

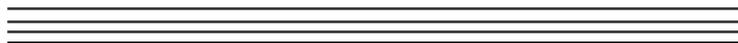
SIMONE GIBERTONI

·THE·

⇒ HIGH PERFORMANCE ⇐

**COMPANY
MANIFESTO**

HOW HIGH PERFORMANCE
LEADERS *SHAPE*
— COMPANIES —



Leadership is Responsibility

The High Performance Company Manifesto

We are tired of mediocre firms that make mediocre products and poor services.

We are tired of unenthusiastic collaborators who have no love for their job, no passion, who spend hours criticizing the firm they work for, and the rest of the time wasting time on coffee, texting and the internet.

We are tired of political chiefs who are anything but leaders; on the contrary they do everything NOT to have leaders as collaborators with whom they would be forced to compare themselves.

We are tired of managing directors that don't know their business, for whom selling computers, cosmetics and clothes is after all always the same thing, in the end you take the money and run.

We are tired of production managers who never go to production, marketing managers who don't know the products that they have to market and sales managers that don't believe in what they sell.

We are tired of HR managers who hate being with people. And of people responsible for products who don't use the products that they develop.

We are tired of firms without vision, without challenging objectives, without dreams.

And we are tired of consulting theories that have never worked in practice, developed by consultants that have never worked in a firm for one day in their lives.

We want something more, we want something different.

We want love and passion for our firms' products.

We want crazy and lunatic people ready to do anything to realise their vision.

We want firms that want to be unique and different, populated by people who want to spend most of their time knowing that they are contributing to something important.

We need new Leaders.

And firms able to stimulate them.

Firms that love change and transformation.

We need High Performance Companies.

We need High Performance Leaders.

HIGH PERFORMANCE COMPANY STRATEGY & MEASURES

Take your own responsibility

I am not a product of my circumstances.

I am a product of my decisions.

Stephen R. Covey

At the moment one decides to create a High Performance Company (HPC), or an HPC unit, or simply an HPC workgroup, it is necessary to start from the belief that whatever the market conditions in which we find ourselves, whoever the people that we are working with today are, whatever the resources at our disposal are, **creating an HPC is possible and, as managers and leaders, it is our most important responsibility.**

*When we realize this, we are no longer employees or managers:
we become High Performance Leaders (HPL).*

Without this “mindset switch”, no change is possible.

If we think that yes... for some it's possible to reach certain results, but not for our company or unit because we are in a mature market... we don't have the right people or enough resources, well then any attempt to apply the steps described in the following will be completely irrelevant.

Every company goes through different growth, or non-growth phases (according to Larry Greiner the main ones are the phases of growth through creativity, through direction, through delegation, through coordination, through collaboration and through alliances), but in each of these phases it is possible to free resources to send them towards high performance.

Responsibility unleashes choice.

Whenever we think, decide, choose, and act we are exercising our personal responsibility. Deciding to accept responsibility for our choices increases the range of choices considered acceptable by others. It allows autonomy to increase without decreasing relatedness. **We always have more responsible and less responsible options to choose from.**

Let's look at some of the characteristics that stand out in a person able to take responsibility for their own results as compared to one who is not able to do so.

The HPL seeking out for fact and expertise.

The "no responsibility guy" avoid reality, ignore history, dismiss expertise.

The HPL does what he says, he guided by true values, is curious and wise.

The "no responsibility guy" do whatever, act on impulse is stubborn and close to new ideas.

The HPL is consistent, congruent and reliable.

The "no responsibility guy" is inconsistent, chaotic and unreliable.

The HPL listen to other, is rigorous, seek for solution. Is autonomous.

The "no responsibility guy" accept only its own view, assign blame. Is depended.

The HPL "choose to" and "decide to".

The "no responsibility guy "had to".

The HPL is an entrepreneur with internal locus of control (even if he works for a company).

