

# Six Of The Best

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

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***Powerful Strategies  
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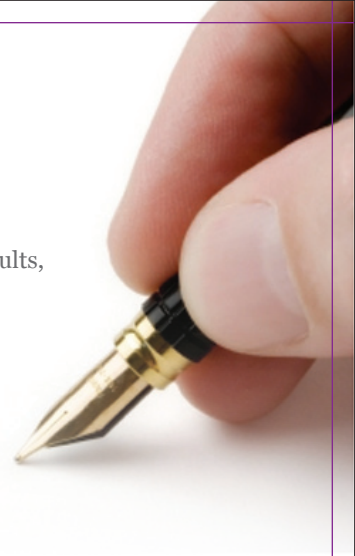
# About Six Of The Best

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 and my new, weekly posting, Stuart's Five-Minute Friday Focus.

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. Don't Be Balanced, Be Focused**
- 2. Are You A Growth Leader?**
- 3. Making Change Matter**
- 4. Creating Galaxies, Not Stars**
- 5. Play Your Own Zune**
- 6. 7 Ways To Improve Your Company's Speed and Agility**

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# 1. Don't Be Balanced, Be Focused

*First published in the Great Results newsletter, May 2011*

The Balanced Scorecard has become a widely used strategy and performance management tool. But I have a problem with it, which is that it is, well, too balanced. It makes everything of equal importance. That's fine, perhaps, when you're managing ongoing operations, but is simply confusing when you're setting a future direction.

A strategy is only relevant when it has a clear goal that it is seeking to achieve. Your first step, as a business leader, is therefore to establish a clear, unequivocal #1 goal for your team, department or organisation. I don't mean a short-list of five or six goals; I mean your single most important goal.

When Churchill first became prime minister, for example, he didn't say his top aims were to do as well as could reasonably be expected in WW2, deliver a balanced budget, improve education, introduce a new health system and build better housing. No, Churchill said, *"You ask, what is our aim? I can answer in one word: Victory – victory at all costs, victory in spite of all terror, victory however long and hard the road may be; for without victory there is no survival."*



Translating this idea to the corporate world, five or six years ago, B SkyB set itself a clear, unambiguous #1 goal: to have 10 million subscribers by 2010. Achieving this goal required the company to add four million new subscribers and reduce the loss of existing subscribers. All of the company's initiatives – sales teams in shopping malls, HD and 3D TV innovations, and integrating its TV, phone and broadband services – were focused on achieving that goal. And, in November 2010, perhaps unsurprisingly, Sky reached its target.

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

There are three questions you need to answer to establish your #1 goal:

**1. What is the best metric to use?** Although many executive teams default to a profit target, this can be hard to share across an organisation. There are other options available, including a sales goal, customer numbers (as with Sky), total size or market share, and productivity. The important thing is to link your goal to your business model. If, like Sky, customer numbers drive performance then focus on customer numbers. If, however, market scale is critical to your success, focus on your market position, as GE did in the 1980s, when the CEO, Jack Welch, demanded that all the group's business units had to be number one or two in their market.

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**2. What level of ambition should you set?** Setting goals is an art as much as a science. The best goals are grounded in an understanding of what is achievable or possible for a business, but include sufficient stretch that new solutions, new growth and new behaviours are required to achieve them. When JFK said that the US should put a man on the moon before the end of the 1960s he did so on an understanding of the technological progress that NASA had already made (i.e. he knew that the goal was certainly possible), but he also knew that his country would need to commit further to make it happen.

**3. What time frame should you set for achieving the goal?** There is, of course, a link between the time frame you set and the scale of your ambition. Simply put, bigger ambitions take longer to realize. I have found, though, that for most executive teams a 3-5 year period gives enough time to make big changes, but is also sufficiently brief for the team to realise that they must get going immediately and cannot procrastinate. After all, they may still be around to face the music at the end of the goal period!

### **The Bottom Line**

Don't be balanced, be focused. Once you clarify, communicate and commit to your top goal you will find that everything else will start to align around it.

## 2. Are You A Growth Leader?

*First published on the Cross Wires Blog, 21 June 2011*

There is a simple business truth: poor leadership leads to poor returns and growth. I've yet to see a high-growth, thriving company that has poor leaders. Leadership is at the heart of business growth, so here's a quick quiz for you take and see if you are demonstrating the skills and attributes of a Growth Leader.

