

The Vision Thing

Revolution Principle #5:

In order to keep Revolutionaries motivated, leaders must clearly communicate where their leaders are taking them.

Most Revolutions are not successful. There are many attempted Revolutions that backfire, fizzle out, or lack the people-power to accomplish its goals. There is no doubt that the main reason why Revolutions fail is because the leaders did not clearly communicate where they were taking the followers.

For example, think of a political Revolution somewhere in South America. A leader convinces a large group of citizens that medical care could be better, there could be less violence and government oppression, and that there could be less taxes. He is a charismatic leader who draws followers to him magnetically. He asks that everyone interested in such improvements show up the next day for special training. A large group respond to his call.

When they arrive, they find that the training is military training, but they are not informed why. They are only told that the training is necessary for the improvements. They soon find themselves marching toward the capital, donning fatigues with guns in hand. They realize that the leader is planning to throw the government out by force, and that probably a majority of them will likely lose their lives. Ninety-five percent of them desert because although they want change, they do not want to die. The Revolution fails.

If the leader had communicated to the citizens why, how, and when he planned to make the changes of which he spoke, those who volunteered would have been aligned and committed. The Revolution may have taken longer to achieve, but abandonment would not have occurred.

In an Organizational Revolution, the same problem exists. If the leaders do not clearly communicate where they are taking the organization, you can count on failure. People need to understand what their efforts are for, where they are headed, how they will get there, and how they may measure if they have been successful.

In this chapter I want to give you the tools you need to communicate to your organization where you and your Revolution are taking them. This is a very practical chapter because if there is only one thing I want you to do well, it is this: Communicate your vision.

Once a person learns what it means to serve as a leader within their organization, they must then seek to lead the organization effectively. This is usually where the breakdown occurs. A person reads a leadership book or attends a leadership seminar where they learn what it means to be a leader in eloquent terms. But how do you actually *do* it? What are the first steps of leadership? Where does a leadership Revolution begin? I want to provide that application element for you, because I want your Revolution to succeed.

The first and most important role of leadership is defining a company's vision and aligning the people in the company behind this vision. Consider the following quotations in support of this definition of leadership:

“The leader's job is to create a vision.”¹

—Robert Swiggett
Chairman, Kollmorgen Corporation

“Action without vision is stumbling in the dark, and vision without action is poverty-stricken poetry.”²

—Warren Bennis
Author, *On Becoming A Leader*

“There is no more powerful engine driving an organization toward excellence and long-range success than an attractive, worthwhile, and achievable vision of the future, widely shared.”³

—Burt Nanus
Author, *Visionary Leadership*

“Vision is the beginning point for leading the journey. Vision focuses. Vision inspires. Without a vision, people perish. Vision is our alarm clock in the morning, our caffeine in the evening. Vision touches the heart. It becomes the criterion against which all behavior is measured. Vision becomes the glasses that tightly focus all of our sights and actions on that which we want to be tomorrow—not what we were yesterday or what we are today. The focus on vision disciplines us to think strategically. The vision is the framework for leading the journey.”⁴

—James Belasco and Ralph Stayer
Authors, *Flight Of The Buffalo*

“Without question, communicating the vision, and the atmosphere around the vision, has been, and is continuing to be, by far, the toughest job we face.”⁵

—Jack Welch
Chairman, General Electric

“The first dictionary definition of a ‘leader’ describes a primary shoot of a plant, the main artery through which the organism lives and thrives. In much the same way, organizations prosper or die as a result of their leader’s ability to embody and communicate the company’s vision.”⁶

—Donald Phillips
Author, *Lincoln On Leadership*

“Many leaders have personal visions that never get translated into shared visions that galvanize an organization. . .What has been lacking is a discipline for translating individual vision into a shared vision.”⁷

—Peter Senge
Author, *The Fifth Discipline*

“No matter what it is called—personal agenda, purpose, legacy, dream, goal, or vision—the intent is the same. Leaders must be forward-looking and have a clear sense of direction that they want their organization to take.”⁸

—James Kouzes and Barry Posner
Authors, *The Leadership Challenge*

“Vision without action is merely a dream. Action without vision just passes time. Vision with action can change the world.”

—Joel Barker
President, Infinity Limited, Inc.

In spite of the ample evidence in support of leadership’s role in defining a vision and aligning people with this vision, there still appears to be some debate about the matter. Consider the following quotations:

“Take ‘this vision thing’ for instance. Leaders are responsible to craft a vision. Leaders are responsible to implement that vision. Leaders are responsible for empowering their people to use the vision. That paradigm of leader responsibility for other people’s performance, given today’s circumstances, guarantees organizational failure.”⁹

—James Belasco and Ralph Stayer
Authors, *Flight Of The Buffalo*

“Being a visionary is trivial.”¹⁰

—Bill Gates
Chairman, Microsoft Corp.

“Vision may not exactly be dead in corporate America, but a surprising number of chief executive officers are casting aside their crystal balls to concentrate on the nuts-and-bolts of running their businesses in these leaner times.”¹¹

—Douglas Lavin
Reporter, *Wall Street Journal*

“Internally, we don’t use the word vision . . . This is a business of fundamentals. There isn’t any magic.”¹²

—Robert Eaton
Chairman, Chrysler Corp

“One of the more ubiquitous forms of office decor these days is a suitably framed—and generally obtuse—vision statement. It always purports to speak to the driving sense of purpose underlying the organization. It’s depressingly easy to point out that most of these statements are anything but visionary. In fact, if you picked 20 employees at random and asked them to recite the thing from memory, let alone make one up from scratch, chances are they wouldn’t come anywhere near the happy horror hanging on the wall in your company lobby.”¹³

—Dick Schaaf
Author, *Pursuing Total Quality*

“A lot of companies see this as a quick fix. These organizations use vision as a public relations’ tool, not as something to change the fundamental culture.”

—James Shaffer
Vice President, Towers Perrin

Although there appears to be a debate between the visionaries and the nuts-and-bolts leaders, there really is no debate. It is actually a lack of understanding and a poor use of terminology. If the “vision thing” is done poorly, there will be little positive benefit.

What is This “Vision Thing?”

The apparent “vision thing” debate is not a debate, but a product of combining doubletalk and doublethink. This is unfortunate, for we already understand vision, have personal experience in forming and pursuing a vision, and know the power of a vision. Think back to your childhood. What were your goals, your aspirations? You could daydream about these aspirations for hours, day after day. These aspirations could not be put down in a sentence or two, there were too many different elements to them. That’s why it was so easy to lose yourself in your visualization, to play make believe, actually seeing yourself achieving your

aspirations. Those aspirations had a powerful impact on your life and functioned as a model of your future success. This is the “vision thing,” and it always amounted to more than a one-or-two sentence slogan. I refer to these aspirations, this “vision thing,” as the Model of Success. The lack of understanding of the Model of Success has resulted in the vision debate.

WHICH WAY IS IT?

In July of 1993, the new Chairman of IBM, Louis Gerstner, was quoted on the front page of the *Wall Street Journal* as saying, “The last thing IBM needs now is a vision.” The cover story of the November 15, 1993 *Fortune* magazine proclaimed “Gerstner’s New Vision for IBM.” Well, which way is it? In January of 1994, in an article on vision in the *Wall Street Journal*, an IBM spokesman explained:

“What Lou Gerstner was saying was that a 25- or 30-word sentence is simplistic and not realistic and not his first priority. But since then, Mr. Gerstner has distributed to employees a list of ‘IBM Principles’ consisting of eight to eighteen words each. The principles pledge ‘a minimum of bureaucracy’ and sensitivity to staff and others. And the spokesman says Mr. Gerstner does plan to articulate an explicit ‘vision’ for the company some time in 1994.”

