



ACHIEVING BUSINESS
EXCELLENCE

BY JOHN SPENCE

For the past five years, I've been working hard in preparation for writing another book. As part of my research, I've read literally hundreds of books, articles, and research papers on the key strategies of the world's top companies—many of which, I am honored to say, are current clients of mine. **I've done all this work to see if I could uncover a pattern of business excellence.** At last count, I have read and analyzed about 160,000 pages on best practices and winning strategies, and condensed this information to a single page of bullet points. Yes, that's right—one single page! Combined with my 14 years of hands-on experience working directly with senior leaders at more than 20 Fortune 500 firms and a number of America's top private companies, I think I am getting a pretty clear picture of what all of these organizations focus on in their efforts to achieve and sustain highly successful businesses. I'd now like to share those ideas with you in the hope that you can take this information and apply it to your organization, employees and customers.

Before I get into the pattern, though, we first need to set the stage with a few key elements that form the foundation of any successful business.

The first is that, at the very least, you must produce a high-quality product or service.

If what you sell is not worth buying, no amount of good ideas, cool strategies, or slick marketing will help you. All *sustainable* business success is built on delivering real value to the customer—period.

The next given is that you need to have a solid handle on your financials.

I love the old saying that if you aren't managing cash flow, you won't be managing much for long! Even great companies—companies with amazing products, outrageously good services, loyal customers, and fantastic strategies—have been reduced to ruin and driven to bankruptcy by poor financial management.

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The last given is that change is inevitable. There is no single strategy that will carry your company forever—just ask my buddy Tom Peters, who wrote the fantastic book *In Search of Excellence* back in 1982, only to watch more than half of the companies he highlighted go out of business! Markets shift, consumer preferences change, new competitors appear, technology advances—and so must you. Even though I can recommend which of today’s popular strategies I believe deserve your attention, there is no guarantee that these same strategies will still be as relevant in 20 years. I think they will, but no one can see that far ahead.

With all of that said, following are the six strategies on which all the great companies I studied were relentlessly focused.

1. VIVID VISION:

A clear and well-thought-out vision of what you are trying to create that is exceptionally well communicated to everyone involved.

I have had many leaders tell me that they don't believe in "the vision thing," or that they don't have time to work on something so vague. Folks, nothing could be further from the truth! A vision is not some meaningless schlock that you throw together on a two-day retreat and post all over the office, never to look at again.

A true vision is an exciting, focused, realistic, and inspiring picture of what you and your people are all trying to accomplish together—it's the reason you come to work every day, the impact you want to make on the world, the kind of company and product you aspire to build. Your vision does not have to be a Pulitzer Prize-winning masterpiece of literature; it simply needs to be something that everyone can clearly understand and about which people are damn excited. When I put it that way, believe me—you don't have time NOT to sit down and create a vision for your business.

In addition, I do not ascribe to the camp that says a vision absolutely must be specific, detailed and measurable. I love visions that are—they work very well, and they give people a great idea of where they are going, which is extremely valuable. But I have also seen some really successful businesses—often in high technology, where the velocity of change is overwhelming—that have visions that are more about *how* they do business, and what is most important to drive success, than they are about revenues or market share. I have one client whose vision is focused on building a superior TEAM that delivers real value through elegant SOLUTIONS for their customers and looks for appropriate GROWTH opportunities. These three ideas—team, solutions and growth—have taken this firm from \$50 million to \$250 million in just a few years. That sounds like a pretty successful vision to me!

One last key idea on the vision: It must be communicated relentlessly to all stakeholders. Through emails, meetings, speeches, conference calls, corporate retreats, and other means, the vision needs to be repeated over and over again. Once a CEO asked me, “When do you know that you have talked about the vision enough?” I replied, “When you talk about it so much that you feel like you are going to be nauseous, that is when the lowest person in your company just heard it for the very first time!” The goal is to send a clear and consistent message about where you are going, why it is important, and how you will get there.

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2. BEST PEOPLE:

Superior talents who are also masters of collaboration.

