

Six Of The Best

*A hand-picked selection of articles by Stuart Cross
from the last six months*

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**MORGAN CROSS
CONSULTING**

www.morgancross.co.uk

***Powerful Strategies
For Dramtic Growth***

About Six Of The Best

This booklet includes six of my articles from the last six months. They are selected from my free, monthly e-newsletter, Great Results, my blog, Cross Wires.

Each article is designed to provide a mix of provocative ideas and practical tools to help you improve performance – for you, for your team and for your business.

Thanks for reading.

Stuart Cross



The Six Articles

- 1. What David Cameron Must Learn About Leading Change**
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1. What David Cameron Must Learn About Leading Change

First published on BNET, June 29 2010

David Cameron recently revisited his big idea from the May election campaign, and launched his “Big Society” vision. Unfortunately, I believe that Mr. Cameron’s Big Society programme is destined to fail if it continues to be led and managed along its current path.

My experience of leading organisational change programmes has taught me that three conditions must be met before people will change their behaviours in a positive and lasting way.

1. There must be a deep sense of dissatisfaction with the current situation. A feeling of ‘something must be done’ must be shared by sufficient numbers of people so that you can explore new ways of working.

The Big Society falls at this first hurdle. I don’t believe that the management of public services – outside of hospitals and schools – is that high on people’s agenda, and during the election campaign MPs reported back to Mr. Cameron that the Big Society idea was not resonating with voters.

The Prime Minister’s colleagues don’t even seem share his discontent with the current systems. Mr. Cameron is consistently pictured alone when talking about this subject; the Big Society seems to be run by a team of one.



2. A clear vision for the future must exist. You must be able to articulate how the organisation and your people will be better off as a result of the proposed change.

Here, I think the Prime Minister does better. He talks about reduction in bureaucracy and greater ownership and control by local people. The vision may be slightly too fuzzy for some people, but at least a sense of direction exists.

3. There must be clarity around the initial key steps required to make the change happen. People don’t need to understand, in detail, the whole journey, but they do need to have sufficient clarity on how it will begin. It is the leader’s job to shine a light into the dark so that people can see how they can move forward, what is expected of them, and what they need to avoid.

3. Clarify the specific steps that will be taken to make the Big Society happen, and give people the information, skills and tools necessary for them to let go of the current ways of working and move, with confidence, to the new system.

Here again, however, the Prime Minister is found wanting. The reaction of commentators and the general public has highlighted the uncertainty about what participating in the Big Society actually means.

The Big Society needs a big change in how it is being led. Mr. Cameron has a lot of work to do to make it succeed and should take three immediate actions:

First, the PM should create a shared sense of dissatisfaction with the way our local services are delivered, and raise the importance of this issue in people's minds. He needs to start by building a collective sense of discontent among his cabinet colleagues, then across his parliamentary party, and through to the wider population

Second, the Prime Minister must work with his key colleagues to better articulate what success will look like, and ensure that the whole leadership group is able to give the same story about the future vision.

And third, Mr. Cameron needs to clarify the specific first steps that will be taken to make the Big Society happen, and give people the information, skills and tools necessary for them to let go of the current ways of working and move, with confidence, to the new system.

The Bottom Line

So much for David Cameron, what about your major change programmes? Have you and your team clearly articulated why change is required, how your organisation will be better off as a result of the change, and what's required of your people to take it forward? If you haven't, don't be surprised if the response is as lukewarm as the UK public's reaction to the PM's Big Society.

