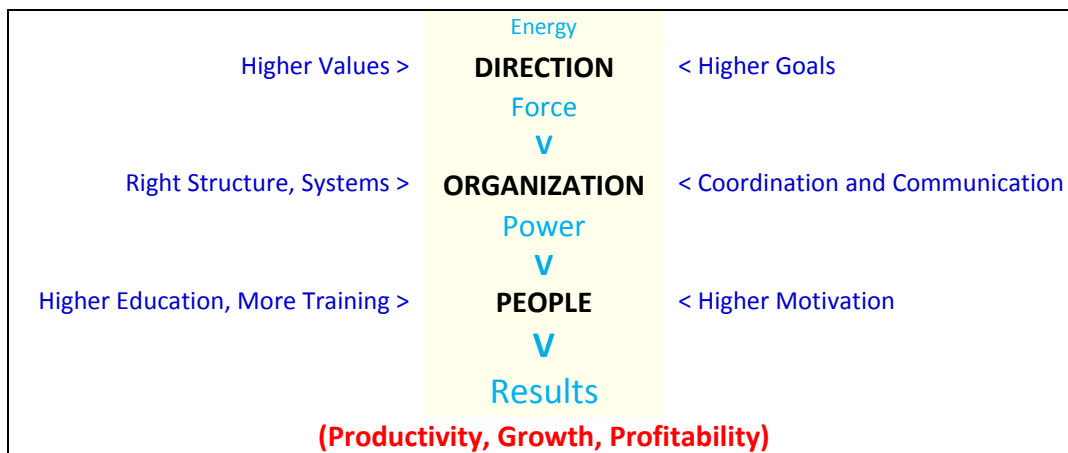
**Good Coordination** -- Unless activities and systems within the company are well-coordinated, profit just falls through the gaps.

**Good Communication** -- Communication between people, departments and levels of the company and between the company and its vendors and customers is a large part of what being in business is all about.

**Higher Education** -- Education improves the quality of every idea a company generates, every decision it makes, and every action it takes. Better ideas, better decisions and better actions mean better profits.

**Better Skills** -- Better physical, technical, organizational, interpersonal, managerial and psychological skills generate more profits on every corporate activity.

The process of energy conversion illustrates how each of these factors act to increase the generation, transmission and conversion of energy into results.



## ENVISIONING THE FUTURE

- In planning the first step is to establish clear goals.
- Once you have established clear goals, the next step is to develop a detailed strategic plan for achieving them.
- Our aim is to accelerate the natural, unconscious process by which companies growth by consciously initiating actions that will accelerate that process. That requires imagination, forethought and careful planning.
- **Plans which focus only on one or two of the five components often fail, because the other components are not developed enough to support the growth.**
- **A very powerful method to clarify your understanding of the steps needed in order to achieve your goals is to envision what the company will look like when these goals have been achieved.**

- “What I have done periodically is to create a snap shot vision of some point in the future, a vision of the future.” (Fred Smith FedEx)
- **Imagine your company/your division/your department twice as large and twice as profitable as it is today. Or if the goals you have chosen will more than double revenues and profits, think of how the company will be when it achieves these goals.**
  - Ask yourself, what does doubling really mean? What does it involve? How will things be different than they are now?

#### **FROM PLAN TO IMPLEMENTATION**

Once you have established the goals for your company / division / department and developed a clear vision of what it should become, **follow these steps to translate your vision into reality:**

1. Create a full awareness within the company, at least at the higher levels and preferably at all levels, of the opportunities that exist for doubling both externally and within each of the five components.
2. Strive to communicate your knowledge and conviction to create a consensus among your people for achieving the goals you have established.
3. Get people actively involved in identifying opportunities and contributing their ideas of how the company can achieve these goals.
4. In collaboration with your management team, draw up a detailed plan of action for the next two years to achieve the goals.
5. Ask each executive in the company in collaboration with his managers to work out detailed plans for the development of each of the five components of the company in order to meet the requirements of the plan.
6. Ask each manager to study the major activities under his or her responsibility and identify the precise requirements in terms of personnel, systems, space, equipment, finance, knowledge, skills, etc. to fully implement the plan.
7. Impart an understanding of the plan to all your people and win their enthusiastic support for implementing it.
8. Implement the plan. Even if you carry out only 50% of what you propose, your results will surely double.
9. Along with these other efforts, try to energize as many acts in the company as possible. This will generate a very positive and supportive climate for achieving your goals.