I have been jumping up and down about this for years, but very few businesses actually understand the importance of this idea: *The future of your company is directly tied to the quality of talent you can attract and keep.*

Products across the globe—even those that traditionally would have been considered unique and valuable—are becoming commoditized. From table salt to high-level financial services, every company is feeling the squeeze of more competition and facing incredibly well informed consumers who have total access to the information needed to make their buying decisions. The old bastions of competitive advantage—location, access to capital, proprietary technology, distribution, etc.—are no longer relevant. To my mind, the only sustainable competitive advantages left are innovation and superior customer service—both of which come from extremely talented people.

So to succeed in the future, you must become a fanatic about finding and recruiting top talent today. You need to put in the systems, processes and programs necessary to build a talent pipeline that delivers a steady stream of bright, sharp, creative and hardworking people. Lots of companies talk about doing this; a minuscule minority actually follow through on it.

It is also essential to keep in mind that *talent that does not play well with others is not talent.* Your top people have to be just as good on teams as they are on their own. I simply cannot stress this point strongly enough—the companies that survive and thrive in the future will be the ones that treat talent acquisition, development, and retention as a major strategic imperative, and then hold those talented individuals fully accountable for being superior at collaboration, knowledge-sharing and highly effective team performance.

Let me make one other important point on this topic: If there truly is a war for talent, then you need to BE talent, or you might soon be unemployed. If you are not constantly improving your skills, gaining new insights, and finding new ways to add value to your company and customers, there is a good chance that your company will find someone else who will do these things.

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3. A PERFORMANCE-ORIENTED CULTURE:

One that demands flawless operational execution, encourages constant improvement and innovation, and completely refuses to tolerate mediocrity or lack of accountability.

I have heard this more than once: “John, after taking your class, I now realize that I have a few mediocre people in key positions in my organization and that every day I leave them there, they have a negative impact on all of the people around them.” This is a difficult situation to admit, but an issue that plagues many of my clients. These managers talk about excellence and give lip service to talent and “people being our most important asset,” but then they look around and realize that they are not truly living up to that goal.

What is even more devastating is the impact that acceptance of mediocrity has on your truly top people. When someone is superbly talented and honestly committed to excellence, but looks around and sees other people doing mediocre work—turning things in late, leaving early, and getting the same pay and benefits as the top talent—one of two things happens. Either your top people leave, or they simply give up and lower their standards to the level of the slackers. Why? Because they know their leaders are not serious about excellence.

Here is a great saying that cuts to the heart of this problem:

“Once you start accepting mediocrity in your life, you become a magnet for mediocrity in your life.”

Great companies do not tolerate mediocrity. They set clear, ambitious, realistic goals and high standards of performance, and then hold people 100 percent accountable for meeting those standards and delivering on the goals. Refusing to accept mediocrity isn’t easy and takes a lot of discipline, but it is also the only way to build a world-class organization.

4. ROBUST COMMUNICATION:

Open, honest, frank and courageous, both internally and externally.

Poor communication is now the single biggest problem I deal with in client organizations worldwide. Why is this? Well, for starters, communication is insanely complex. I won't do the math, but as soon as you get more than three or four people in an organization, the number of possible connections in the communication web mushrooms exponentially. When you get 40 or 50 people in an organization, the opportunity for miscommunication becomes overwhelmingly vast. Frankly, it is amazing to me that anything ever gets communicated well in large organizations.

How do you solve the problem of poor communication? You must make superb communication a top priority by focusing on it, training heavily in it, measuring it, and rewarding those who do it well. Being a truly good communicator is a skill that can be taught and learned. It takes practice and hard work, but with time, it is possible for people to greatly improve their communication skills, and so improve the effectiveness and overall quality of communications within organizations.

When I think of superb communicators, the two key skills they demonstrate are focused listening and asking superior questions. When someone else is talking, superb communicators make that speaker the center of their universe with excellent eye contact, non-verbal cues of attentiveness, appropriate body language, summarizing, paraphrasing, and a smiling facial expression—all the elements that show interest and understanding. When superb communicators ask questions, they make every word count; they think through the answer they want to get, and then ask a question that will get them the information they require. They have a plan. They know that one of the most powerful ways to persuade a person is to get them to tell you what you want them to hear. They are never manipulative, but also never lax; they realize the power of a well-worded question and take their time to make every question count.

