



## Management Concepts Series – 2010

\* *Common-Sense Guidelines for Successful Organizations* \*

Management Concept #3 <i>Honesty and the Holy Troika of Successful Planning</i>						
<p><b>Active Management Pillar Applicability</b></p> <div style="border: 2px solid yellow; padding: 5px; margin: 10px 0;"> <table border="1" style="width: 100%; text-align: center; border-collapse: collapse;"> <tr style="background-color: #cccccc;"><td>Identity</td></tr> <tr style="background-color: #00ff00;"><td>Planning</td></tr> <tr style="background-color: #00ff00;"><td>Execution</td></tr> <tr style="background-color: #00ff00;"><td>Behavior</td></tr> <tr style="background-color: #00ff00;"><td>Awareness</td></tr> </table> </div>	Identity	Planning	Execution	Behavior	Awareness	<p>In addition to twin titans of Identity and Definition of Success, a third leg of the stool is required to create your plan and your path to organizational success. In many cases, this third item is even more difficult to articulate and embrace than the first two. The holy troika of successful planning is:</p> <ol style="list-style-type: none"> <li>1. Identity</li> <li>2. Definition of Success</li> <li><b>3. Honest Current Situation Assessment</b></li> </ol> <p>With the above three, you will know: who you are, where you are going, and where you are today.</p> <p>The Current Situation Assessment, however, is fraught with peril because it is, in many ways, an evaluation of how the organization is performing today and how well management team has prepared for the future. The ability to be honest about performance, expense ratios, market success, operational efficiencies, etc. is the key to understanding the gap to success. In turn, it provides the basis for creating the correct initiatives and priorities. Without this knowledge it is almost certain you will misdirect your efforts and resources.</p> <p>Honesty in describing and embracing the current situation often carries the drag chute of ego, previous decisions, and anticipated career impacts. It can get tied up in sunk cost thinking rather than discovery of the best and shortest way to success.</p> <p>Strong leaders understand and act on the knowledge that, in order to reach a destination, you must know where you are starting. Strong leaders look forward rather than backward. Strong leaders will learn from the past rather than avoiding it or justifying it.</p> <p>By knowing where you are today, you can build a plan to travel to where you want to be.</p>
Identity						
Planning						
Execution						
Behavior						
Awareness						

## The Holy Troika of Successful Planning

As mentioned in a previous Management Concept, there are two universal requirements for managing an organization to success:

1. **Identity:** Who are you? What is your mission? What are your values?
2. **Definition of Success:** Where are you going? What are you trying to achieve? What is your vision? You will be successful when \_\_\_\_\_.

Both Identity and Definition of Success are creative in nature. They can usually be agreed to with a minimum of disagreement or perceived threat. The third item is more concrete but, paradoxically, much more difficult to agree upon. The third item necessary for creating a successful plan is:

### 3. Honest Current Situation Assessment

In order to reach your chosen future, you must be able to clearly articulate where you are today.

The ability to state your current situation, both qualitatively and quantitatively, gives you the baseline from which you can make your effective plans for the future. The lack of ability to do this leads inevitably to holes in your planning and misapplication of resources, money, and focus. Areas of particular interest in this exercise are:

- ❖ Operational effectiveness and efficiency
- ❖ Expense management
- ❖ Customer satisfaction
- ❖ Repeat business or retention
- ❖ Revenue trends
- ❖ Complaints
- ❖ Quality of product
- ❖ Financial management
- ❖ Market penetration
- ❖ Investment performance (all types of investment: financials, project, product, etc)
- ❖ Risk
- ❖ Information technology performance
- ❖ Market threats and opportunities
- ❖ Regulatory compliance and anticipated changes
- ❖ The current state of our old friends: “Identity” and “Definition of Success”

As we look at the above and other key areas, it is important to recognize both the current state of performance and the underlying root causes of excellence or need for improvement.

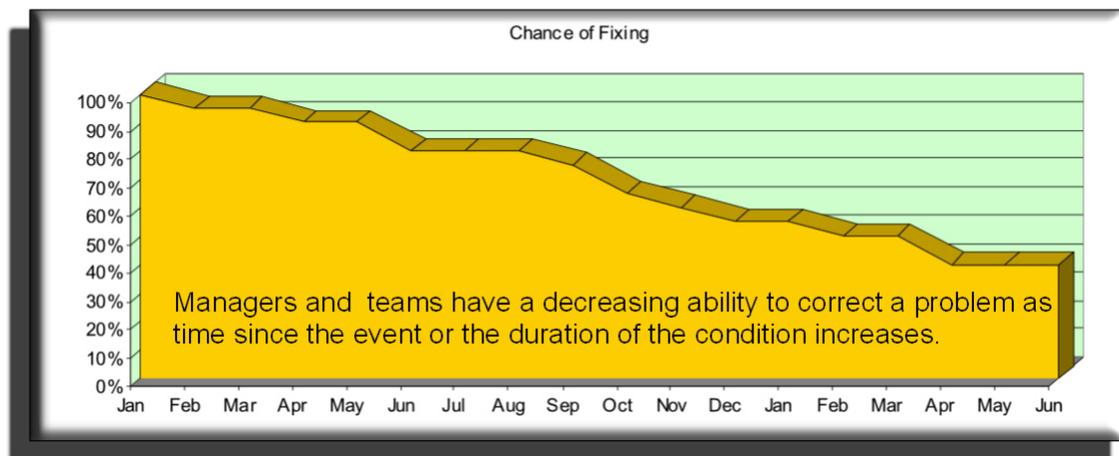
There are many tools available for the discovering and articulating your current situation. These include facilitated discovery sessions, SWOT, and others. The key factor in this exercise, however, the commitment to honesty, openness, and listening. Ya gotta be strong, up-front, and ya gotta pay attention.

## The Honesty Thing. . .

In the process of creating a valid situation assessment, you should anticipate that the higher in the organization an individual resides, the more difficult it may be for them to honestly appraise the situation. The current state of the organization is a result of their management actions and they are in the position of being asked to judge themselves.

If the organization is wildly successful, it is reasonably easy to be self critical in a number of areas. It even has a certain cachet of humble self-deprecation. If the organization is experiencing a mixed result, managers and executives may begin to internalize thoughts they believe their bosses might be having about other people who could do their jobs better. In this situation, you can see a high level of misdirection about results and root causes. If an organization is failing, executives and managers may be galvanized into brutal honesty or they may look for reasons why they are not to blame for the situation. Remember, these individuals are human and will, more than likely, have a human reaction to perceived threats to their jobs and careers.

Once people have reached a point where they are heavily invested in the past, it is often difficult for them reorient themselves to the future. A good general rule is illustrated in the below graphic:



## So, That Sounds Pretty Negative. . .

Maybe, but understanding is the basis of opportunity. The way through the challenges of compiling a good situation assessment lies in leadership and culture. The leaders of the organization must be clear about their orientation. Are they leaving sunk cost thinking at the door? Are they looking for the best road to the future? Are they looking for answers or pointing fingers? Honesty in self-assessing a current situation lies in the knowledge (from the boss) that inappropriate justification of the past is not acceptable combined with a sincere forward-looking approach. Safety without enablement is the key. People are pretty receptive to accountability combined with disciplined hope for the future. They react almost uniformly negatively to the prospect of getting their heads chopped off.