The question remains, which way is it?

In 1982, in Tom Peters’ book *In Search Of Excellence*, there is no mention of the importance of vision. In his 1988 book, *Thriving On Chaos*, a company’s vision is presented as being “essential” for directing the initiative and energy of front-line employees.¹⁴ Then, in his 1992 book, *Liberation Management*, in a portion of the book entitled “The Vision and Values Trap,” he sets the record straight when he says, “All good ideas eventually get oversold. The importance of a corporate vision and values is no exception,” and then concludes, “Values? Visions? Can’t live without ‘em. . . Can’t live with ‘em either.”¹⁵ The question remains, which way is it?

The One-Sentence Fallacy

To understand the fallacy of a one-or two-sentence Model of Success, one must consider what result is expected from having a clear Model of Success. In a study done by Kouzes and Posner asking people to explain

when people performed at their best, it was found that when a Model of Success was effectively communicated, significantly higher levels of job satisfaction, commitment, loyalty, esprit de corps, clarity about organizational values, pride in the organization, organizational productivity, and encouragement to be productive all resulted. Obviously, this cannot be achieved with a few sentences. Nanus believes that by presenting such a Model of Success:

1. People will be committed and energized.
2. Workers' lives will be more meaningful.
3. A standard of excellence will be established.
4. The present will be bridged with the future.¹⁶

Further, Nanus believes that a powerful and transforming Model of Success has seven special properties:

1. It is appropriate for the organization and for the times.
2. It sets standards of excellence and reflects high ideals.
3. It clarifies purpose and direction.
4. It inspires enthusiasm and encourages commitment.
5. It is well articulated and easily understood.
6. It reflects the uniqueness of the organization.
7. It is ambitious.¹⁷

So, if a Model of Success isn't just a few sentences, what is it? That's a question I found I couldn't answer easily. I didn't know how to define a Model of Success. To begin to shed some light on this issue, I read about Ford, Edison, Goodyear, Watson, Toyota, Kroc, Walton, and many others. The question constantly in my mind was, "What is it that these great Revolutionaries gave their organizations? What was their Model of Success that they communicated to their staff to obtain alignment and success?" After much study, it became clear that what these great leaders did for their organizations is answer the following five Model of Success questions. As a Revolution leader, you are the one who needs to answer these same questions for your organization:

1. Where are we headed?
2. How will we get there?
3. What is the science of our business?
4. What values shall be practiced?
5. How will we measure success?

Based on these five questions, when you define your organization's Model of Success the following five elements must be defined:

1. *Vision*: A description of where you are headed.
2. *Mission*: How to accomplish the Vision.
3. *Requirements of Success*: The science of your business.
4. *Guiding Principles*: The values we practice as we pursue our Vision.
5. *Evidence of Success*: Measurable results that will demonstrate when our organization is moving towards their Vision.

A useful communications tool for illustrating the first four of those elements is presented in Figures 5.1a-e. (Note that the Evidence of Success typically are not included on the bull's eye, as different organizational elements may have different Evidences of Success.)