My final point in the area of communication is keeping open a robust dialogue with your customers. Great companies do everything in their power to maximize the Voice Of the Customer (VOC), asking questions and listening to what the market and their real customers are saying. It is a hard and fast rule of business: Whoever owns the VOC owns the market.

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5. A SENSE OF URGENCY:

The strong desire to get the important things done while never wasting time on the trivial.

For the past three years, I have been invited to be a guest lecturer on strategic thinking at a special event at the University of Pennsylvania's Wharton School of Business. Typically, I have about 120 senior executives in my class. During the session, I ask them: "What percentage of the time do companies that have a clear vision, and a specific plan to achieve that vision, execute to that plan effectively?" The answer I get most often is 10 to 15 percent of the time. Wow, that is scary!

Failure to execute to plan is one of the biggest issues I face in all of my consulting and training assignments. It is what we refer to in our firm as the knowing-doing gap. Companies know what they are supposed to do, they understand what it takes to succeed, they have a solid plan—but creating a performance-oriented culture of disciplined execution that can effectively implement the plan seems to be a challenge that few companies can meet. According to the senior executives I work with, the top four issues that inhibit execution are:

1. Holding onto the past / unwillingness to CHANGE
2. Economic climate
3. Company culture
4. Inability to work together
- 5.

What is so fascinating and encouraging about this list is that three of these four factors are within the control of the company. Embracing change, creating culture and building teamwork are things that can be improved. If lack of attention to these factors is not frustrating enough, the financial implications of failure in these areas can be staggering. Inability to execute to plan is likely responsible for the overwhelming percentage of lost revenues in most large organizations.

Because this is such a big issue, I recently had a client ask me to present a special session on execution for several hundred of her people. Although this is a topic I know pretty well, I wanted to be fully prepared, so I bought 14 books on effective business execution and read them all, looking for the pattern. When I was finished, I had piled through about 2,800 pages, only to find out that they all said basically the same thing: To be effective at disciplined execution, the only cure is process. The leader must implement a detailed system—a defined and repeatable process for identifying, clarifying, prioritizing, assigning responsibility, implementing, reviewing and rewarding against specific goals and high standards of professionalism. In other words, what gets measured (and rewarded and punished for) gets done. I know that is not very revolutionary or sexy, but it is the truth.

6. EXTREME CUSTOMER FOCUS:

Owning the voice of the customer and delivering what customers consider truly valuable.

As I mentioned before, I feel strongly that the only things you have left that truly differentiate your company from other companies are the quality of your employees and the level of service they deliver to your customers.

Based on a broad array of national surveys, a list of typical customer expectations is as follows.

Reliability	The ability to provide what was promised, on time, dependably and accurately.
Assurance	The knowledge and courtesy of employees, and their ability to convey trust and confidence.
Empathy	The degree of caring and individual attention provided to customers.
Responsiveness	The willingness to help customers and provide prompt service.
Tangibles	The physical facilities, equipment, and appearance of the personnel.

These items could be condensed to a short list:

Honesty

Competence

Genuine Concern

Positive Attitude

Professionalism

These things do not happen by chance, fate or good luck. The only way to build and sustain a corporate culture that embraces consistently superior customer service is to create a process that ensures superb service delivery. Even though I personally hate process, I know that to get stellar results is to define in specific terms exactly what great service looks like and, specifically, how to make sure that happens flawlessly in every customer interaction. For a customer service program to be successful in the long term, it is critical that the program follow these steps:

Create a set of clear, specific, measurable and observable customer service behaviors, actions and deliverables; these must be quantifiable and objective, and are most powerful when developed by the employees who will be responsible for delivering the actual service—based on what the customer identifies as superb service in their eyes.