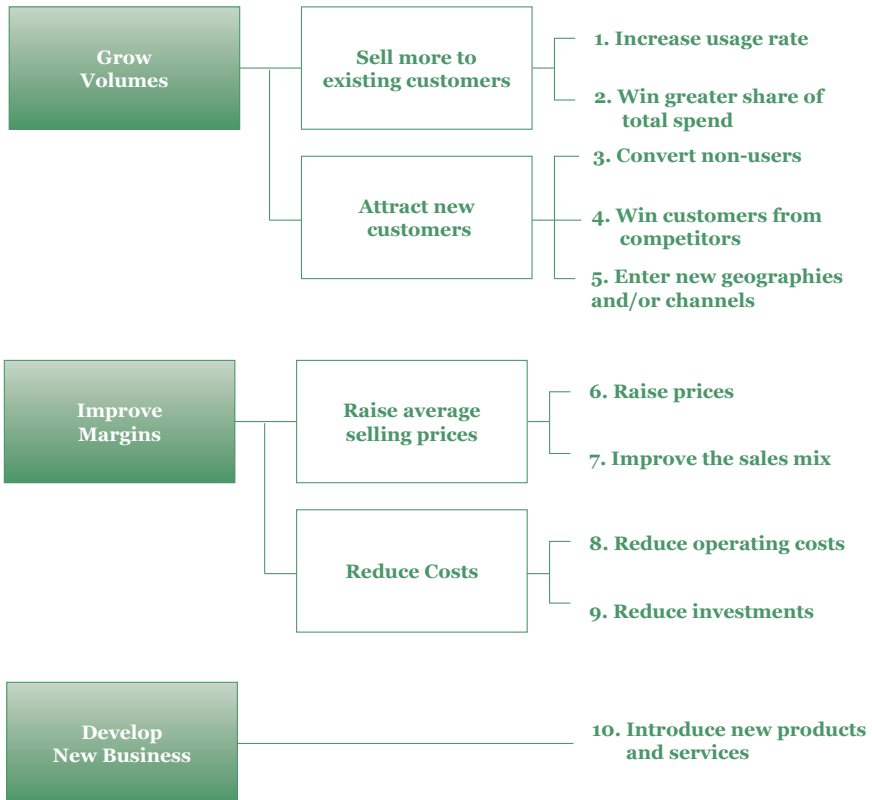
“The Prime Minister’s colleagues don’t even seem share his discontent with the current systems. Mr. Cameron is consistently pictured alone when talking about this subject; the Big Society seems to be run by a team of one.”

2. The 10 Ways To Grow Profits

First published on the Cross Wires Blog, 10 August 2010

Despite the innumerable books, articles, videos consultancy services, and management courses on the subject, there are still only 10 ways. Which of the 10 are most likely to deliver profitable growth for your business? The answer to that question will have significant implications for your strategic priorities, key programmes of work and organisational focus.

The 10 Ways To Grow Profits



3. The Trouble With Quick Wins

First published on the Cross Wires Blog, 10 August 2010

Is that they usually aren't.
There are three reasons:

1. Their impact is too small to register on any performance scale as a 'win'. This means that the project is never at the top of anyone's list of priorities and is never fully delivered.

2. They consume more effort than you originally estimate. The lack of progress means that you have to spend more time managing your project and communicating with and influencing your reluctant stakeholders.

3. They prevent you from getting on with more important projects.

This is the biggest reason of all. As Apple boss, Steve Jobs, once said, *"It's only by saying no that you can concentrate on the things that are really important."*



So what should you do instead?
The simple answer is to get on with the important stuff. If something is valuable, but difficult, that is all the more reason to do it – it is likely to be just as difficult for your competitors.

Quick Wins are only justified when they are an intrinsic part of delivering a Big Win. By all means celebrate your early, small victories that form critical early steps towards a major business improvement, but don't get sucked into the vortex of project madness where you end up pursuing quick wins for the sake of it.

"Quick Wins are only justified when they are an intrinsic part of delivering a Big Win."

4. Unbalancing The Balanced Scorecard

First published on the Cross Wires Blog, 20 September 2010

My big problem with the Balanced Scorecard approach to strategy and performance management, is that it is, well, too balanced. It makes everything of equal importance.

In most Balanced Scorecard projects and reports I've seen, there is a general assumption that all goals carry the same weight. The end result is that the management of the business becomes unnecessarily complex and confused, with managers trying to keep on top of a dozen or more measures.