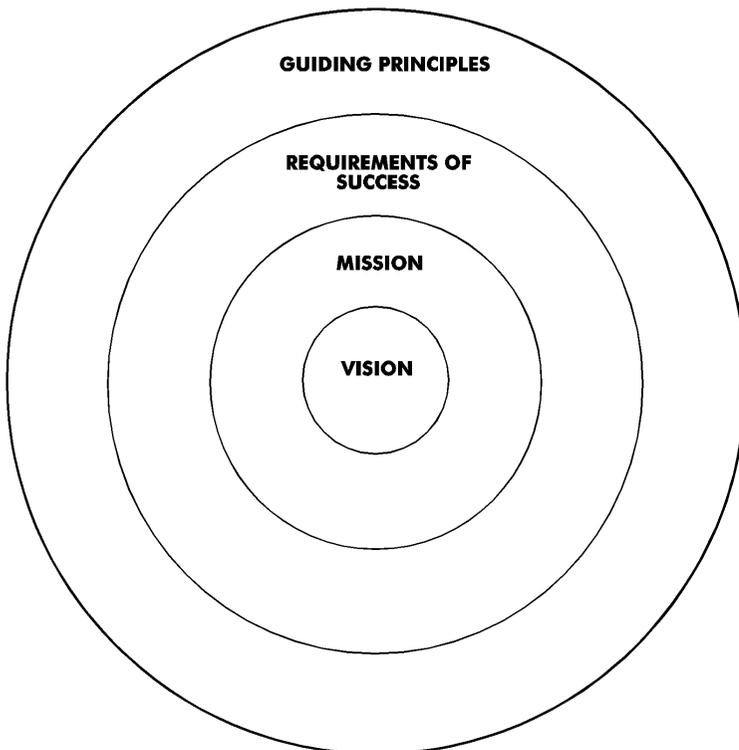


Figure 5.1a Bull's Eye Format

MODEL OF SUCCESS

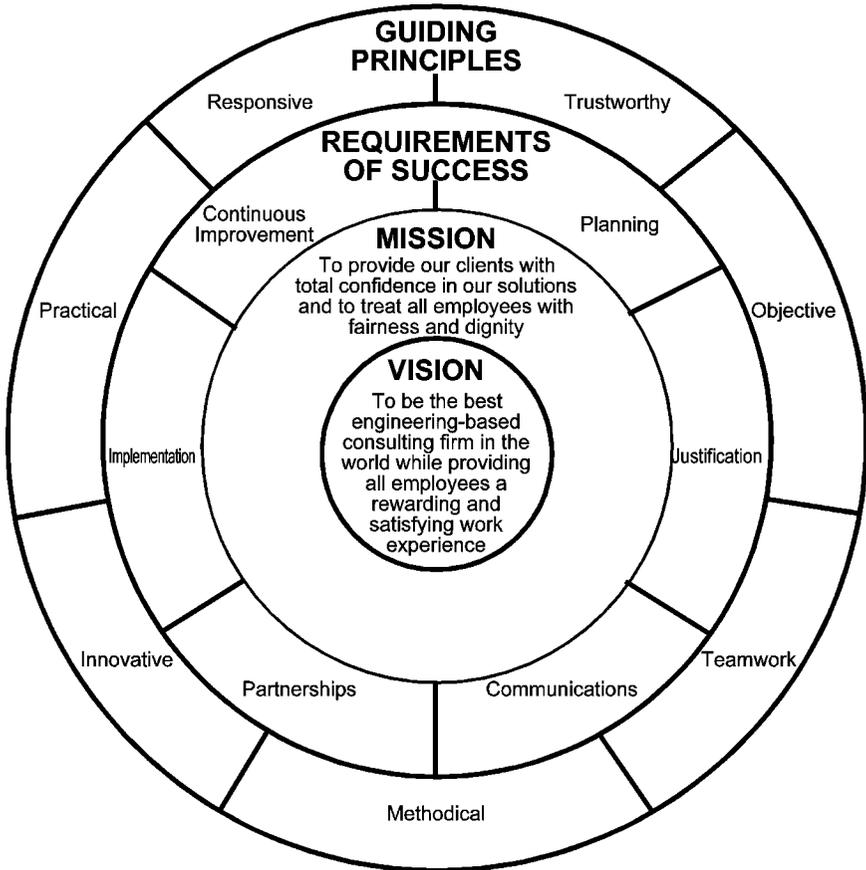


Figure 5.1b Tompkins Associates, Inc. Bull's Eye

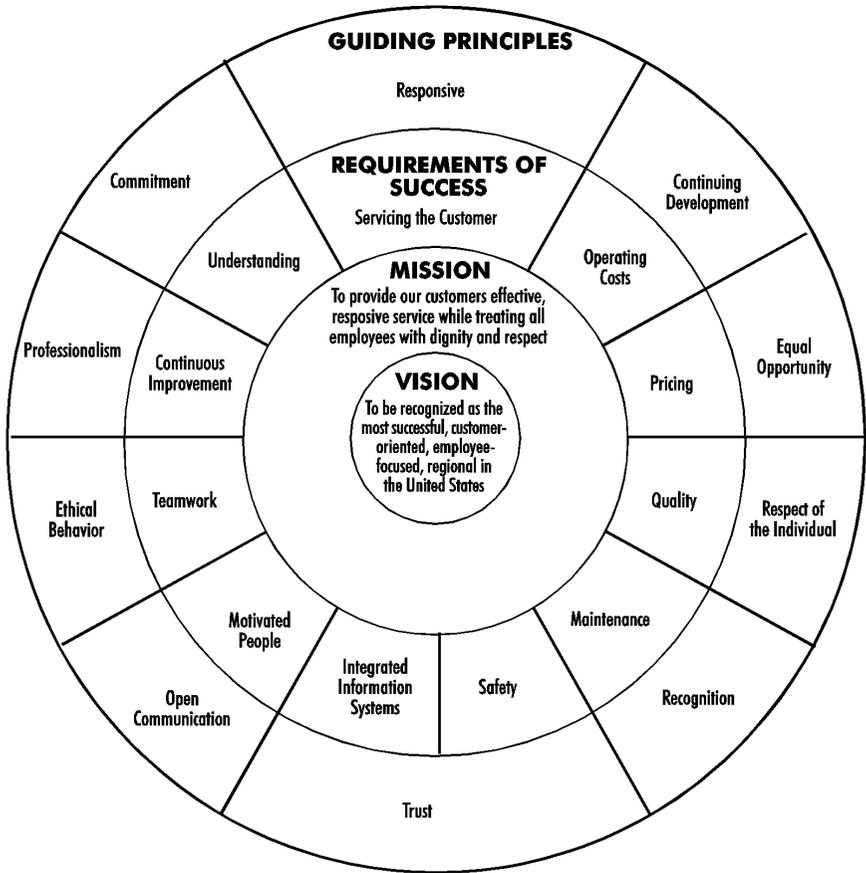


Figure 5.1c Trucking Firm Bull's Eye

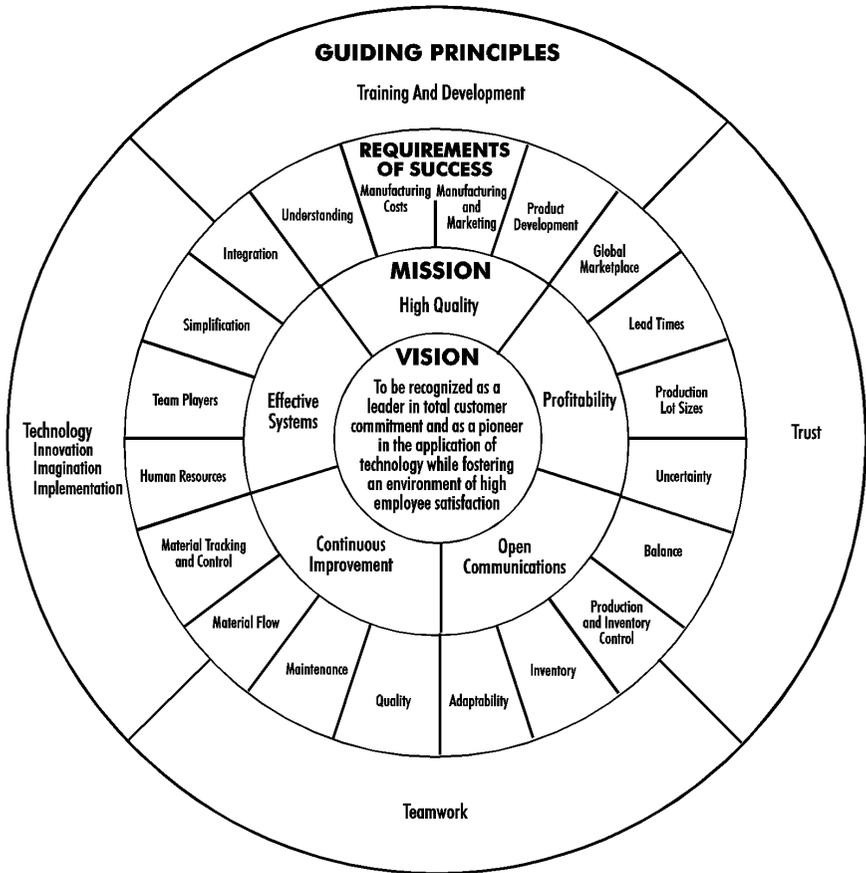


Figure 5.1d Job Shop Bull's Eye



Figure 5.1e. Appliance Manufacture Bull's Eye

Understanding the Elements of the Model of Success

The first two elements of the Model of Success are intimately linked. Often, these two elements are referred to as the Vision/Mission Set. The vision and mission are closely linked; the vision addresses the *where* and the mission the *how*. The vision is a *goal* and the mission is a *strategy*. The word *vision* involves the “seeing” of the future. In his book, *Hey, Wait A Minute: I Wrote A Book*, John Madden writes about a conversation he had with Vince Lombardi about seeing the future and coaching. Lombardi said:

“The best coaches know what the end result looks like, whether it’s an offensive play, a defensive play, a defensive coverage or just some area of the organization. If you don’t know what the end result is supposed to look like, you can’t get there. All teams basically do the same thing. We all have drafts, we all have training camps, we all have practices. But the bad coaches don’t know what the hell they want. The good coaches do.”¹⁸

In the same vein, I recall reading in a sports magazine that Larry Bird and Wayne Gretsky were described as follows:

“The difference between Larry (Wayne) and all the other players is that most players go to where the ball (puck) is, whereas Larry (Wayne) goes to where the ball (puck) is going to be. They actually see a play develop before it happens.”

Leaders must work back from what they see in the future to the present. If instead leaders attempt to project from the present to the future, they will never reach their destination. You reach the future by focusing on where you’re headed, not by looking at where you have been. In fact, a vision should be stated such that the present is described as a past condition of the future, not as a future condition of the past. As a mental picture of the future, visions should be expressions of optimism, hope, excellence, ideals, and Revolutionary possibilities for the company of tomorrow. Each company vision must be unique and can only be appropriate for that particular company.

DOES VISION ELECT PRESIDENTS?

