DAVID M. SHEDD

Build a Better B2B Business

Winning Leadership for Your
Business-to-Business Company

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for Your
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Company*

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CONSISTENT EXECUTION

"The difference between a company and its competitors is its
ability to execute; this is the critical difference for success."

Larry Bossidy and Ram Charan

- *Daily Execution*
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- *Decisive*

The over-riding objective of this book is to help you and your
business win. Doing the Right Thing, Winning Teamwork, and
Customer Service all help move your business forward and enable it
to succeed. But, having the right strategies in place with the right
motivated talent in the right market niche – all this means nothing
if your team cannot consistently execute, achieve its goals, and win
in the marketplace.

The three keys for consistent execution are as follows:
- Daily Execution
- Speed
- Decisiveness

Daily Execution

The daily grind of both you and your team living the values and executing on the business goals determines whether a company will succeed or not. In his 2005 statement in the Berkshire Hathaway Annual Report, Warren Buffett summed up well the utmost importance of executing daily.

> Every day, in countless ways, the competitive position of each of our businesses grows either weaker or stronger. If we are delighting customers, eliminating unnecessary costs, and improving our products and services, we gain strength. But, if we treat customers with indifference or tolerate bloat, our businesses will wither. On a daily basis, the effects of our actions are imperceptible; cumulatively, though, their consequences are enormous. When our long-term competitive position improves as a result of these unnoticeable actions, we describe the phenomenon as "widening the moat." And doing that is essential if we are to have the kind of business we want a decade or two from now. We always, of course, hope to earn more money in the short-term.

> But, when short-term and long-term conflict, widening the moat must take precedence. If a management makes bad decisions in order to hit short-term earnings targets, and consequently gets behind the eight ball in terms of costs, customer satisfaction or brand strength, no amount of subsequent brilliance will overcome the damage that has been inflicted. Take a look at the dilemmas of managers in the auto and airline industries today as they struggle with the huge problems handed them by their predecessors. Charlie Munger [Warren Buffett's Number Two] is fond of quoting Ben Franklin's "An ounce of prevention is worth a pound of cure." But sometimes no amount of cure will overcome the mistakes of the past.

Execution requires daily and relentless focus and prioritization on your most important issues. This applies to both the individual employee and to the company as a whole.

Many employees and organizations live in the here and now. That means that they are focused on what is immediately in front of them that needs to be done. In doing this, they will usually dedicate sufficient time to activities that are both urgent and important. They will also spend a disproportionate amount of time and attention on urgent but non-important tasks. The challenge is to combat this focus on the non-important urgent in order to spend sufficient time and attention on the tasks that are not urgent but important.

To fight this "tyranny of the urgent" requires daily reinforcement and focus on the most important issue. In the military, the most important is defined as the Commander's Intent. The Commander's Intent represents the one thing that if accomplished will make the day a successful day.

To apply in business, review and write down the daily Commander's Intent at both the beginning and end of every day.

- Beginning of the Day: "The one thing that I will accomplish today to make this day a success is…."
- End of the Day: "Did I accomplish that one thing?" and "What will be the one thing that I need to accomplish tomorrow to make tomorrow a success?"

Further, you and your employees need to ask yourself literally dozens of times a day on small, medium and large issues: What is Most Important? Then, get that most important done.

> *"Get the important done first. What's been on your to-do list the longest? Start it first thing in the morning, don't check E-Mail and don't allow interruptions or lunch until you finish."*
>
> *Timothy Ferriss*

In addition, to execute daily it is important to avoid distractions and to avoid slipping into "comfort" mode.

Avoid Distractions

In business today, the opportunity for distraction is endless. This includes all the distractions of the urgent but unimportant that range from meetings to E-Mail to Internet surfing. Due to these distractions and constant interruptions, employees and companies often do not have solid block of times to get finished what needs to be finished. Interruptions are particularly pernicious as there is an inescapable setup time for all tasks before you are getting back into full swing.

> A "can I have one moment?" interruption will usually last ten to fifteen minutes. After that, inevitably comes a quick check of the E-Mail and then another ten minutes to get back to working solidly on what you were doing before the interruption. In short, that "just one minute" interruption took up thirty minutes. For someone making $100,000 that one minute cost about $25!

- *Reduce the Transition Times*

Of course, you cannot avoid all distractions. But, when distracted or interrupted, a best practice would be to get back to work as soon as possible. Work on transitioning quickly without taking breaks or taking quick checks of E-Mail. In the above case, with a focus on the transition and not checking the E-Mail, perhaps, the person could have been back to work in only twelve minutes reducing the cost of the interruption to only $10. Transitioning quickly also helps prevent procrastination from creeping in.

