




The Key to Dynamic Business Growth

*Focus on Execution to
Leverage Your Strategy*

By Rip Tilden and Kelly Vange

**Makarrios**
Consulting, LLC



Published by
Makarios Consulting, LLC
2837 Westerham Road
Downingtown, PA 19335

www.MakariosConsulting.com

Copyright © 2010 Makarios Consulting, LLC. All rights reserved.
No part of this report may be reprinted, reproduced, or
distributed in electronic, print, web, or other format without
express written permission of the author.

The Key to Dynamic Business Growth

Focus on Execution to Leverage Your Strategy

By Rip Tilden and Kelly Vange

Great products, skilled employees, and a solid customer base don't guarantee a successful business. Not, that is, if success is defined as organic, dynamic, on-going growth.

At a certain point in any business's development – often just after a growth spurt – momentum slows down. Sales drop off. Manufacturing timelines get longer. Internal communications seem to die on the vine.

The fact is that the business has entered a new phase. It is bigger, more complex, and more powerful. But until that new length and breadth and depth have been effectively assimilated, those very aspects serve to weigh the business down instead of propelling it upward.

When this transition period is reached, it is a common practice to call together the management team and engage in a serious brainstorming and strategy session. Goals are defined. Objectives are set. Plans are made.

But all too often, what follows is ... nothing. The goals aren't reached, the objectives aren't met, and the plans aren't followed. Why not?

Strategic Frustration

Strategic planning is vital to the long-term health of any business. That is an absolute truth. However, it is important to recognize that “the best laid plans” commonly get derailed because people feel:

- **Defeated.** Good managers know the tools, budget, and people they have to work with. All too often, strategic plans present a grand sweep of objectives that managers know can never be accomplished with the

resources on hand. They may agree that the plan encompasses a great vision, and even that it is where the company needs to go. But if they believe there is no way to actually reach those goals, defeat has happened before they've left the boardroom.

- **Rushed.** Planning takes time, and time is a commodity in short supply. The result? Executives and managers leave the single- or multi-day strategy session in a state of high urgency, knowing that work hasn't stopped while they've been incommunicado. They jump back into daily business ... and never look back.
- **Stressed.** Good strategic planning takes time, effort, and – often – money. An outside consultant may have been brought in to provide that all-important objectivity. It's natural after the return to day-to-day business for managers to feel anxious to deliver on the plan. They want it to succeed. But somehow they can't seem to implement any of the changes or progress toward any of the goals. So anxiety grows.

Given all these ways that strategic planning can be frustrated, is there a better solution?

Putting Strategy Second

The alternative is a radical and counter-intuitive proposition: put strategy second. Focus first on improving day-to-day operations to address near-term performance issues and get business moving forward again.

Here's why: *all three major frustrations listed above occur because the right people, the right data, and the right processes aren't in place.* People feel defeated because they know they can't do what they're being asked. They are rushed because they are hampered at every turn by inefficiencies. They are stressed because they don't have the information they need to move forward.

Case Study: *Running a Profitable Non-Profit*

A multi-million dollar organization with over 1000 employees may be a not-for-profit company, but it is still a business and must be run like one.

When the organization came to Makarios Consulting, they were looking for assistance creating an in-depth strategic plan.

Addressing daily operations was not part of the requested planning process: they firmly stated that they wanted to put the strategic plan in place first. Accordingly, a detailed plan was developed that would help the organization increase their membership, expand their offerings, and serve their community.

Unfortunately, the plan had to be put on hold. Why? Because in attempting to implement the plan, it was revealed that the organization was hampered with uneven leadership practices and inefficient day-to-day operations. Until these issues were resolved, the strategic plan could not move forward.

Were the leaders of the non-profit disappointed at the delay? Yes. Their timetable was pushed further out than they had originally anticipated because before they could execute the plan, they needed to learn to execute their business.

But consider what is achieved when the right people, the right data, and the right processes are put in place:

- **Immediate changes improve the bottom line.** By examining the flow of daily business and seeing where it can be streamlined and strengthened, improved performance is almost guaranteed. Daily operations rarely have to be entirely scrapped and reinstated: usually, success is a matter of making a series of minor adjustments whose cumulative effect is profound.
- **Personal motivation and innovation soars.** Success in day-to-day business life is a powerful motivator! As management and employees see improved performance in the short-term, they are both stimulated to make additional improvements to daily processes to capitalize on that success, and liberated to set their sights on even larger goals.
- **Recurring problems are resolved.** An inescapable part of improving day-to-day operations is addressing – once and for all – problems that have lingered for months or even years. Instead of pushing these matters aside, the issues become a top priority to be dealt with ruthlessly.
- **Decisions spring from a proactive mindset.** When business is slow or experiencing difficulty, it is easy to make reactive or even rash decisions. Conversely, improved sales, satisfied customers, and steady revenue provide a solid framework within which to plan a new product line, pursue a new target market, or leverage a new opportunity.
- **Strategic planning is positioned for success.** Strategic planning is now removed from the realm of the theoretical and is grounded in gritty practicality. Instead of coming up with aggressive or stretch goals “out of the blue” and finding out later that they are impossibilities, all strategic goals are built from the ground up to ensure attainability.