### **I have 10 statements – how many you can answer 'Yes' to?**

1. You have a medium-term performance goal – over and above your current year's budget – that significantly raises the bar on current performance and drives your ongoing actions.
2. Over 25% of your revenues and profits come from products, services or customers that weren't part of your business three years ago.
3. Customers rate your business highly on its ability to be innovative and customer-focused
4. You have just a handful – say 3 – growth objectives that drive the focus of your activities and initiatives.
5. You have a simple but systematic approach across your business for rapidly and cheaply sourcing, developing, testing, improving and rolling out new growth initiatives.
6. You expect and welcome failure with new product and service prototypes as a route to ultimate success.
7. Your team are specifically targeted, reviewed and held accountable for their efforts in driving new growth.
8. Your recruitment of new managers is primarily targeted on those that can best demonstrate tangible and pragmatic results in developing and delivering new growth.
9. You have a track record of using partnerships and alliances with external organisations to fast-track your ability to acquire new capabilities and deliver new growth.
10. Over 50% of your own time is dedicated to identifying and pursuing new opportunities and driving new growth initiatives, rather than simply maintaining existing performance.

### **So how did you do? Mark yourself out of 10.**

- If you got 9 or 10 out of 10, you're a Growth Supremo. Congratulations!
- If you got 6,7 or 8, you're a Growth Improver. You're doing many things right, but there's likely to be a further 20% improvement.
- If you scored 5 or fewer, you're a Growth Wannabe. You need to take some pragmatic steps to improve your ability to lead growth for your business.

### 3. Making Change Matter

*First published on the Cross Wires Blog, 26 April 2011*

Next week the UK will have a national referendum on an issue on which very few people care. Whether the country keeps the ‘first past the post’ system for its general election, or moves to an ‘alternative vote’ system is not a topic that is on many people’s lips.

If there was a ‘don’t care’ voting option, I’m sure it would win.

The general public’s apathy results from people’s general disinterest in the voting system, but is compounded by the limited change that the AV approach would deliver.

Why introduce a change that is merely incremental?



If you are leading change in your organisation, make it count. Don’t go through the hassle of planning, communication and implementation if the benefits are imperceptible. Far better to focus your efforts on changes that will make a real difference; on changes that matter.

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## 4. Creating Galaxies, Not Stars

First published in Stuart's Five-Minute Friday Focus, 13 May 2011



**This week's focus:** There is a fuzzy star in the night sky, just below the Cassiopeia constellation, that is clearly visible to the naked eye. The thing is, though, it's not a star – it's the Andromeda galaxy consisting of a trillion stars.

Many companies, too, see their products and services as individual stars when they could be creating galaxies: mini-universes of interconnected and mutually reinforcing products, services and solutions. Apple's creation of iTunes, App Store, the iPod, the iPhone and the iPad, for instance, is a galaxy, as is BSkyB's offering of TV, internet and phone services.

How could you transform your star products into galaxies?

**Off the record:** The Whole Of The Moon, by The Waterboys (written by Mike Scott)

- *I pictured a rainbow*
- *You held it in your hands*
- *I had flashes, but you saw the plan*
- *I saw the crescent*
- *You saw the whole of the moon*

## 5. Play Your Own Zune

*First published on the Cross Wires Blog, 16 March 2011*

I read in this morning's FT that the Zune is to be taken off the market. You know, the Zune. What do you mean, you've never heard of it?

Actually, I'm not totally surprised the Zune may have passed you by, but it is/was Microsoft's response to Apple's iTunes and iPod. The problem with the Zune is that it tried too hard to be like iTunes, but just wasn't as good and was launched five years too late.

You cannot win as a business if you are not fast and not differentiated, and the Zune was neither. I keep seeing the same pattern in different markets. An innovative leader creates a new market, one or two fast followers manage to take a piece of the action and then a whole range of me-too players try – and generally fail – to pick up some scraps.

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Low-fare airlines, coffee shop chains, smoothies, and budget hotels all follow this pattern. The conclusions are clear: be first, be fast or do something completely different.

A much better rival for iTunes is Spotify, because Spotify has a different offer for customers – instead of buying tracks, you subscribe to the system and then listen to the tracks you want (a little like having your own radio station).