George Bush was aware of the comments about him having a problem with “this vision thing,” but he was unable to step up to the problem. In fact, it is reported that he did not want to hear about the “V” word. The criticism followed Bush before he was President:

“He does not have a clear, crisp, describable ideal for the country,” while he was President.

“Never has the lack of vision in Washington been more obvious. Ronald Reagan ran for President to do, George Bush to serve. Ronald Reagan knew where he wanted to move America; George Bush is unconceived about where America ends up,”

and when he was defeated for reelection:

“Did the lack of vision defeat Bush? It certainly contributed to his loss. After the Gulf War, he seemed to be what *Newsweek* called him in its post-election analysis: A man without a mission. Since he failed to articulate and communicate what he stood for, the electorate threw him over for a candidate who did. Bill Clinton convinced voters of at least one thing: The status quo will change.”

The mission portion of the Vision/Mission Set presents the strategy that the company should follow as it pursues its vision. For example, the visions of both Tiffany’s and Wal-Mart include total customer satisfaction. The methods and strategies employed to achieve this vision, however, are very different. Tiffany’s wishes to pamper, gratify, and entertain, whereas Wal-Mart wishes to provide friendly and fast service at the best price. The mission defines the strategic thrust of the company (Rolls Royce or Chevrolet) and serves as a focal point expression of the company’s operating principles (McDonald’s standardization versus Burger King’s “have it your way”). The mission should be helpful to everyone in the company in providing guidance on how to respond to various day-to-day circumstances. For example, at Tompkins Associates, Inc., where our mission is “to provide our clients with total confidence in our solutions and to treat all employees with fairness and dignity,” I respond to all of the following questions with the question, “What would give our clients the greatest confidence?”

- Should we fax the report or send it overnight?
- Do we invoice the client so the invoice arrives on the due date or so that it is mailed on the due date?
- Should we have our logo or the client’s logo on the bid specification?

- Should we hand out the materials for the meeting before or after the presentation?
- Should we stay at hotel X or hotel Y?
- Who should attend a project update meeting?

In this way, the mission becomes the organization's operating policy, in that it describes how we will be doing business.

The third element of the Model of Success answers these three questions:

1. What is the science of our business?
2. What are the rules of our game?
3. What are the paradigms in which we believe?

All of those questions are answered by an organization's Requirements of Success. It is absolutely critical that everyone in an organization has a clear understanding of the Requirements of Success. This means that, although what appears in the bull's-eye is a single word or a short phrase, there should exist, and be widely shared, an explanation of each Requirement of Success. Unlike the other four elements of the Model of Success, the Requirements of Success are not unique for each company. In fact, in the two industries where Tompkins Associates, Inc. practices most, manufacturing and warehousing, we have established and widely disseminated the Requirements of Success. In the manufacturing area, these Requirements of Success were the topic of the bestselling *Winning Manufacturing* book, the video tape, *Manufacturing: Making A Difference*, and several articles, speeches, and seminars. The 20 manufacturing Requirements of Success, as defined fully in the book *Winning Manufacturing* are:

1. *Manufacturing costs*. Manufacturing costs must be significantly reduced.
2. *Manufacturing and marketing*. Manufacturing and marketing must become integrated and function as a team.
3. *Product development*. Product development must become an integrated, iterative process.
4. *Global marketplace*. All manufacturing decisions must be made within the context of an integrated global strategy.
5. *Lead time*. Significant reductions in lead times must occur.
6. *Production lot sizes*. Production lot sizes and set-up times must be minimized.
7. *Uncertainty*. All uncertainty must be minimized; discipline must be increased.
8. *Balance*. All manufacturing operations must be balanced.

9. *Production and inventory control*: The production and inventory control system must be straightforward and transparent.
10. *Inventories*: Drastic reductions in inventory must occur.
11. *Adaptability*: Manufacturing facilities, operations, and personnel must become more adaptable.
12. *Quality*: Product quality, vendor quality, and information quality must improve.
13. *Maintenance*: Manufacturing process failures must be minimized.
14. *Material Flow*: Material flow must be efficient.
15. *Material tracking and control*: Material tracking and control systems must be upgraded.
16. *Human resources*: Every manager must be dedicated to creating an environment where every employee is motivated and happy.
17. *Team players*: Everyone associated with manufacturing must work together as a team.
18. *Simplification*: All of manufacturing must be simplified.
19. *Integration*: All organizations and operations must be integrated.
20. *Understanding*: Manufacturing management must understand Winning Manufacturing.

In the warehousing area, these Requirements of Success were the topic of the video tape *Warehouse Strategies*, as well as several articles, speeches, and seminars. The 20 warehousing Requirements of Success are:

1. *Professionalism*: Warehousing will be viewed as a critical logistics step and a competitive strength and not as a necessary evil.
2. *Customer Awareness*: Successful warehouse operations will have a high regard for the customer, will know the customer's requirements, and will consistently meet these requirements.
3. *Measurement*: Warehouse standards will be established, performance will be measured against these standards and timely actions will be taken to overcome any deviations.
4. *Operations Planning*: Systems and procedures will be put into effect that allow the warehouse manager to proactively plan the operations as opposed to reactively respond to external circumstances.
5. *Logistics Network*: Warehouses will not be viewed as independent operations, but as elements of the overall, well-planned logistics system.

6. *Third Party.* The reduction of lead times, shorter product lives, and increased inventory turnover will result in an increased use of third parties.
7. *Pace.* The reduction of lead times, shorter product lives, and increased inventory turnover will result in an increase in the pace of the warehouse.
8. *Variety.* More SKUs and more special customer requirements will result in an increase in the variety of tasks performed in the warehouse.
9. *Flexibility.* Due to the increase in warehouse pace and variety, all warehouse systems, equipment and people will be more flexible.
10. *Uncertainty.* All uncertainty will be minimized, discipline will be increased.
11. *Integration.* Activities within the warehouse (receive, store, pick, and ship) will be more integrated and the warehouse will be more integrated within the overall logistics system.
12. *Inventory Management.* Real-time warehouse management systems will utilize cycle counting to manage inventory accuracy, and accuracy above 99 percent will be the norm.
13. *Space Utilization.* Space will be more efficiently and effectively utilized.
14. *Housekeeping.* Quality housekeeping will be a priority and a source of employee pride.
15. *Order Picking.* The criticality of order picking will be understood and procedures and layouts will be designed to maximize picking efficiency and effectiveness.
16. *Team-Based Continuous Improvement.* The power of the people will be unleashed via a methodical team-based process.
17. *Continuous Flow.* There will be a clear focus on pulling product through the logistics system and not on building huge inventories.
18. *Warehouse Management Systems.* A real-time, bar-code based, RF communication WMS (warehouse management system) will be required to meet today's requirements.
19. *Total Cost of Logistics.* The goal will be to minimize the total life cycle costs of logistics, from order submission to product delivery, while providing excellence in customer service.
20. *Leadership.* There must be a balance between the control aspects of management and harnessing the energy of change to create Peak-to-Peak Performance of leadership.

The explanations of the Requirements of Success from the Tompkins Associates, Inc. Model of Success are as follows:

Table 5.2 Explanations of the Requirements of Success (for Tompkins Associates, Inc.)

