

FOCUSING ON WHAT MATTERS

LEADERSHIP ADVISORY SERVICES

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Key Insights You Can Execute On December 2011

Filters to view you, your focus and
your organization (Ram Charan,
Larry Bossidy)

- **Results come from:**
 - **The leader**
 - **Strategy, plans, execution**
 - **The leadership team**
 - **Monitoring results**
- **Purpose of strategy:**
 - **Win customer preference**
 - **Create a sustainable competitive advantage**
 - **Leave enough money on the table for shareholders**



Speed – Mobilize People, Accelerate Execution by Jocelyn R. Davis, Henry M. Frechette, Jr., and Edwin Boswell

Strategic speed is where urgency meets execution – implementing plans and strategies quickly and well, which leads to better results. This means how quickly something adds sustainable value to the organization, not how quickly we make decisions or start something. The key to speed is mobilizing people which is the key differentiator between faster and slower organizations.

Fast companies emphasize:

- Alignment
- Flexibility
- Openness
- Innovative thinking
- Taking time to reflect and learn

You can increase speed by focusing on engagement, learning and alignment.

Focusing on people involves 3 key factors:

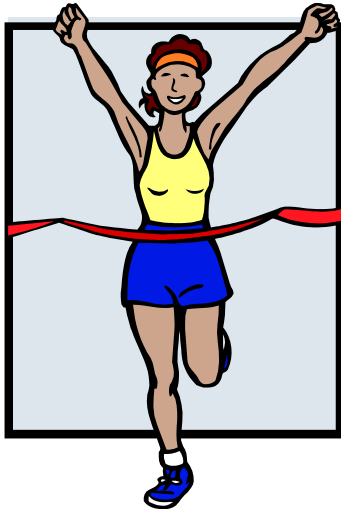
- Clarity – shared, clear understanding of your situation and direction
- Unity – wholehearted agreement on the merits of the direction and the

work needed to move ahead

- Agility – willingness to adapt quickly while keeping strategic goals in mind.

If you are successful in the above, people will be able to answer the following questions:

1. Do I know where we are going and why?
2. Am I committed to working with these people to get there?
3. Am I willing to suggest and try many different ways to get there?



Wayne Huizenga, founder – Waste Management

“Great brands – consistency and uniformity”

Great By Choice

By Jim Collins and Morten T. Hansen

Remember Good to Great? Jim Collins was the author. Why do some companies do exceptionally well despite a world of chaos and uncertainty? They create, they prevail, and they build great enterprises that endure. They thrive in chaos. Collins and Hansen call these leaders by the moniker 10X because they beat the industry standard by at least 10 times!

These leaders display a different set of behaviors than the leaders they were compared to:

- They embrace a paradox of control and non control - they reject the idea that forces outside their control or chance events will determine their results; they accept full responsibility for their own fate
- As a result of the above, they bring three behaviors to life:
 - Fanatic discipline
 - Empirical creativity
 - Productive paranoia

The authors discuss the concept of the 20 Mile March – the idea is you establish your goals and plans and make consistent progress – you don’t backslide in difficult times and you don’t speed up when the going is good or easy. It’s about having concrete, clear intelligent and rigorously pursued

performance mechanisms that keep you on track.

This turns the odds in your favor for three reasons:

1. It builds confidence in your ability to perform in adverse conditions
2. It reduces the likelihood of catastrophe when you are hit by turbulent disruption
3. It helps you exert control in an out of control environment



DIFFERENTIATION

The Great Repeatable Business Model by Chris Zook and James Allen, November HBR

Differentiation is the essence of strategy, the prime source of competitive advantage. You earn money by not only providing a

valuable task but by being different from your competitors in a manner that lets you serve your core customers better and more profitably.

- Nike – power of its brand, relationship with top athletes, and signature performance focused product design
- Apple – easy to use software, integrated iTunes, simplicity of design and products

Idea in brief

Really successful companies build their strategies on a few vivid and hardy forms of differentiation that act as a system and reinforce one another.

- They explore ways to exploit differentiators by replicating them into new contexts
- They turn the sources of differentiation into routines, behaviors and activity systems that everyone in the organization understands and follows
- Differentiators must be supported by simple, non negotiable principles and robust learning systems that drive constant improvement across the business.

Six Key Actions to Consider

1. Do you and your mngt. team agree on your differentiation?
 - a. What do your core customers see as your competitive differentiation?
 - b. How do you know?

- c. Are these sources becoming less robust?
- 2. Does the front line agree? Do they understand?
- 3. Write your strategy on a page – use it
- 4. Conduct a post mortem on recent successes and failures
- 5. Translate your strategy into a few non negotiables
- 6. Monitor the health indicators of your differentiators

How a Star CEO Keeps her Bank Growing, by Shawn Tully, Fortune, October 17, 2011

Chanda Kochar – CEO – India ICICI Bank LTD.

It's all about execution, setting a few simple goals and relentlessly pushing to achieve them.

How Great Companies Think Differently, by Rosabeth Moss Kanter, HBR, November 2011

They believe that business is an intrinsic part of society. They invest in the future while being aware of the needs of people and society. Six key facets:

- A common purpose – provides a coherent identity
- A long term view- helps to justify short term financial sacrifices to achieve the corporate purpose and to endure over time

- Emotional engagement – evokes positive emotion and stimulates motivation
- Community building
- Innovation
- Self organization – you can trust people and can rely on relationships

Leadership Advisory Services assists leaders in:

- **Solving problems**
- **Capturing opportunities**
- **Executing well**
- **Effecting sustainable change**

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I greatly appreciate introductions to leaders who are serious about getting results and would value my counsel. Thank you!



Tony Chivinski