- *Batch Your Work*

Create one hour blocks of quiet times (allowing for interruptions in the case of true emergencies), where the E-Mail system is shut down, the phone is turned off, and you are dedicated to the most important tasks.   On a company level, attack the most important action item in one fell swoop and get it fully and completely done. Create time blocks where the routine, unimportant yet necessary tasks can be completed. Ideally, these would be at times when your concentration is weakest; usually, right before lunch or at the end of the day.

- *Define Fewer Things as Urgent*

With fewer urgent items, you can often reduce five "quick one minute" calls to one call about all five issues. It is important to realize that what is urgent for you may not be urgent for the business as a whole.

- *Consciously Ignore*

Individual employees and companies need to consciously make the effort to ignore much of the information and stimulation in the environment. Not every tidbit of information and everything that you are curious about needs your attention.

- *Learn to Say "No"*

Master the art of refusal and learn to say "No." Darren Hardy, the publisher of *Success* magazine, offers a story about Richard Branson and his ability to say "No" in order to focus on the important.

> A while back, after our *Success* cover feature with the knighted Sir Richard Branson, we had a client contact us to inquire about hiring Richard Branson to speak at their conference. So, we had someone inquire and Sir Richard declined. The client then offered $250,000 for an hour talk; Sir Richard declined. They then raised it to $500,000. Sir Richard declined. Then we asked how much it WOULD take to get Sir Richard to attend. The response from his people was, "no amount of money would matter." They said, "Right now Richard has three main priorities he is focused on and he will only allocate his time to those three priorities, and speaking for a fee is not one of them."

Avoid Being a "Comfort Junkie"

Both individuals and companies are often "comfort junkies." They avoid doing tasks that they do not like to do or that make them feel uncomfortable.

> I have certainly been guilty of this when I have delayed confronting an awkward employee situation such as a non-performing employee or the employee that committed fraud as discussed in Chapter 10. It

is not that I did not know that I needed to act. It just made me un-
comfortable, so I procrastinated and did not get it done punctually.

Yet, one element of Doing the Right Thing is that we are not paid to do what we like to do. Rather, we are paid to do what must be done. To execute and achieve the goals requires unparalleled focus on the most important tasks or issues whether or not we are comfortable doing them or whether or not we like to do them.

> *"What we fear doing most is usually what we most need to do."*
>
> *Timothy Ferriss*

Speedy

In successfully executing goals, speed matters.
- The quicker that you complete a task, the sooner you can get on to the next task.
- The quicker that you respond back to a customer, the more likely you are to win their trust and possibly their business.
So, how can you speed up what gets done?

Get to the Point

Get started on things immediately. Don't waste time even con-
sidering procrastinating. Once something is started, move on it. In
conversations and work, get to the point cutting down on chit chat
and get right to business.

> One of my Vice-Presidents of Sales and Marketing was exceptional
> at this. We might have a meeting and decide on a course of action.
> Literally, before I could step out the door of his office, he was on the
> phone beginning the task. One time, we had a 6:00 pm meeting, and
> I asked him to follow up on a difficult issue that I would need an
> answer for in a day and a half. The next morning, I was flying out

early on business. When I landed at 8:30 am, he had already left a message on my phone with the answer. I asked how he had done this so quickly and he recited the names of the eleven people to whom he had spoken that morning to get the answer. Arriving back in town, I looked at his call log. He had made more than eighteen calls in that short few hours, but had only been able to actually speak with eleven people.

To facilitate getting to the point, ensure that you understand the nature of the problem or issue. I have often seen people procrastinate because a task appears to be difficult. Only when they had completed the task did they realize

> *"The wise man does at once what the fool does finally."*
>
> *Niccolo Machiavelli*

how quick and easy it was. So, skim through the report, the presentation, or the work assignment and then determine how long it will take to get done. Then, either get it done immediately or set up a block of time to get it done in one fell swoop.

Finally, getting to the point creates a sense of urgency in all that you do. With this urgency comes momentum and the expectation that you will work more quickly and more ruthlessly to get things done.

Keep Short Deadlines

Not everything is perfect in business. I have alluded to this before when speaking about the 80 / 20 rule or about the 80 / 100 rule. It is often true that to complete a task or respond back to someone at a 90% correct level may take only a few minutes, whereas to respond back at a 98% - 100% correct level may take 5 days. Err on the side of the few minute answer.