Action	Description
Planning	Tompkins shall provide their clients with strategic contingency, and detail planning of the highest quality. Internally, Vision, Goals, and Action Plans shall be used to lead and manage the affairs of our business.
Justification	Valid justification is the core of all of our recommendations. Through this technology, Tompkins will ensure wise expenditures of clients' funds. We shall apply the same vigor to the expenditure of our own funds that we do to our clients' funds.
Communication	High quality written and oral communications are a prerequisite to a successful consulting relationship. Quality communications is mandatory for successful planning, justification, and implementation. We believe in open and honest communications. Every effort shall be made to ensure employee involvement and participation through positive, ongoing communications.
Partnership	We are dedicated to the success and growth of our clients. We treat our clients' business with the same dedication and intensity as our own. We are dedicated to the success of our employees. We shall provide an environment in which all employees can enjoy working, develop professionally, be compensated fairly, and participate in company management.
Implementation	We are focused on improving our clients' business by implementing quality recommendations and implementing policies and practices that will result in happy employees, exceptional growth, and increasing profits.
Continuous Improvement	Continuous improvement is the key to success in today's dynamic world. We will address all client and company opportunities not only as opportunities for improvement today, but as a baseline upon which to build continuous improvement.

The Requirements of Success for an organization will most often be a compilation, revision, and/or adaptation of the requirements presented in this chapter. The Requirements of Success should present the basic truths of the company, in the language of the company, so that all company employees gain knowledge of the underpinnings of their company.

The fourth element of the Model of Success, the Guiding Principles, presents a set of standards about how people should be treated. These values are deep-seated, pervasive standards that influence all that we do: our judgments, our opinions, our attitudes, our desires, our fears, our responses, and our actions. These values give direction to the company and define the spirit in which things in the company should be accomplished. As an individual contemplates different actions, they consciously and subconsciously compare the alternatives to these values to define the right path. Successful organizations always demonstrate a set of Guiding Principles that present a strong commitment to the people in the company. This commitment flows from values like trust, fairness, openness, teamwork, development, continuous improvement, respect, participation, pride, dignity, security, accountability, and responsiveness. Because of the company's commitment to their people, the employees, in turn, become committed to the company.

The last element of an organization's Model of Success defines how an organization will measure their movement toward its vision. There is power in defining an organization's measures. And *what* gets measured becomes important. An old leadership principle I learned many years ago is still relevant today: "If you want it, measure it. If you cannot measure it, forget it." Measurement is a tool that leadership should use to help focus their organization on the bull's eye.

Measurement is what provides leaders the information they need to provide organizational feedback, and it is this feedback that serves as the basis for celebration or correction. Without the feedback of these measurements, you don't know if you should redouble your efforts, or if you should change your course.

Unfortunately, in many companies the traditional accounting-based measures used in the 1980s are still being used today. Accounting-based measures drive employees to play games in order to achieve cost and revenue targets, without regard to the actual performance of the business. Accounting-based measures attempt to control how a business functions. This is a real problem, as routine accounting data does not reflect customer satisfaction, market share, quality, employee development, company growth, and hundreds of other measures that are more

important than whether Region X achieved its budget. Effective Measures of Success must be real time, meaningful to an organizational entity, based upon the metric of the organizational entity being measured, and accurate. Without effective Measures of Success, an organization will not know if it's moving closer to its vision or not.

WE *WILL* MEET GOAL THIS MONTH!

At one of the largest beverage manufacturers in the world, achieving corporate accounting-based goals is the norm. Jumping through hoops, internal chaos, and performance suicide is also the norm. The practice of playing ridiculous games with order placement and when these orders are shipped, is widely known within the company. Orders are scheduled to be shipped throughout the month.

However, as the month ends, orders are stolen from the next month to satisfy monthly financial goals. This action causes the next month to be short, so orders are stolen even further out to meet goal. As obvious a problem as this is, the vicious cycle continues. Customers are dissatisfied by receiving unwanted product, production scheduling constantly juggles orders and production, packaging efficiencies and schedule attainment drops, inventories rise, obsolete product is prevalent and employee morale spirals downward. Why? Because the company has decided, "We *WILL* meet goal this month, no matter how much it costs!"

To define the Measures of Success, one must define the organizational entity to be measured, the perspective of measurement, and the performance to be measured. The definition of the organizational entity could be very broad (a whole company or division) or very narrow (a department or a team). The perspective of measurement could be the employees, owners (stockholders), partners (customers and suppliers), community/environment, and/or operations. The performance to be measured could be:

1. Effectiveness
2. Efficiency
3. Quality
4. Relationships
5. Innovation
6. Financial

Performance to be Measured						
Perspective	Effectiveness	Efficiency	Quality	Relationships	Innovation	Financial
Employees	A. 75% of staff pass competency test B. 80% of all employees on improvement teams	A. .2 hours/order B. 98% standard	A. Eliminate order checking B. Achieve 99% rating on corporate packaging audit	A. No time lost accidents B. Reduce turnover 50%	A. 10 Continuous Improvement Teams B. Implement industrial performance tracking	A. \$.11 of distribution per dollar shipped B. Pay no detention penalties
Owners	A. 99.2% inventory accuracy B. Allocate 50% of budget savings to continuous improvement	A. Increase throughput 20% B. Respond to all suggestions in 2 weeks	A. Receive Ford A1 rating B. Obtain ISO 9000 certification	A. Participate in local community groups B. Conduct 2 outside tours per quarter	A. Increase market share by 5% B. Establish 10 strategic partnerships	A. 6 inventory turns B. Greater than 25% ROI on all investments
Customers	A. .1% returns B. .4% stockouts	A. Respond to all inquiries in 1 hour or less B. Turn around customer trucks in less than 2 hours	A. .1% errors B. .2% damage in shipment	A. .05% complaints B. 12-hour lead time	A. Visit 10% of all customers each quarter B. Retain 95% of house accounts	A. Reduce freight claims to .2% of dollars shipped B. No price increases for next year
Community/ Environment	A. .2% damage ratio B. Receive good citizen award from city	A. Respond to all Department of Labor inquiries in 2 weeks or less B. Implement checklists to simplify environmental audits	A. No product contamination B. Eliminate need to distribute products	A. Spend 50% of all disposal dollars with handicapped industries B. Zero lawsuits	A. Recycle all corrugated B. Eliminate birds from warehouse	A. Pay no government fines B. Make product recycling a break-even proposition
Operations	A. 98% fill rate B. 99% delivery on time	A. 82% space utilization B. 95% equipment utilization	A. 99.4% house-keeping rating B. Receive 95 rating on customer service cards	A. Report performance to corporate monthly B. Monthly meetings with MIS on distribution priorities	A. Reduce fork truck damage 70% B. Reduce number of trucking firms used to 6	A. Below budget on expenses B. Energy consumption reduced 10% annually