The "no responsibility guy" is a bureaucrat with external locus of control. An HPL is first and foremost someone who is able to take on

responsibility, and the main force of an HPL is exactly that of being able to change beliefs, the paradigms of the people who are working there. Not just at the level of collaborators but also at the level of colleagues and bosses.

*An High Performance Leader is able to "rouse" a company,
and to influence it in all its parts.*

Be ready to Change

Change is the law of life. And those who look only to the past or present are certain to miss the future.

John F. Kennedy

Tom Peters used to repeat a sentence from general Eric Shinseki, Chief of Staff of the US Army which went:

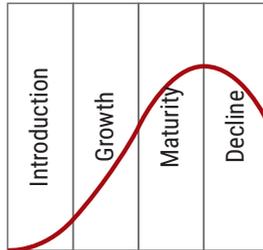
“If you don’t like change, you are going to like irrelevance even less”

A good way to say that the pathway that is about to begin is a path of change, of transformation, and that change and transformation are necessary elements (must have) and not just desirable (nice to have) for your organization.

There are many reasons why we must always change and bring into question our organization and be ready to transform it.

I believe there are particularly 4 reasons that have to push us to continually rethink our organization.

1. The **growth curve of companies**, which reminds us that is exactly in the maximum growth phase that our company has to make a “leap” onto the second curve so as to stay competitive and continue to grow. Every company goes through a growth phase and just when “counter intuitively” it is in the phase of maximum success, it has to be ready to change and “leap” onto a new curve.



2. To place, or place once again the **customer in the middle**. Companies, even those that are more customer-oriented, by inertia tend to focus more and more on the “inside” and less and less on the outside i.e. towards the customer. Every 2 or 3 years this re-focusing is necessary at all levels of the organisation.
3. To **re-organise the structure and maximise strengths**: seeking excellence means knowing our strengths and focusing on them!
4. To **constantly apply “zero based thinking”**, i.e. a decision-making process based on imagining yourself back at the point before particular decisions were made, and free to make those decisions with the knowledge that you have now about their outcome. Therefore, one is dealing with re-assessing all the decisions taken in the past in the light of the information that we have today. Would you have made that investment? Would you have entered that business? Would you have taken on that person knowing what you know today? If the answer is NO, then it's time to act!!! Careful! This process take a lot of courage... often from this analysis the need to make even drastic decisions comes out!

But why do people, and more generally organizations not want to change?

In my opinion there are 5 main reasons for “NOT” to change, which it is essential to know to be able to activate the actions necessary to “counter attack” this inertial force:

1. lack of clarity about “where you want to go” (having a clear vision of the future);
2. lack of the necessary “confidence” to go in the desired direction (change the paradigms);
3. lack of “skills” (and “coaching”, need to “teach” change);
4. lack of “commitment” to change (and courage);
5. lack of “consistency”... you change little and for a short time (routines of change are not established).

If we want to change (and we want!) we need to tackle each of these points in different ways.

Only through continuous change we will be able to create an organization that does not hamper change but encourages it!

Be results oriented

*However beautiful the strategy,
you should occasionally look at the results.*

Winston Churchill

I would like to ask you a question: would you prefer to be the owners of a company with about ten thousand employees, huge factories and machinery, that makes a profit shall we say equal to "10", or own a small, streamlined company that makes a profit equal to "100"?

A simple answer: in the first case we need a lot of people and resources, enormous immobilization ("input") to produce a small profit ("output"), on the contrary in the second case instead we need a small "input" to produce a huge "output".

However, at first sight we might be surprised and awe inspired by the size of the first firm, by its beautiful factories, by its "power."

The same thing happens at the individual level: we often base our judgments on the efforts that our collaborators put into their work; we base our personal judgments on those, forgetting that the only thing that matters is the output, the results.

Be careful: this doesn't mean that we have to "forget" their commitment, which should always be appreciated in any case. We need to have some fixed points:

- have clear the objectives that we want to reach and the objectives that we want our collaborators to reach;
- focus only on the efforts that maximize results (according to Pareto's 80/20 rule, which says that 20% of our efforts produce 80% of our results);

- add, marginally, only those activities of high added value and ensure that our collaborators do the same thing: in theory this could lead us to reaching 5 times the results that we get today;
- base our evaluations mostly on “output” and not on “input” (even if the latter is the “easier” to see).

