

Valuable News

The News Engine of Valufacture Solutions



Valufacture Solutions are Business Architects; professionals dedicated to the Art and Science of *execution excellence* that achieves results.

"Execution will drive performance and ergo results"

So what have we Learnt?

As we look to closing out another year and welcoming in the new, I ask myself the question, "So what have we learnt in 2007? What has worked well and what hasn't worked as well? What should we never do again and what should we do more of?" These are simple questions that require some serious reflection if ever we are to get honest answers.

So, let us reflect for a minute on what I have learnt.

Lesson # 1:

I am convinced now more than ever in the importance of **execution** in driving performance and ergo

results. In a recent survey¹ of 769 global CEOs from across 40 countries, '**excellence in execution**' ranked the # 1 challenge that they faced and '**consistent execution of strategy by top management**' was ranked # 3. The formulation of strategy was not seen by CEOs as being a problem as they felt that they had the talent to formulate strategy; they just did not have the talent to execute it. This is a major issue and will continue to be an issue going into 2008.

Lesson # 2:

I am convinced now more than ever that **talent** will play a crucial role in determining

whether an organization has a competitive advantage over its competitors or not. In the same survey quoted above, Jonathon Spector, the President and CEO of the Conference Board noted "CEOs are becoming increasingly aware of the crucial role that people play in growing their companies." The so called 'war for talent' has been well documented since it was first highlighted in McKinsey & Company's War for Talent Survey in 2000. The trouble is either the majority of companies did not believe the findings of the survey or if they did, they paid no heed to its underlying message. Now, the war is

The 5 Lessons that we can take out from 2007

being fought in their backyard and yet they continue to use traditional methods of talent assessment that only have a 25% success rate of determining true talent.

Lesson # 3:

I am convinced now more than ever that the ability of a company to **differentiate** in all areas will be critical to its success. At a time when everything seems to demand conformity, it will be those companies that offer something 'different' that will succeed.

A case in point ~ I was at my son's speech day yesterday and the Headmaster suggested in his address that

what made the school stand out from other schools across the country was the unique student make-up at the school which ensured that students leaving the school will bring different approaches to life's challenges. Many companies try to differentiate themselves from others, few rarely do.

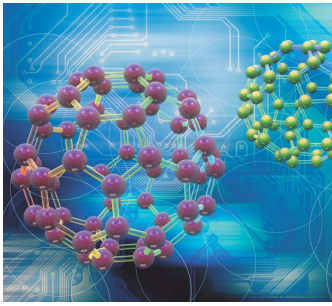
Lesson # 4:

I am convinced now more than ever that **treatment** will drive where people, be they consumers, clients or companies spend their money. This is not about building relationships nor is it about service; rather it is about how you consistently

treat the people that you come into contact with daily; your consumers, clients, suppliers, staff etc. It is based on the saying "treat others as you would like them to treat you." So, if you treat them like idiots, they will treat you the same. If you treat them with respect, they will do likewise. In other words, treat your consumers consistently well, and they will reward you by spending their hard-earned cash on your products or in your store.

Consumers do not necessarily want to enter into a relationship with you as that takes time which they probably don't have. Rather

"Talent will play a crucial role in determining whether an organization has a competitive advantage over its competitors or not"



“Consumers or customers’ tolerance for forgiveness has shortened and you now only have one chance to get it right”

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Loyalty like life-time employment is a thing of the past

they would prefer that you treat them with respect which will have an immediate payoff. John Howard, the former Australian Prime Minister learnt this the hard way. He lost the election the moment he introduced his work choice legislation because the majority of Australians felt that he treated them badly by it. (This of course is a very simplified view of Australian politics!)

Lesson # 5:

Following on from the above, I am convinced now more than ever that customer or consumer or even staff

loyalty like life-time employment is a thing of the past. There are simply too many similar products from which to choose. You are only as good as your last job, or the last product sold and it is my belief that consumers’ tolerance for forgiveness has shortened and whereas they may have been willing to forgive mistakes in the past, you now only have one chance to get it right. So you had better get it right the first time; which brings us back to Lesson # 1 ~ execution excellence.

How can you benefit from these Lessons?

First, ensure that your company is aligned. In a recent survey that we undertook amongst employees of a global company, senior managers were shocked to find that the majority of employees were not aligned with their strategy; that they complained of silos and felt strongly that even the senior managers were not committed to the strategy.

Secondly, understand what it is that is preventing you (or your company) from executing your strategy. In

Toss out CRM and bring in CTM

the October 2007 edition of Valuable News we highlight the common hurdles to strategy execution. Find out what is stopping you and put in place a plan that addresses each and every one of these hurdles.

Finally, undertake an in-depth talent assessment via **Topgrading** throughout the whole company so that you know who are the A players, B players with A potential, B players and who are the C players. Put in place a plan that will ensure that A players are placed in all strategic roles throughout the company.

Oh, one last thought – throw out CRM (Customer Relationship Management) and bring in CTM (Customer Treatment Management) which looks at how you actually treat customers at every touch point.

1. Survey undertaken by The Conference Board in its Report “CEO Challenge 2007: Top 10 Challenges”




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