Figure 5.2 Measures of Success for the Distribution Improvement Team

Performance to be Measured						
Perspective	Effectiveness	Efficiency	Quality	Relationships	Innovation	Financial
Employees	A. Implement gainsharing B. 80% of all employees on improvement teams	A. Run plant at 92% efficiency B. 5% absenteeism	A. Achieve 98% first pass quality B. Implement shop floor SPQ	A. No time lost on accidents B. Reduce 50% turnover	A. Create functional teams for 80% of all production departments B. Cross train 80% of staff in 3 functions	A. Increase total compensation 5% per year B. Reduce rework costs by 10%
Owners	A. Grow volume 10% per year B. Allocate 50% of budget savings to continuous improvement	A. Reduce new product development time to 4 months B. Respond to all suggestions in 2 weeks	A. Be ISO 9000 certified B. Eliminate reinspection prior to ship	A. Reduce warranty claims 10% B. Reduce number of suppliers by 20%	A. Increase marketshare by 5% B. Conform to ADA by end of third quarter	A. Exceed profit goal B. Greater than 25% ROI on all investments
Customers	A. Achieve 95% on on-time delivery B. Ship 98% of all orders complete	A. Bid all specials in 48 hours or less B. All service calls returned within 1 hour	A. .1% customer returns B. .1% damage in shipment	A. 80% of sales to be repeat orders B. .05% complaints	A. Visit 10% of all customers each quarter B. Conduct 4 customer training seminars per year	A. No price increases for next year B. Eliminate charges for freight on back orders
Suppliers	A. Do not change 4 week schedule B. Always order in carton quantities	A. EDI 80% of all purchase orders B. Pay all invoices on time	A. Conduct quarterly improvement meetings with top 10 suppliers B. Eliminate incoming inspection	A. Share 6-month production plans B. Return all special packaging	A. Visit 10% of all suppliers each quarter B. Participate in new product design for manufacture	A. Increase sales by 10% B. Pay for tooling up front and not as a portion of part cost

Figure 5.3 Measures of Success for the Manufacturing Team

(continued)

Performance to be Measured (continued)						
Perspective	Effectiveness	Efficiency	Quality	Relationships	Innovation	Financial
Community/ Environment	A. Receive good citizen award from city B. No layoffs	A. Respond to all Department of Labor inquiries within 2 weeks B. Improve discharge water purity to 98%	A. Receive no EPA citations B. Install back lot drainage system	A. Zero lawsuits B. Spend 50% of all disposal dollars with handicapped industries	A. Obtain 3 patents per year B. Support local athletic leagues	A. Pay no government fines B. Become self-insured
Operations	A. Forecast error less than 10% B. Implement TPM	A. Reduce cycle time to 48 hours B. Reduce schedule variation to 2%	A. 99.4% house-keeping rating B. Reduce SWCP 10%	A. Report performance to corporate monthly B. Work with product engineering from time of product conception	A. Reduce WIP 10% B. Reduce waste by 10%	A. Below budget on expenses B. Increase ROA 10%

Figure 5.3 Measures of Success for the Manufacturing Team

What should exist, then, is a series of Evidences of Success for each organizational entity. Figure 5.2 shows an example of the Evidence of Success for the organizational entity of the Distribution Improvement Team. Figure 5.3 provides an example of the Measures of Success for the organizational entity of the Manufacturing Team.

The Power of the Vision/Mission Set

The power of a Vision/Mission Set could easily be demonstrated by recounting Sam Walton's Wal-Mart/Sam's success. But some may say that this was a one-time success story due more to Mr. Walton than to the alignment of the Wal-Mart organization with the leadership-developed Model of Success. Well then, let's look at other success stories that are today borrowing a page from Mr. Walton's book.

Consider the following somewhat generic Vision/Mission Set:

Vision:

To profitably grow our retail chain of specialty superstores by exceeding the expectations of all stockholders, employees, and customers.

Mission:

1. Close traditional stores and replace with superstores several times larger with several times more stock keeping units.
2. Make shopping in our superstores fun.
3. Implement Every Day Low Prices (EDLP).
4. Sell name brand and premium quality merchandise not supplied by competing vendors but by partners.
5. Maintain the convenience and service of our traditional stores.
6. Finance expansion by selling shares of common stock.
7. Expand both the number of stores as well as the sales per store.
8. Expand into new geographical markets as well as to increase penetration in existing geographical markets.
9. Reduce operating costs through volume purchasing and distribution excellence.
10. Attract and retain highly motivated, well-qualified employees by providing excellent training, development, incentives, and growth opportunities.

Interestingly, the above Vision/Mission Set is not a Vision/Mission Set of any one specific retail organization, but rather an approximation of several chains such as:

Petco: Pet-related products

Pet Depot: Pet-related products

Home Depot: Home improvement products

HQ: Home improvement products

Lowe's: Home improvement products

Bed, Bath & Beyond: Linen and bath products

Linens 'n Things: Linen and bath products

Pacific Linens: Linen and bath products

Tops: Consumer electronics

Staples: Office supplies

Office Depot: Office supplies

Baby Superstore: Baby items

Gymboree: Children's clothing

Yet the success of all of these firms in growth, profit, and customer satisfaction has been unbelievable. It is clear, in all of these cases, that the leadership's definition of the Vision/Mission Set played a key role in the success of their organization.

How to Develop a Model of Success for Your Organization

I have seen organizations spend months, and in one case, more than a year, developing a vision. I have heard of companies who have spent over \$100,000 to develop a vision. This is ridiculous. The total duration from the beginning of the development of a Model of Success to its completion should be less than a month and should require less than 15 hours of time from each of your organization's top leaders. The six-step process for developing a Model of Success for your organization is as follows:

Step 1. Define who should participate in the Model of Success development.

- Step 2.* Conduct a Model of Success Orientation Meeting.
- Step 3.* Complete and compile a Model of Success Development Questionnaire.
- Step 4.* Conduct a Model of Success Development Retreat.
- Step 5.* Complete and compile a Model of Success Refinement Questionnaire.
- Step 6.* Conduct a Model of Success Wrap-up Meeting.

The first step of developing your organization's Model of Success is to define the top leaders in your organization who should participate in the development of the Model of Success. This group will be known as the *Steering Team*, as they will be defining the overall direction of the firm. The Steering Team should consist of the top person and the top person's staff. All significant organizational elements should be represented. The number of people on the Steering Team should be between five and ten. The Steering Team members must have a clear understanding of your business, both good insight and foresight, and a healthy imagination.

The second step of developing your organization's Model of Success is a Model of Success Orientation Meeting. This two-to-three-hour session should be conducted by an outside facilitator and should cover all the material presented in this chapter. This orientation will define:

1. The elements of a Model of Success.
2. Why an organization needs a Model of Success.
3. The use of the Model of Success to drive the process of team-based Revolution and Peak-to-Peak Performance.

The third step is a questionnaire that should be given to the Steering Team a couple of days after the orientation. The Steering Team should be asked to complete this questionnaire and return it to the outside facilitator a few days later. The purposes of this questionnaire are:

1. To confirm an understanding of the Model of Success.
2. To stimulate the Steering Team to begin thinking about their organization's Model of Success.

The outside facilitator should compile the results of the Model of Success Development Questionnaire. This information will be used in the fourth step.

The fourth step is the Model of Success Development Retreat. This half-day session for the Steering Team and the outside facilitator should be

conducted in an environment where there will be no interruptions. The retreat should begin with the outside facilitator summarizing the results of the first ten questions of the Model of Success Development Questionnaire and ensuring that the Steering Team has an understanding of the elements of the Model of Success. After this brief review, the outside facilitator should work with the Steering Team to define the first draft of the Vision, Mission, Requirements of Success, and Guiding Principles.

The fifth step is a questionnaire that should be given to the Steering Team a couple of days after the Model of Success Development Retreat. The Steering Team should be asked to complete the questionnaire and return it to the outside facilitator a few days later. The purposes of this questionnaire are:

1. Refine the Vision, Mission, Requirements of Success, and Guiding Principles.
2. Obtain a first draft of the Evidences of Success.