To get things done within the few minutes, I would create short deadlines. As such, the employees were forced to prioritize and focus on only the most important issues. Further, to assist them in keeping short deadlines, I would often reduce the task. For example, if we had a meeting, I would ask that the meeting notes be completed by

the end of the day and require that they be at most one page. This is a double win: the task is completed punctually and the notes focus only on the essential.

Likewise, keep short deadlines on meetings and stick to those deadlines. Wal-Mart CEO Mike Duke is known for walking out of meetings at the end time even in the middle of a discussion. By sticking to and respecting these short meeting times, it ensures that the next meeting will be more productive especially at the outset when many meetings often get bogged down and off track.

It is good to remember the words of General George Patton:

> Perfection is the enemy of the good. By this, I mean that a good plan executed with great vigor now is better than a perfect plan next week. Success is a very simple thing; and the determining characteristics are confidence, speed and audacity — none of which can ever be perfect, but they can be good.

Think Critical Path

Thinking of the critical path helps to speed all activities along. Critical path is a project management technique that looks at the time element for each required step to complete a goal. It then strives to shorten the time to accomplish a goal by performing the steps as rapidly as possible and in parallel.

> In the discussion on finding root cause in Chapter 13, I gave an example where not entering sales orders delayed the purchasing of a long-lead time item which then delayed the product delivery. In this case, the key element in getting things done quickly was to realize what was on the critical path. You could perform all the other tasks with great rapidity, but if you had to wait on the long-lead time item, the project would be delayed.

To execute rapidly requires that the employees and you as a leader realize what is on the critical path and focus to get those items done as quickly as possible even if some things need to be done out of turn or less efficiently. To determine the critical path, map out the process and find out where the path can be shortened.

Critical path and process mapping are most often used in operations, especially when trying to introduce lean production techniques. Process mapping (also known as value mapping) charts the process and looks at how much time is actually spent working on the product or activity. It is usually eye-opening; products that might take two days to enter and leave production may only be worked on for 45 minutes during that time. By looking at the critical path and shortening the delays along the path, products and processes can be completed significantly quicker. This can be applied throughout business.

> When I was performing financial analysis in the early 1990's, the average time to complete and disseminate the month-end reports was 28 days. By focusing on the critical path and corralling some senior managers for their analysis or approval, I was able to reduce it to 4 days. This was still not "world-class", but was a significant improvement that allowed the operating executives to get information that was much fresher and more relevant.

In mastering critical path, it is necessary for management to avoid being the roadblocks. In the example above, top management was the roadblock as reports would sit on their desks for days at a time awaiting their analysis or final approval. Yes, these leaders had many things on their plate and may have been out traveling. Nevertheless, their lack of punctual response delayed the reports making them, if truth be told, nearly useless. It is for this reason that I believe so strongly in the importance of leaders' returning phone calls, responding promptly to E-Mails, and being decisive. A delayed response or approval inevitably delays the whole project or task.

Finally, we each need to realize that our own individual effectiveness and priorities are subordinate to the overall business effectiveness and priorities. We may have to do a task more

> *"The secret to success lies in careful preparation followed by speedy and decisive execution."*
>
> *Napoleon*

inefficiently or earlier in the process than we want in order to ensure that the overall goal is achieved as quickly as possible.

Decisiveness

To have a business execute consistently, individual employees need to be given the authority and the support to act quickly and decisively. In countless academic studies, this idea of rapid and decisive action differentiates the fast-moving entrepreneurial company from the slow-moving bureaucratic companies.

You create or re-create a culture of decisive action by making decisions at lower levels, allowing for failure, and being decisive in the decisions you make.

Make Decisions at Lower Levels

The goal is to make all decisions at the lowest possible level where the person making the decision has accountability for the results of the decision. In nearly all cases, this would be a lower

> *"It is wonderful how someone's abilities and commitment sky-rocket when you give them the responsibility and accountability to do what they can do."*

level than many decisions are currently made. The lower the decision level the more rapidly the decision can be made, the more accountability that the person making the decision has for the decision, and the more training and growth that that person receives.

