

Six Of The Best

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

January 2010



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Because Great Results Don't Just Happen

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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 weekly article for the Sterling Performance blog at BNET.co.uk.

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. Do You Pass The Simplicity Test?
2. 8 Strategy Home Truths
3. Focus and Pace: Lessons From General Patton
4. Overcoming Your Internal Barriers To Growth
5. What's The Breaking Point Of Your Business?
6. 10 Dimensions Of Great Customer Service



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1. Do You Pass The Simplicity Test?

First published in the Great Results e-Newsletter, July 2009

Organisational complexity is a like an overgrown garden. Both are a result of neglect rather than design, and, although you may still be able to see some elements of the original intent, the weeds and light-hogging plants slowly but surely stunt the growth and impact of the best blooms.

A certain level of complexity is inevitable – we live in a dynamic, rapidly changing world with sophisticated technologies. Yet many organisations make this situation far worse by having unnecessary management layers, fudging decision rights and accountabilities, setting unclear objectives and persisting with inappropriate projects and programmes.

When Sir Stuart Rose, for example, first took over as CEO of Marks and Spencer, he was able to quickly improve the bottom line and unlock organisational energy by reducing the number of ‘strategic’ projects from over 30 to 10, and ensuring that decision rights were set at appropriate levels in the organisation.



So how do you measure up on the Simplicity Scale? Take the test on the opposite page to find out.

Score yourself from 0 (Strongly Disagree) to 5 (Strongly Agree) for each of the statements. Focus primarily on the area of the organisation for which you have direct responsibility.

The bottom line

As with your garden’s weeds and pests, complexity is a constant challenge for all organisations. Rather than attacking complexity as a one-off exercise, a focus on simplicity needs to be embedded as part of your daily management approach.

“A focus on simplicity needs to be embedded as part of your daily management approach.”

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The Simplicity Scorecard

Simplicity Statement	Score (0-5)	
1. We have a clear strategic intent that, in simple, everyday terms, articulates how we will succeed.	<input type="text"/>	<p>So how do you measure up? Compare your total score to the ratings below.</p> <p>Over 40: Complexity under control, for now - You're highly effective and productive, but make sure you stay alert to the creep of complexity.</p> <p>25-40: Creeping complexity - If productivity isn't suffering now it soon will be. Identify your key priorities and target improvements in simplicity over the next three months.</p> <p>Less than 25: Overgrown complexity - Your organisation has low productivity and is spinning its wheels. You need to work hard to focus your efforts and drive greater simplicity immediately.</p>
2. As a management team we have identified a handful of objectives (say, 3-6) that drive our focus and activity.	<input type="text"/>	
3. We have crystal-clear accountabilities and I am never concerned that I am stepping on someone else's toes.	<input type="text"/>	
4. I know exactly how to get approval for a new investment or initiative.	<input type="text"/>	
5. In a typical week I spend less than a quarter of my time in formal meetings.	<input type="text"/>	
6. We have minimised the number of management layers - there is no further room for improvement.	<input type="text"/>	
7. Our planning and budgeting process is short, sharp and effective, and takes less than three months to complete	<input type="text"/>	
8. When a new programme or assignment isn't working it is quickly adjusted or killed -problems don't fester.	<input type="text"/>	
9. I set my team clear objectives, but leave it to them to work out the best way forward.	<input type="text"/>	
10. In the past 6 months we have taken big strides in removing unnecessary complexity from the business.	<input type="text"/>	
TOTAL SCORE	<input type="text"/>	



2. 8 Strategy Home-Truths

First published on the Cross Wires Blog, 14 October 2009

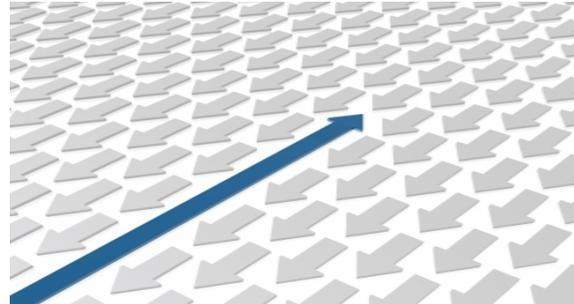
Twice a year I host a **Strategy Directors' Forum**, where strategy directors from some of the UK's leading companies have a roundtable discussion on business-critical issues. At our first session last year we agreed these golden rules for strategy development:

1. **Keep it simple, stupid.** A simple solution is easier to understand, easier to explain and (90% of the time) easier to deliver.
2. **Be bold.** Don't be afraid to try new things. Don't just chip away; be willing to use explosives where necessary.
3. **A good strategist is a good storyteller.** You need to tell a compelling story over and over again. This requires vision, passion, clarity and metaphor.
4. **Acknowledge the big issues.** Challenge your assumptions and conventional wisdoms. You need to be prepared to tell it straight.
5. **Strategy = informed choice + timely action.** Strategy is about choices and trade-offs, which require useful data rather than ungrounded opinions. Action is the essence of good strategy, and the timing of strategy is crucial.
6. **Focus.** You can only be successful if you focus on a few key areas of the business (probably not more than three). Dabbling in too many things will drive failure.
7. **Ideas are the currency of strategy – spend freely.** Be a big spender and share your ideas. Measure your success by the number of other people presenting back to you your ideas as their own.
8. **Avoid getting strategy confused with planning.** Strategy doesn't get developed in a planning process, which is more about control.