The results of this questionnaire should be compiled for the Model of Success Wrap-up Meeting.

The last step in the definition of the Model of Success is the Model of Success wrap-up meeting. The outside facilitator should present recommendations on all five elements of the Model of Success based upon the input received on the Model of Success refinement questionnaire. This meeting should address all concerns presented in the refinement questionnaire plus the following questions:

1. *Is the Model of Success doable?* Will your employees understand it and will they believe it can be accomplished? Is it realistic? Does the Model of Success uniquely represent your company's future?
2. *Is the Model of Success authentic?* Is the Model of Success an honest attempt at defining a direction or is it just a marketing slogan or a public relations gimmick?
3. *Is the Model of Success compelling?* Can employees get excited about the Model of Success? Is the Model of Success future oriented, challenging, and aggressive? Is the Model of Success too ambitious or not ambitious enough? Will the Model of Success inspire enthusiasm and encourage commitment?
4. *Is the Model of Success personally enriching?* Will employees understand how their life will be improved by pursuing the Model of Success? Will employees understand how they will grow while pursuing the Model of Success? Does the Model of Success set forth a standard of excellence and reflect high ideals?

5. *Is the Model of Success focused yet flexible?* Will the Model of Success provide the framework for the unification of all employees' efforts without restricting the company from pursuing breakthrough opportunities and possibilities?

The result of the Model of Success Wrap-up Meeting should be unanimous acceptance by the Steering Team of the organization's Model of Success.

Achieving Model of Success Alignment

As the importance of organizational vision and goals has become so prominent in recent years, organizational alignment is now becoming even more prominent. This is a logical evolution, for no matter how polished and inspiring an organization's Vision and Model of Success are, unless those within the organization "buy in" to the vision and adopt it as their own, the organization has accomplished very little.

The difference between the successful organization that achieves Peak-to-Peak Performance and the traditional organization that flounders is not the quality of the Model of Success, but the quality of the organization's *alignment* with the Model of Success. There is no greater challenge for the leader than the challenge to obtain organizational alignment with the Model of Success.

In today's complex organizations, no one is autonomous. All organizational elements and all employees are interdependent. This interdependence can be an asset if everyone is focused and working together, but a major liability if people are *not* focused and *not* working together. In fact, in an organization that is aligned, change brings about improvements, progress, success, and a sense of accomplishment. By contrast, in an organization that is not aligned, change brings about confusion, demoralization, failure, and a sense of futility. The interdependence of an organization requires that as change occurs, every person in the organization be aligned.

The Model of Success must be instilled into every person in the company, in much the same way as the DNA code that infuses the architecture of the whole into every cell of your body. Having every person focused on the Model of Success allows the interdependent organization to work as a powerful whole instead of many conflicting

elements. This alignment is powerful, for people will be pulling in the same direction, and pulling harder, as they have confidence they are pulling in the right direction. For a leader to define an organization's direction, they must define the Model of Success and obtain their company's alignment with it.

Just What is Alignment?

To clearly define what alignment is, let me quote authors George Labowitz and Victor Rosansky from their book *The Power of Alignment*.

- Imagine working in an organization where every member, from top management to the newly hired employee, shares an understanding of the business, its goals, and its purpose.
- Imagine working in a department where everyone knows how he or she contributes to the company's business strategy.
- Imagine being on a team whose every member can clearly state the needs of the company's customers and how the team contributes to satisfying those needs.¹⁹

The authors go on to define the process of alignment with the following propositions:

Alignment is when an organization is able to:

- Connect their employees' behavior to the mission of the company, turning intentions into action.
- Link teams and processes to the changing needs of customers.
- Shape business strategy with real-time information from customers.
- Create a culture in which these elements all work together seamlessly.²⁰

Therefore alignment is the behavioral and emotional interconnectedness of employees to the vision, mission, and function of an organization. Anyone who has been involved in organizational leadership for any length of time will know that this is extremely difficult. But without a doubt, the establishment and increase of organizational alignment is a fundamental necessity of business today, and should be a primary target for Revolution.

The Path of Alignment

For many, the subject of alignment may be new territory, or territory which is not yet understood. What I want to do here is to chart out what I believe are the ten foundational building blocks of alignment, providing you with a distilled discussion on alignment and a clear usable path forward. I want to give you the eight “P’s” of alignment.

Alignment must be:

Preceded

Alignment does not occur in a vacuum. It requires many other Revolutions to have taken place first before it can be pursued. In particular, alignment must be preceded by the development of an organization’s Model of Success. If I were to boil down in one sentence what alignment is, I would say alignment is the adoption of the organization’s Model of Success as one’s own. Alignment means the acceptance of the responsibility for making the Model of Success a reality. Alignment is demonstrated commitment to the Model of Success on the part of the employees. Therefore, if you currently do not have a Model of Success, your organization cannot be aligned yet.

Public

As may be seen in Figure 5.4, the next step in achieving alignment is *communication*. Public communication is the conduit of alignment. This is not a one-time meeting where the Model of Success is explained, but rather a publicly pervasive, consistent, on-going, persistent, never-ending focus on the Model of Success. Leaders must accept as their primary task (a cause or a crusade even) their role as champion of the Model of Success. Leaders must promote and, yes, even *sell* the Model of Success. Leaders must publicly breathe life into the Model of Success and make it exciting and fun. The process of Revolution provides a vehicle for the leader to communicate the Model of Success to everyone in their organization and to provide total focus on the Model of Success.

As may be seen in Figure 5.4, the communication of the Model of Success will open up three different paths. The most difficult path results in a resistance to the Model of Success. These people, the resisters, don’t believe the Model of Success is relevant; due to their lack of trust in leadership, they cannot be made to understand the Model of

Success. The resisters won't comply with the Model of Success, cannot be made to understand the Model of Success, and will resist efforts to try to force compliance with it. Depending upon the historical culture of an organization, the resisters will be anywhere from 15 to 50 percent of the total work force. These resisters are not bad people. They shouldn't be fired. In fact, the resisters often have valid reasons for their lack of trust in leadership. But persistent communication will not result in the resister becoming aligned. The resisters must be won over with demonstrated performance. To win over the resisters, the leader must not only talk the talk, but also walk the walk.