So what is involved in improving day-to-day operations?

Operational Success

It's important to define what we mean by "operations." Operations aren't only for companies who manufacture physical items in factories and plants. *Operations refer to the structures that enable a company to deliver on its promise to the customer.* That means that every business needs to pay attention to their operations: whether they're selling advice, technology, objects, or services. It also means that operations cover every aspect of business, including planning, manufacturing, distribution, sales, fulfillment, customer service, support, billing, marketing, etc.

That can seem overwhelming, but fortunately, operations can be grouped into three main areas as already intimated above. Put simply, businesses need to focus on:

- **The right people.** Businesses are built on people. For that reason, it is absolutely essential to have the right people in the right seats. To clarify roles and responsibilities. To streamline interactions and communications. To fill any personnel gaps that may exist.
- **The right data.** People are at the core of any business, but they cannot function without information: accurate, timely, and relevant data. That is why successful day-to-day operations include both the transmission of current data and the tracking of historical data. Both are necessary in order to make wise business decisions on an on-going basis.
- **The right processes.** Finally, the right processes need to be in place to allow people to do their jobs effectively and maximize their use of data. Especially as businesses grow in size, it is important not to let processes become unwieldy by simply adding new processes on top of old ones. Processes need to be continually re-examined to evaluate their current effectiveness.

Case Study: *Healthy Operations*

A multi-million dollar health care firm had just finished a traditional strategic planning process under a new CEO and CFO. Unfortunately, when the outside consultant they had hired walked away, they were left with beautiful PowerPoint slides but no plan to bring the new strategy to life.

They called in Makarios Consulting for guidance on how to proceed. After extensive business evaluations, Makarios determined that the core need was to improve daily execution. There followed several rigorous months where people were shifted into roles where their strengths could be best utilized, new accountability relationships were established, weekly scorecards were introduced to track progress, better reporting was instituted, etc.

The result? It became evident that the health care company actually had not needed a new strategic plan at all. In fact, they had been doing very well in the marketplace. The problem was simply that their operations hadn't been able to handle the speed of their growth. With improved operations, they were not only able to handle their current business, but were able to significantly increase their market share.

Once operations are running smoothly, what is the best way to move forward?

Short-Term Priorities

One of the best pieces of advice when it comes to developing strategy is this: *start small, and grow big.*

When business leaders are asked to develop strategy, the timeline frequently is two years, five years, or even ten years. That grand plan is definitely an important part of strategic planning, but it is better to start by looking at the short term.

The fact is, when businesses focus exclusively on long-term goals, it is too easy to put them on the shelf as something to be done "tomorrow." Soon, the days turn to months and the months turn to years – and the strategic plan has done

nothing more than gather dust. By establishing short-term goals, ideally on a quarter-by-quarter basis, it is easier to track progress. Plus, momentum and motivation are built as people see success.

It is essential to keep that list of short-term priorities contained. If the list has 20+ items on it, people will feel overwhelmed, toss the list aside, and forget about it. Instead, make the list very short, with just a few items on it. Then it is possible to measure the progress of those items on a weekly basis and to make adjustments where necessary.

Once in the habit of setting and reaching short-term goals, it is possible to plan effectively for the long term.

Case Study: *Revising Strategy*

It might be contended, “How can I improve my operations if I don’t know my end goal?” The answer is two-fold. First, improving operations focuses on business as it is today: no future knowledge or plan is required. Second, making sure that business is running smoothly in the present can never have an adverse effect on the future.

For example, consider a small, family-run manufacturing firm serving the medical industry. As Makarios Consulting worked with the company to streamline daily operations, a very important gap was discovered: the company was not tracking data on product manufacturing and sales. As a result, they could not state with assurance where their revenue really came from.

A reporting system was immediately set up. Within several months, the data showed quantitatively which products were the most profitable, and which were the least profitable. This data from the improved operations then guided their strategic decision-making process about whether or not it would be beneficial to develop new products or enter new markets.



Marrying Operations and Strategy

Strategic planning is essential to the health and growth of every business. But before sitting down at the conference table, it would be well to examine the day-to-day operations of the business and ask the hard questions:

- Do I have the right people in the right places?
- Am I gathering the right data in order to make good decisions?
- Are my processes streamlined and efficient?

When the answer to each of these questions is an unequivocal “Yes!”, then strategic planning can take place with confidence, with the knowledge that the plan can be implemented *immediately, efficiently, and successfully.*

Contact Us

Makarios’ solutions are inspired by the needs of our clients, including their demand for operational excellence and a competitive edge without incurring the overhead of large consulting firms. To talk with the principals of Makarios and to transform your organization, call us at 610-380-8735, or email Timothy Thomas at thomast@mc-llc.com or Rip Tilden at riptilden@mc-llc.com.

About Makarios

Makarios Consulting is a full-service management consulting firm. We work with business owners and entrepreneurs who want to grow their companies and execute more effectively every day. Our unique set of management disciplines and tools helps clients refine their business strategy, improve their operating performance, and build healthy leadership teams. Clarity and accountability provide our clients with the traction to outperform their competitors – every week, every month, every quarter. To find out more, please visit www.MakariosConsulting.com.