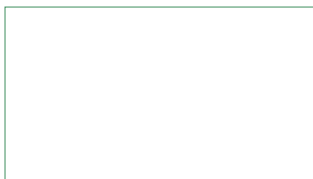
I don't work that way. When I work with my clients we determine what their #1 goal is, and use that goal to drive their agenda and strategy. We then identify other KPIs to counter-balance the goal and make sure that it is delivered in the right way, but we don't give everything equal weighting.

As set out in the chart, it is like having one major weight being counter-balanced with several smaller weights. In that sense, our scorecard is purposefully unbalanced.

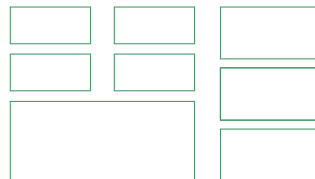
For example, I recently worked with the executive team of a major retailer and we have concluded that growing footfall – that is, the number of people coming into their stores – is their #1 goal. The team counter-balanced that measure with conversion rates, customer satisfaction and operating cost ratios, to ensure that the footfall was of the right quality and cost. But the big breakthrough the team have made is that, all other things being equal, increasing footfall is the factor that will best drive their short- and long-term ambitions.

Are you drowning in data and suffering from an excessive number of conflicting objectives? Or have you identified your #1 goal and focused your organisation on delivering it in the right way?

Your #1 Goal



Counter-balancing KPIs



5. “More Organisations Die Of Indigestion Than Starvation”

First published on the Cross Wires Blog, 23 November 2010



Dave Packard, co-founder of computer giant Hewlett Packard once provided this memorable quote. In other words, Packard believed that business leaders try to do too much at once, lose focus and become irrelevant.

I sincerely believe that most people and teams can achieve far more than they think is possible, and that organisations can get more out of their existing capacity. But this is only possible if they are working to a small, focused number of objectives.

Adding new projects to the ‘to-do lists’ of managers who are already running at full tilt simply means that nothing gets done very well. As a result, enthusiasm for the new strategy and belief in the leadership team begins to wane, and there is even less chance of success for further strategic projects.

Here are three ways to reduce your levels of corporate indigestion:

1. Projects, initiatives and activities that are no longer relevant to the strategy are stopped, killed and killed again!

It amazes me how some projects take on a life of their own – regardless of what’s important to the business. A project is not, and should never be, for life. You should review your project list twice a year and consider eliminating projects that are over 12 months old.

2. Your managers have no more than 3-5 key performance objectives.

In my experience it is far better to have people focused on a short set of objectives that are, if necessary, changed two or three times a year, than it is to give them a long list of 10 or 20 ‘priorities’.

3. Decisions on how the strategic objectives should be delivered are made as close to the front line as possible.

Companies such as GE have used processes where front-line teams work out for themselves how best to make improvements and deliver their performance targets. That way, there is involvement in the process, ownership of the outputs and a far better chance of unnecessary work being taken out.

Whenever front-line managers talk about how they are too busy with the ‘day job’ to deliver the ‘strategy’ I know that change is being imposed on them from above and the organisation’s delivery capacity is being stretched unnecessarily.

6. 7 Turbulence-Proof Growth Opportunities For 2011

First published in the Great Results e-Newsletter, December 2010

If nothing else, the past few years have proved that the world is becoming more unpredictable and more turbulent. Economic volatility, competition overload, greater customer power, unexpected disasters, international terrorism, environmental uncertainty, and an explosion in technological innovation have all helped create a world that is erratic, volatile and chaotic

The key to successful strategy leadership in turbulent times is to be proactive and take control. The world may be full of dangers and risks, but it is also a source of endless opportunity, and changes in customer needs, economic conditions and technological innovations can provide the opportunity to create new, valuable revenue streams for your business.