“Action is the essence of good strategy, and the timing of action is crucial.”

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3. Focus and Pace: Lessons From General Patton

First published on the Cross Wires Blog, 23 July 2009



I have just finished reading Anthony Beevor's excellent new book, **D-Day: The Battle For Normandy**. It's a fascinating and insightful account of the three-month war of attrition following the D-Day landing, culminating in the German surrender in Paris.

One thing struck me more than anything else: Beevor points out that the greatest psychological stress was placed on soldiers when they were bogged down, neither moving forward or backward. Even retreats were less stressful for the soldiers than sitting in their foxholes.

"Momentum is critical to organisational confidence and self-belief."

Pace and progress also benefit from focus and clarity, and Beevor contrasts the indecision and political manoeuvrings of Montgomery on the British front with the terse, forthright approach of General Patton, commander of the 3rd US Army.

A typical Patton order was made to Major General Cook on 14 August 1944: "Take Orleans at once." Within a few hours the lead troops had advanced nearly 100 miles to their objective, and Beevor quotes Patton's diary from the following day, "The number of cases of 'war-wearies' and self-inflicted wounds have dropped materially since we got moving. People like to play on a winning team."

In my experience there is a clear parallel with organisational performance. Movement and momentum is critical to organisational confidence and self-belief.

Setting clear objectives, trying stuff and taking action is far more motivational for your managers and teams – even when it leads to some failure - than holding endless meetings in your office trying to make the perfect decision and spinning your wheels.

4. Overcoming Your Internal Barriers To Growth

First published in the Great Results e-Newsletter, August 2009



Despite the increasingly competitive nature of most markets, the barriers to growth for many organisations are as much internal as they are external.

Like a new football manager who can transform a team's results half way through a season, some business leaders are able to create and drive profitable growth in a company that was previously treading water. The reason they can do this is that they are able to identify and overcome the organisation's internal barriers to growth.

It is one thing being beaten to growth by external forces, but it is simply an own goal if you allow internal barriers to growth to establish, take hold and limit your company's potential. You owe it to your customers, your people and your investors to minimise these negative forces for growth.

In my experience there are seven common internal barriers. None of these are insurmountable, but you do need organisation, determination and focus to overcome them. It is a company's ability to overcome these factors that differentiates the leaders in a market from their competitors.

1. Blind acceptance of your key business assumptions. Understanding what drives your strategy is critical to defining the scope of your business. For example, HMV's current turnaround can be traced back to the insight that it is not simply a CD retailer, but a music and entertainment brand. This change in perspective has led to a greater focus on films and games in its stores, and a drive into new channels such as live music venues. *What alternative perspectives exist for your business and what impact would they have on your opportunities for growth?*

2. Not raising the bar high enough. Unless the performance bar is raised, there is little incentive for managers to innovate and grow. This is not just about goal setting, it is also about creating a management approach that seeks to create completely different - and better - customer solutions. *Where are you focused on incremental tweaks to performance improvement, when you could be developing radically superior solutions?*

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3. Conflicting priorities. The first action of many new CEO's is to reduce the number of 'strategic' initiatives in stagnant organisations. *Where could you make more progress by reducing the number of initiatives and focusing your efforts on the most promising ones?*

4. Risk avoidance. A fear of failure impedes many managers' commitment to new growth. There are steps you can take to minimise and manage the risks you face, but there is now new growth without prudent risk. The secret to success is not to avoid failure, but to fail as quickly and as cheaply as you can, so that you can learn what the better solution might be. *In what ways are you promoting and rewarding prudent risk taking in your business?*

5. Insufficient capacity or capability. Spending time to find new ways to break through these constraints can have a dramatic impact on performance. Working with other organisations is one way to achieve this objective. Procter & Gamble, for example, is targeting to source 50% of its new products from its external networks and partners. *What are the major resource bottlenecks in your business, and what options do you have to remove them?*

"The secret to success is not to avoid failure, but to fail as quickly and as cheaply as you can."

6. A lack of ideas. Large companies that are good at innovation are remarkable and few, but a structured approach to development can deliver big rewards. For the past 10 years Whirlpool, the US electrical appliance giant, has trained, engaged and rewarded thousands of its people in its innovation management systems, helping to create \$2.5 billion sales from new, innovative products last year. *How does your organisation systematically involve everyone in driving growth and innovation?*

7. Budgetary constraints on investment. There are always insufficient funds to invest for longer-term growth and, at the same time, hit current year targets. Equally, however, there is always money available if the idea is good enough. The key is to get enough evidence to support new growth at the lowest cost. Although RBS may not currently be perceived as an exemplar company, it established an Innovation Board to give managers from across the business small sums (less than £5,000) to rapidly prototype interesting ideas and bring back results for further investment decisions. *What can you do to reduce the cost of learning for your new growth ideas?*

5. What's The Breaking Point Of Your Business?

First published on BNET, 1 September 2009

When Boeing and other aeroplane manufacturers are developing new aircraft they literally test them to destruction.