I would often get a phone call from one of my General Managers asking me to be a sounding board as they struggled to make a difficult decision. Together, we would go over the issues surrounding the decision, the different options, and the decision that the General Manager was considering. After doing this, the General Manager would often ask me what I thought of their decision. I would usually respond with: "I do not disagree." This answer meant that it was their decision to make and their decision alone. Even though I was not saying whether I agreed or disagreed with their course of action, I was telling them that what they had decided was not off the wall crazy. Occasionally, this answer would be infuriating for the General Manager because the purpose of the call was really for me to be a crutch or a security blanket. And I was refusing to be that for them. It was their decision to make and their accountability to answer for that decision.

In many organizations, no one in the organization is allowed to make a decision without the boss's approval. As such, everything revolves around the boss' schedule and priorities and execution lags; the boss is truly a "roadblock." These organizations inevitably

> *"Recently, I was asked if I was going to fire an employee who made a mistake that cost the company $600,000. 'No, I replied, I just spent $600,000 training him.'"*
>
> *Thomas J. Watson, founder of IBM*

fail to execute. First, employees have no ownership in the decisions that are made. Second, employees are under-utilized. Without empowering good employees to make decision for which they are being held accountable, the organization is not taking advantage of all their talents and experiences.

Allow for Failure

Many companies allow their employees to take actions or make decisions, but they do not allow them to fail. In the employee's mind, decision making becomes a one-way bet:

> Make the decision correctly, you keep your job. Make a wrong deci-
> sion, you lose your job.

For the employees, it does not pay to take any risk or action if the consequences are so extreme. They will just keep their heads down and do what they are told. More than anything, it is this failure to take initiative and make decisions that leads to rampant bureaucracy.

To realize decisiveness in your business, you need to have em-ployees be allowed to make and learn from mistakes.

> In the first 14 of my 16 years at Oldcastle, we had a standing expres-
> sion that it was better to seek forgiveness than to ask for permission.
> What this allowed us to do was to respond rapidly to changing circum-
> stances and quickly seize opportunities as soon as they presented
> themselves to us. Moreover, it gave the General Managers who were
> running their businesses a strong identity of themselves as entre-
> preneurs accountable for the success of their companies. Of course,
> we made a number of mistakes. But, the successes from our rapid
> and decisive actions clearly out-weighed the failures.

Warren Buffett (once again) summarizes well the importance of allowing mistakes in order to have decisive action:

> We would rather suffer the visible costs of
> a few bad decisions than incur the many
> invisible costs that come from decisions
> made too slowly-or not at all-because of
> a stifling bureaucracy.

*"Any commander who
 fails to exceed his
authority is not of much
use to his subordinates."*

Admiral Arleigh Burke

Be Decisive in your Actions

As the leader, you need to lead by example in being decisive. This does not mean foolhardily plunging off of cliffs. Rather, it requires that you take intelligent and decisive action, make most decisions

quickly, be opportunistic when needed, and admit and even celebrate the mistakes that you make.

> Decisiveness in decisions is vital. Make 80% of your decisions on the spot; 15% need to mature; 5% need not be made at all.[5]

In addition, be decisive in not making decisions. Resist the urge to make the decisions that your team should make.

> In the early years of leading my division, I would be making countless decisions. Of course, I was "making it happen" and pushing hard to improve the business. But, I was making so many decisions that when the weekend came, I did not care what my family and I did just as long as I did not decide what we were to do. I did not want to make any decisions about anything. After a while, I realized that I was just making too many of the decisions for the business. I needed to push decision-making down to lower levels even when others wanted me to make the decision.

In short, if you have a case of "decision exhaustion", then take a cold, hard look at the decisions that you are making. Most likely, it is time to get your employees to make the decisions that they need to make. Thus, you remove yourself as a bottleneck, empower your team, and make them accountable to execute daily, speedily, and decisively.

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5   *Skills for Success: The Experts Show the Way*

Contact David for assistance in any of the following areas:

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Build a Better B2B Business
is available on Amazon.com.

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How does a business leader win?

In today's complex world, the overwhelmed leader needs to tune out all the extraneous noise and excessive hype, and focus. Simplify and focus the business relentlessly on three fundamentals - doing the right thing, developing winning teamwork, and satisfying the right customers.

Alive with ideas, anecdotes, quotes and personal experiences (both the successes and the failures), *Build a Better B2B Business* vividly and candidly describes the Winning Leadership that will help you lead your company to success.

DAVID SHEDD has ten years of success as President of an up to $200 million group of manufacturing and services companies, having overseen 19 different B2B businesses. Currently, he is Principal of Winning B2B Leadership, an advisory firm serving small to middle-market clients. David has an MBA with Distinction from the Wharton School and a BA from Williams College.

David blogs at www.winningB2Bleadership.com.