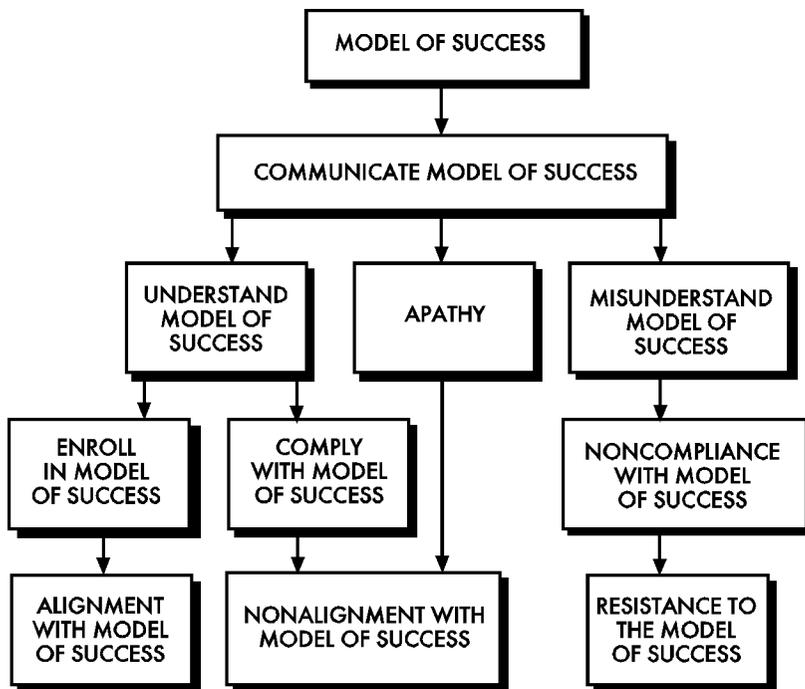


Figure 5.4 The Process of Pursuing Model of Success Alignment

The center path in the process of pursuing Model of Success alignment results is not a *resistance* to the Model of Success but a *nonalignment* with the Model of Success. These nonaligners could be suffering from apathy, which precludes an understanding of the Model of Success, or could be people who understand the Model of Success, comply with

it because they don't want to lose their job, but aren't really aligned with it. Typically, the nonaligners have been exposed to program after program (Employee Involvement, Organizational Development, Quality Circles, Total Quality Management, etc.) and see the Model of Success as just another passing fad. Depending upon the level of MBF (Management By Fad), the nonaligners could represent somewhere between 20 to 50 percent of your employees. Over time these people have become numb to all of management's new programs, and therefore some significant time will be required in order to win them over. Persistent communication *will* awaken these nonaligners and bring them into alignment with the Model of Success.

THE CEOs SPEAK OUT ON ALIGNMENT

George Labovitz and Victor Rosansky, the authors of the book, *The Power of Alignment*, asked outstanding executives what the concept of alignment meant to them. Here is what they said:

Fred Smith, CEO of Federal Express, said "One of the first things we recognized is that most managers don't know what management is about. Alignment is the essence of management."

Dr. Dennis O'Leary of the Joint Commission on Accreditation of Healthcare Organizations said, "Alignment ensures that the organization is in balance—that all the pieces fit together. . . our accreditation process itself is consistently in search of organizational alignment. Alignment is what *we do*."

Lee Cox at AirTouch uses the analogy of a magnet to describe the impact of alignment. "If you drop a bunch of iron filings on a table from 10 feet, they'll be all over the place. Then as you start to put a magnet near them, you'll see the ones closest to the magnet start to move and twitch and start moving in the same direction. Getting into alignment is very difficult where there is none. Once you get there, staying in alignment isn't so difficult."

Labovitz and Rosansky go on to say that each of these CEOs aligned their organization by following the same deceptively simple tests:

- Carefully crafting and articulating the essence of their business and determining the Main Thing.
- Defining a few critical strategic goals and imperatives and deploying them throughout their organizations.
- Tying performance measures and metrics to those goals.
- Linking these measures to a system of rewards and recognition.
- Personally reviewing the performance of their people to ensure the goals are met.²¹

These insights and steps are the foundation of any Alignment Revolution.

Personal

Alignment doesn't occur to a *group* of people. Organizations do not get aligned, individual people do. This can be a difficult aspect of alignment in larger organizations, but it is critical nevertheless. The question for a Revolution leader is not "How can I get my organization aligned?" The question is "How can I get Bill or Sue or Bob aligned."

The important take-away from this point is the realization that actions, styles, and vehicles used to encourage alignment may need to vary with each person. What achieves alignment for one person may not work for another, and vice versa. So the action/style/vehicle must be customized for each person. It is also important to realize that the trust, credibility, and perception of the one requesting alignment is critical. For example, *Dr. Tompkins* can achieve alignment from some people who are impressed and motivated by individuals with higher degrees, but *Dr.* may be a turnoff for others who may desire alignment to be requested from *Bubba*. Usually alignment becomes a case by case project. But whatever time you as a leader put into this personal aspect of alignment is time well spent.

Practical

There must be a compelling, practical benefit to being aligned. People do not become aligned because it seems like the thing to do. There must be a real, viable, and practical set of reasons. Perhaps alignment will increase customer satisfaction which will increase sales which will increase profit sharing. Or, on a relational level, perhaps alignment will reduce friction between two people as they focus more on the Model of Success and its fulfillment than on their personal quirks. Whatever the benefit is, find it and communicate it. Make alignment make sense and appear practical; after all it does and is.

Progressive

Alignment is not something you can issue a memo on tomorrow and consider it done. Even if such immediate implementation did achieve alignment, it wouldn't last. Alignment simply does not last forever. It is like motor oil. It needs to be changed and upgraded from time to time. Alignment must be an evolutionary journey of growth in levels of commitment. Again, alignment, like most everything else in a Revolutionary context, is a process and must be nurtured over time.

Pledge-based

Alignment cannot be forced upon a person. Alignment requires a personal decision of enrollment, which is the acceptance of accountability for something that is going to occur. It is a movement from something *they* want to achieve to something *we* will achieve. I could easily see making alignment acceptance a semi-formal ceremony, where an individual publicly or privately enrolls their acceptance of and alignment with the Model of Success. Perhaps in this ceremony, the leader could recognize the individual's role in fulfilling the Model of Success. Think what that would do for the individual's morale and for peer respect. Of course, the level of alignment and the role the individual played in fulfilling the Model of Success would continuously grow; but such an enrollment would serve as a visible and emotional stimulus toward the alignment process. Whatever method you choose, make sure that the individual is consciously aware that they have accepted the Model of Success and have pledged to make it a reality.

Powerful

Alignment is to an organization what a magnifying glass is to the sun light. It provides a powerful focus and allows things to really heat up. Alignment brings a focused level of power that a nonaligned organization simply does not possess. An *aligned* organization will be a *focused* organization, and a focused organization is a *powerful* organization. It is powerful because the high level of commitment and loyalty result in the unified pull of all energies and powers toward Peak-to-Peak Performance.

Persistent

There are parts of alignment that require a lot of effort on the part of the leader. The largest demand is the demand for persistence. The process of the journey of alignment requires persistent, consistent repetition of the same thoughts, ideas, and concepts from the leader. Perhaps you need to schedule actions you can take to reinforce alignment in someone each week. Well after the speaker gets tired of repeating the same message, people will hear it for the first time and become aligned.

Model of Success Renewal

An organization's Model of Success should seldom change, but should routinely be subject to review. At least annually, the Steering Team should review the Model of Success and compare the company's progress, the changes in the environment and the marketplace, and any shifts in assumptions or paradigms, and thus either reaffirm or renew the Model of Success. The renewal of the Model of Success will typically involve a change in a word or a phrase. It is rare that the renewal will be major. On the other hand, if drastic shifts have occurred, there is no better way to send a signal to an organization than to make a significant change in the Model of Success. As the Steering Team reaffirms or renews the Model of Success, this should be communicated throughout the organization to maintain the focus on and alignment with the Model of Success.

Call to Action

How have you done with charting the vision of your organization? Are you currently trying to lead your Revolution with a one-sentence vision? If so, you are probably frustrated with the lack of understanding and alignment on the part of your employees. The solution? Develop a holistic Model of Success. The future of your company depends on it.