This doesn't mean you should be taking unnecessary risks. Instead you should focus on 'no regrets' moves that are likely to lead to success no matter what turbulence you encounter. Here are 7 'turbulence-proof' sources of growth you can pursue for your business in 2011.



1. Make your customers' lives easier. Tesco has built its brand around the phrase Every Little Helps, and it's the idea of creating many small ways in which your customers find it easier to do business with you that will drive growth. Sit down with your team and spend some time identifying where, over the past 12 months, you have made life easier and more difficult for your customers, and then agree how you can grow by making their lives easier in 2011. *What 3 steps would transform your customers' perception of how you make doing business simpler?*

2. Increase your organization's speed and responsiveness. Convenience, speed and responsiveness innovations are second nature to convenience-driven companies such as Amazon and McDonalds. But it's not just these convenience players who are driving speed and responsiveness; companies with different competitive strategies are also raising their game. *What are the top 5 ways that you could step-change your responsiveness?*

3. Develop closer, trusted relationships with your customers.

As in our personal lives, stronger relationships make it more likely that your customers will stay with you. It is far more difficult for your competitors to copy your relationships than it is for them to copy your prices and your products. A key step to better customer relationships is making it easier for your customers to obtain information and knowledge. Just look at Google. It's ability to share information –for free! – has made it one the world's most valuable brands. *What opportunities do you have to share information and knowledge, and get closer to your customers?*

4. Look for 'the next big thing'.

When Steve Jobs returned as CEO to Apple in the late 1990s a business school professor asked him what his strategy would be. Jobs simply said, "I'm waiting for the next big thing." By that Jobs meant that the markets in which Apple operated were chaotic, unpredictable and driven by technological innovation and that just because the company was down at that time, it could improve its position and performance by taking advantage of a new opportunity that would definitely come along. For Apple, the 'next big thing' was iTunes, and its success led to the iPod, iPhone and other product successes that have catapulted the business back to the top of Silicon Valley's list of winners. *Where are the major shifts and fractures in your markets, and what 'next big things' could they create?*

5. Exploit your latent assets and capabilities.

In the 1990s IBM transformed its business fortunes by turning its after-sales service support expertise into a front-line consulting business. Understanding and exploiting where you already have potential sources of advantage can dramatically accelerate your growth and profitability. You will benefit from the fact that you do not need to invest as much to generate returns and that you can implement more rapidly. *Where could you use your existing assets and capabilities to create new revenue for your business?*

6. Invest in partnerships. The high levels of turbulence in most markets, more rapid product life cycles and the surge in technological developments make partnerships a critical element of any growth strategy. Procter & Gamble now has a targets over 50% of new product launches from ideas and technologies sourced from outside the company. *Where could you use external partnerships to accelerate growth?*

7. Relentlessly reduce the costs of complexity. A key and often-unseen driver of your operating costs is the inherent complexity of your business organization. Complexity comes in many forms, including the number of product or service lines you offer, excessive management layers, lengthy and involved decision-making processes, unclear accountabilities, a large number of corporate objectives and programs, and too many performance measures. *What opportunities do you have to reduce complexity, drive down operating costs and accelerate profit growth?*

About Stuart Cross

Stuart Cross of Morgan Cross Consulting is a consultant, coach, speaker and writer who helps some of the world's top companies to dramatically accelerate profit growth.

His clients include Alliance Boots, Avon Cosmetics, Groupe Aeroplan, RBS and PricewaterhouseCoopers.



“I would recommend Stuart Cross to any company looking for creative solutions to challenging strategic issues.”

Rick Mills, Director of Strategy, Alliance Boots

“Stuart helped us create a new agenda that will drive significantly higher levels of growth.”

Stephen Ford, SVP Strategy, Avon Cosmetics Inc

“Stuart brought a new perspective.”

Paul Woolston, Head of Public Sector Assurance, PricewaterhouseCoopers

“I would definitely recommend other leaders looking to develop compelling and robust strategies for growth to speak to Stuart.”

Jeremy Ling, Chief Executive, Bristan Group

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