



Management Concepts Series – 2010

** Common-Sense Guidelines for Successful Organizations **

Management Concept #1

Universal Requirements for Managed Success

Active Management Pillar Applicability



There are two and only two elements universally required in order to *manage an organization to success*. Once these are known, everything else can be built upon them. These elements are:

Identity: Who are you? What do you do? What is your mission? What are your values?

Definition of Success: Where are you going? What are you trying to achieve? What is your vision? You will be successful if _____.

Success achieved by organizations that cannot articulate these elements is a result of either luck or the fact that someone has them embedded in their brain and is driving actions based upon them. You cannot, however, have deliberate, managed, and sustained positive results without understanding your identity and how you define success.

Universal Requirements for Managed Success

There are two requirements without which repeatable and predictable management to success are not possible: *Identity* and the *Definition of Success*. They provide the firm foundation upon which all else is built. They provide the framework within which the future state can be crafted and decisions can be made. They are the guiding limits, structures and goals that, paradoxically, provide the team freedom of movement and action. They empower focus on achievement rather than process.

Identity and Definition of Success are not sufficient to plan the road to the future and to achieve success but without them it is not possible. Remember, these concepts apply at any level: enterprise, department, initiative, program, or project.

Identity

In 1983 John Martin took over as president of Taco Bell. He asked a simple question: “Are we a maker of food or a feeder of people?” The answer had fundamental impacts on every aspect of the business: Distribution, store design, menu, personnel, vendor management, and others.

Does GEICO sell insurance or money in your pocket?

Does Apple sell technology and hardware or lifestyle?

Know who you are and what your product is. Know why your organization exists. Know what values are core to your behavior and actions.

Definition of Success

You must understand where you are headed and how you can declare success. In almost all cases, your Definition of Success must be measurable. If it is not quantifiable, it has little meaning and will not be applicable to planning and decision making. Examples of Definitions of Success:

- ❖ Profit
- ❖ Stock Value
- ❖ Achievement of Vision or Mission Goals
 - Elimination of homelessness in a city
 - Universally accessible education
- ❖ Achievement of Program or Interim goals
 - Market penetration
 - Expense ratios

Remember, the specific type of success is less important than the agreement on the definition and the unified focus it provides. What is the Definition of Success of a marketing campaign? Branding? Awards? Increased sales?

Examples of Definitions of Success:

- ❖ Jack Welch: GE will either be number 1 or 2 in any business they are in. . .
- ❖ JFK: Put an man on the moon by the end of the decade
- ❖ Starbucks 1992-1993 Expansion Strategy: Opening 20 stores in each targeted city in the US in 2 years.