Spotify may or may not succeed in the long-term but it has a chance because it has a point of difference. Unlike Zune, it is willing to play its own tune.

## 6. 7 Ways To Improve Your Company's Speed And Agility

*First published in the Great Results e-Newsletter, April 2011*



In a recent teleconference, I argued that only fast, agile organisations can grow in turbulent times and shared 15 different ways in which you can improve your company's speed and agility. Here are seven of them.

**1. Strategic clarity.** The companies that have performed best since 2008's financial crisis are those that have made the clearest strategic trade-offs. You can't be all things to all people; that simply creates compromise, complexity and cost, and slows you down. Instead, need a clear view of where you're seeking to play, and how you're aiming to win.

**2. A #1 goal.** I detest using balanced scorecards as a way of setting strategy (though I find them quite useful in managing operations). Balanced scorecards simply give you too many objectives and priorities.

I much prefer to identify a single, leading goal and then use other KPI's as supporting, not competing measures. Back in 2005 Sky TV started to deliver rapid growth when the executive team set a #1 goal of growing its number of subscribers from 6 million to 10 million by 2010. The clarity of the goal gave the organisation the focus and determination to find innovative ways to grow.

**3. Zero based budgeting.** The world is changing rapidly and you can no longer simply fund last year's activities (plus or minus a few percent) and expect to thrive. Instead, you must start with a clean sheet of paper each year and determine, given your goal, your strategy and your performance, where you will invest. Use this process as a way to involve your teams to identify where you are wasting time, effort and resources, and critically review the returns you are getting from your investments.

**4. A portfolio of options.** The more options for growth you have, the more valuable your company will be. What's more, options help you respond to rapidly changing markets. In the smart phone market, for example, Google's willingness to partner with other companies has given the company many growth options for its Android operating system.

In contrast, up until its recent decision to use Microsoft's software, Nokia's determination to develop completely in-house solutions has restricted its ability to build new growth options in this fast-changing market, and, unsurprisingly, its market share is in rapid decline

**5. Rapid, low-cost trials and prototypes.** There is often a desire to develop the perfect solution before testing it. After all, people don't like to be associated with failure. However, if you're trying something new, the chances are it will fail in some way. You are better off trying to fail as quickly and as cheaply as you can than attempting to seek perfection. As WW2 leader, General Patton, once said, "A good solution applied with vigour now is better than a perfect solution applied ten minutes later."

**6. Dynamic strategy management.** I once worked with a UK retailer that began its annual planning process nine months before the start of the new financial year. That meant that functional teams had to develop plans for activities that, in some cases, were nearly two years away. You cannot have such rigid processes. It is good to have long-term objectives but you need to find ways to develop your high-level plans more quickly (2-3 months, at most, for larger companies), and then refine and update your plans more regularly. I find that quarterly updates of priorities and resource allocation is suitable for most businesses, but if you operate in highly dynamic markets you may need to manage priorities more frequently.

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**7. Process improvements focused on speed, not cost.** The objective of many process improvement projects is to cut cost. The problem with this approach is that it can mean your activities take longer as you add new controls and more sign-offs to the process. By focusing your process improvements on speed (time to market, delivery responsiveness, time to build your product) you will, inevitably, focus on reducing the waste and delay in your current processes and end up reducing costs as well.

For each of these criteria score your company between 0 and 3, where 0 = absent, 1 = partially in place, 2 = largely in place and 3 = fully in place. Where you score 0 or 1 identify what specific improvements you can make and identify the actions you will take.

***What do your scores tell you about how you can improve the speed and agility of your organisation?***

## 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, Morrisons, DFS, RBS and PricewaterhouseCoopers.



*“Stuart Cross has always helped me to think and act differently, and that is the key to innovation in any leadership role.”*

**Alex Gourlay, CEO, Boots the Chemists**

*“Stuart is a scarce resource. He delivers rapid results, but he also gains the trust and commitment of the executives he works with to ensure longer-term success.”*

**Ian Filby, CEO, DFS Furniture**

*“We work with Stuart Cross because he takes a pragmatic, hands-on yet insightful approach to strategy that forces us to address some tough questions, but which gives us the tools and support to answer them.”*

**David Johnston, CEO, Groupe Aeroplan Europe**

*“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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