



## *Has Your Company Stalled?*

As the current economic expansion sets a new duration record every day, now is a good time to take stock of how your company is performing and specifically its readiness to adapt and stay ahead when economic conditions are not so positive.

This is the first of three brief papers we will post to aid your thinking about how to raise organizational vitality and accomplishment. We offer a way to think about how to overcome a business' lost momentum, be the stall related to operational or safety issues, lackluster growth and innovation, or diminishing cash flow generation. Future papers will talk more about how to drive change and think through sustaining organizational success factors.

### **What are the symptoms of a deeper issue?**

Some stalled companies know they are mired and suffer a cultural malaise that reinforces ho-hum results. Others can exhibit other pernicious cultures, such as those where management gets along harmoniously but nothing good happens, or where managers cannot interact or collaborate productively.

Regardless of their origins, symptoms of productivity stalls eventually work their way through to declining metrics related to market value capture: weakening rates of organic growth, softer cash flow, and poor market visibility due to less customer-connectedness.

### **How do you get off square?**

The first and most important step is to assess the effectiveness of leadership. Does the team have a common agenda? Is that agenda rooted in the market so that it results in increasing customer value? Do the skills of the team match its collective will or strategic intent?

Does the leadership team have a programmatic improvement agenda, with clear initiatives that will be tackled in a logical sequence? Are there appropriate processes in place to measure and acknowledge successful results?

Picking a starting place for a pervasive problem is difficult, so how you start to prioritize? There is truth in the saying that you eat an elephant one bite at a time. And in this case, the 80:20 rule has great relevance: focus on the critical few things that will drive the greatest results in the least amount of time and with the lowest investment of resources (people and capital).

An organized, standard approach to launching and overseeing key initiatives is very important, but companies need to guard against creating a culture that is excessively process-centric; the focus needs to tightly adhere to substantive issues that drive the business forward.

## **How do you know it will work? How do you recognize success?**

Even the largest organizations can quickly ignite themselves out of a stall. There are three key areas where positive momentum will manifest:

You will see it in the market, with improvements in profitable market share and customer loyalty. The strategic story of the company will be better understood within the company, backed up with near term operating objectives and plans.

Ultimately, the logic of management succession plans will be clear to the critical players. A stalled organization has unique symptoms and requires careful analysis of underlying issues. Leadership effectiveness including a substantive approach to key initiative accomplishments is fundamental to moving off of “square one.”

We welcome your questions, feedback, and examples of stalled companies that successfully reinvigorated themselves through thoughtful application of a programmatic improvement agenda with clear initiatives, sequencing, measurement and recognition of successful results.

We look forward to sharing further thoughts on this subject in future papers.