This ensures that the planes will still operate effectively even in the most extreme situations.

It is a concept that I think should be applied to business operations.

When many managers review operational performance their focus is on efficiency rather than effectiveness. As a result their operations are designed for average, not peak levels of demand, and they struggle to cope with busier periods.

Last year, for example, I helped a US hotel chain improve its valet parking service. Their approach worked fine in normal conditions but fell apart as demand peaked.

Between 12 and 2pm, cars started backing up down the driveway, guests were left waiting in line for their cars to be returned, and both customers and the valet team alike felt frustrated, rushed and hassled.



While the solutions for the valet team were relatively straightforward to develop and implement, the critical issue was to give the situation sufficient management attention.

As the upturn continues to gather pace over the coming months it is likely that your operations, which may currently enjoy a certain level of slack, will also face increased pressure on its performance.

Whether you run an internal team or are directly responsible for customer service delivery, there are three key factors for you to consider, each of which you can leverage to increase the breaking point of your operations.

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1. What are your performance standards?

High performance standards will usually lead to improvements in operational breaking points, by bringing greater management focus to the process. For example, while The Post Office appears satisfied with long queues at its counters, Tesco has a policy of opening a new till whenever there is more than one customer in a queue. This higher performance standard has driven Tesco's managers to find new ways to increase the numbers of customers they can efficiently get through the checkouts at peak times. *How well do your performance standards meet the needs of your customers and how do they compare to those of your competitors?*

2. What's your physical capacity? The size and number of operating units determine your physical capacity. Using the previous example, the physical capacity is driven by the number of till points and the staff available. At a call centre, it is the number of agents. The greater the capacity, the higher the breaking point. *To what extent do you have sufficient physical capacity to cope with peak demand?*

“Higher performance standards will usually lead to improvements in operational breaking points.”

3. How quick are you? Organisations with faster operations have a higher breaking point than similar, but slower businesses. Domino's Pizza has built its business on a promise to deliver pizzas within 30-minutes, even at peak business times. *To what extent are your processes faster than your competitors, and how are you leveraging them?*



10 Dimensions Of Great Customer Service

First published on BNET, 10 November 2009

Although most executives talk about the importance of customer service, far fewer are able to succinctly describe what they mean by this term. It can easily become an empty cliché rather than a focused strategy for growth.

Yet customer service can be as important for product businesses as it is for service organisations. I recently worked with a group of manufacturing executives who made the point that customer service has been as important as pricing in helping them retain customers through the recession.

You are likely to turn your customer service proposition into a real competitive advantage when (1) It is focused on the few dimensions that your target customers really value; (2) You can create a service offering that is truly distinctive; and (3) You can consistently deliver it to the required standards.

I have identified ten dimensions of great customer service. Which should you be focusing on to drive loyalty, profitability and growth for your business?



1. Convenience and accessibility. Dell didn't originally sell through retail stores. The computing company still relies on an on-line store and a 24-hour call centre to provide a slick and convenient delivery service direct to their customers.

2. Environment. As a result of their selective distribution agreements, premium cosmetic and fragrance companies, such as Clinique and Estee Lauder, only supply retailers that deliver a high-quality retail environment to support their products.

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3. Self-help tools and support.

Supermarkets, for example, provide shoppers with a range of trolleys and baskets, and Nike has developed on-line support tools for runners to set themselves training goals and track times and distances.

4. Product and Service Availability. One retailer I spoke with recently believes that improving the availability of key product lines has contributed over 3% to their sales growth in the last 12 months. As Woody Allen once said, “80% of success is turning up.”

5. Attitude and Friendliness. A key aspect of Southwest Airline’s success in the US has been its ability to deliver a friendly service alongside its low fares.

6. Competence and expertise. NetJets, the fractional aircraft ownership business, for example, is currently advertising how it spends more on training and safety than the major airlines.

7. Speed and Responsiveness. Tesco stole a march on their competitors when they first introduced their “one in front” policy, where they open a new till when shoppers, queuing to pay, have more than one other shopper in front of them.

“Customer service can be as important for product businesses as it is for service businesses”

8. Personal(ised) attention. Nordstroms, the US department store, places customer service as its #1 strategic objective. As part of this objective, the store provides all its sales people with access to a “Personal Book”, allowing them to record and refer to individual customer preferences through their till systems.

9. Provide access to a wider community. When a balding, middle-aged banker buys a Harley Davidson, he is buying into a concept of youth and vigour. Harley supports this relationship with their brand by establishing communities of Harley bikers, known as the Harley Owners Group.

10. Provide links to related suppliers and services. Apple has created a whole new industry of Apps providers for their iPhones. Apple hasn’t sought to provide the applications themselves, but, through their App Store, have created the links for application developers and users to do business.

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 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*

“It's great to work with a consultant who not only understands and meets our needs, but who can also tailor their approach to the dynamics of a particular team and organisation.” *Ian Filby, Chief Executive, Groupe Aeroplan Europe*

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