1. Build protocols, systems, processes and procedures that will ensure consistent delivery of superior service (as defined by the customer). The goal here is to remove as much chance from the system as possible—to get it down to a trainable, repeatable and observable standard of service excellence.
2. Ensure intensive and ongoing training for ALL service delivery personnel. Give them the tools, skills and equipment necessary to be successful in meeting and exceeding the service delivery standards.
3. Constantly track, measure and analyze the customer service delivery system, both internally and externally. Post all results, communicate them regularly, and hold people 100% accountable for meeting and exceeding the standards with ALL accounts.
4. Create a system of lavish praise, celebration and rewards for those individuals who consistently meet or exceed the service delivery standards.

5. Deal decisively with people who do not meet the standards. The three options are: train, transfer or terminate.
6. Review the entire system regularly, solicit ongoing feedback from customers in a myriad of ways—both objective and subjective—then make necessary adjustments and re-focus on training and measurement.

The organizations that can deliver consistently superior customer service will dominate their markets. These firms will build an army of extremely loyal customers who are willing to pay more for the increased service, and will tell everyone they know about their positive experiences. This, my friends, is the future of business.

As I write this, these are the top business strategies that are continually being discussed, both in business books and in conference rooms. I might end up adding one or two more ideas to this list, but I can tell you with confidence that after more than 100,000 pages of reading and 14 years spent working with some of the most respected businesses in the world, these six strategies stand out in bold relief.

1. Vivid Vision

A clear and well-thought-out vision of what you are trying to create that is exceptionally well communicated to everyone involved.

2. Best People

Superior talents who are also masters of collaboration.

3. A Performance-Oriented Culture

One that demands flawless operational execution, encourages constant improvement and innovation, and completely refuses to tolerate mediocrity or lack of accountability.

4. Robust Communication

Open, honest, frank and courageous, both internally and externally.

5. A Sense of Urgency

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6. Extreme Customer Focus

Owning the voice of the customer and delivering what customers consider truly valuable.

When I first looked at this list of strategies, I was more than a bit disappointed that it was so similar to the six key characteristics of outstanding leaders I'd outlined in my first book, *Excellence by Design: Leadership*. I wanted to find something totally new, to be able to come up with a list that no one had ever seen before—but that would be impossible. It was inevitable that the two lists would

be similar, simply because great leaders focus on these same things to build great companies. If having a vivid, exciting and well-communicated vision for the future of the organization is fundamental to business success, then it stands to reason that creating and communicating that vision must be fundamental to leading a company successfully.

Now, here is your challenge: Review the six key strategies I have listed above, and give a brutally honest score between 1 and 10 for how well your company is actually implementing these strategies every single day.

- If you have the strategy nailed and are honestly world-class in that particular area—give it a 10.
- Very good, but with room for improvement—score a 7.
- Sometimes you do this thing well; sometimes you do it poorly—you get a 5.
- Every now and then you are able to deliver on this strategy, but most of the time you do not—that's a 3.
- Looks nice on paper, but we almost never focus or deliver on that strategy—you score a 1.

Anywhere you scored seven or below needs some attention. Anything at four or lower is an emergency, and needs lots of attention right away.

So there you have it, my manifesto on how to achieve and sustain business excellence. It has taken me nearly 15 years of research, study and working side-by-side with leaders in some of the most respected companies in the world to develop this list. I truly hope that it helps you in leading your company to new and exciting levels of success. 📖

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ABOUT THE AUTHOR

“Making the very complex...awesomely simple” is no mere catch phrase; it is truly John Spence’s mission in life. Driven by an insatiable curiosity to understand the fundamental aspects of what it takes to achieve and sustain excellence in business and life, John Spence has earned a reputation as a leading authority in the areas of Strategic Thinking, High-Performance Teams, Advanced Leadership Development, and Delivering Consistently Superior Customer Service. Affectionately referred to as the “human Cliff’s Notes” by many of his clients, John is known for using massive amounts of research combined with his personal hands-on experience to deliver timely, focused, results-driven programs. Find out more at www.johnspence.com.

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