From the point of view of management of collaborators this means managing to balance in the best way the definition of the “output”, i.e. the results with control of the “input”, the resources and how they are employed.

Some rules:

- defining the objectives at the beginning of the year and then “leaving” our collaborators alone to reach them is too much, but even the checking of every single activity (micromanagement) is deleterious;
- at every meeting with your collaborators go over the objectives again and clarify what you expect;
- define a “minimum” control of the input (e.g. in the case of the sales “number of visits”, “number of new prospects”, etc...);
- try to clear your mind of personal or “impression” evaluations of your collaborators and keep the focus on results;
- make a continuous “fine tuning” of the resources necessary for your collaborators to get the results.

Remember the example of the firm at the beginning of the chapter: **the results must be reached with the most effective and efficient use of resources.**

Everyone is able to get results with “endless resources”. Your task is that of maximizing the results with the minimum of resources used.

But if orientation to results is so important then it is here that definition of objectives becomes a key step for HPCs. What must the objectives be like?

- clear and easy to understand;
- measurable;
- with a deadline;
- in line with the strategy;
- suitably incentivized;
- coherent with the company's values.

Finally, **they need to be important**, in the sense that they must be able to really affect important indicators and have an important impact on the performance of the function and the company.

*Rather than setting many small,
irrelevant objectives, don't set anything!*

You must first understand your market (to create it)

What we need to do is always lean into the future; when the world changes around you and when it changes against you - what used to be a tail wind is now a head wind - you have to lean into that and figure out what to do because complaining isn't a strategy.

Jeff Bezos

They say that a good chess player must be able to have a good knowledge of tactics i.e. the ability to find and calculate combinations but also strategies or the understanding of the position of the pawns on the chessboard with the ability to elaborate meaningful plans for the playing of the game and finally to have an in-depth knowledge of the openings and closings of games.

This knowledge can only be had if you play a lot but also study a lot, for example "playing" the matches of the great chess masters.

Also when one speaks of business management it is necessary to be fast at applying a tactic, aimed at the short term and at obtainment of results in what is militarily defined as "a narrow territorial environment", but also to have a long term strategy, that is a description of a long-term plan of action used for setting out and subsequently coordinating actions aimed at reaching a predetermined goal.

However, just as chess players must know openings and closings to be able to develop the correct strategy of the pieces, in order to be able to formulate a valid business strategy (but also to apply the correct tactic in a contingent way) **it is necessary to know the territory i.e.**

the market, as well as possible.

Therefore, before speaking of strategy in a narrow sense the question that a HPL must ask her/himself is,

“How well do I really know my market?”

Remember, garbage in, garbage out, good in, good out, only if we know our reference market, our products and the products of our competitors as best as we can, will we be able to define the correct strategy.

A true HPL is curious, (s)he travels, (s)he knows everything relative to his/her area of competence, the competitors, the new launches, the best practices, (s)he has an open mind and is not superficial.

A HPL knows that first and foremost (s)he must know the environment in which his/her firm operates. An HPC is able then not only to adapt itself to the environment, but to mould it.

Knowing data, growth, past and future trends in a “rational” way is fundamental (also knowing how much of the prospective data in most businesses turn out “ex post” to be wrong). A rationalist approach is the starting point for the definition of a good strategy.

But a HPL doesn’t stop there.

HPL sees the environment as a universe of potentiality that the enterprise and its network of alliances and partnerships can channel into the desired direction.

Said in other terms, HPL knows that it is not the enterprise that

adjusts itself to the environment, but it is the enterprise that creates the environment. The environment becomes like a palette, where a HPL creates the desired future, and uses the resources at his/her disposal to create something unique, different, something that doesn't exist.

Therefore, the process moves from being only rational, to being a rational-entrepreneurial process. For this, once the strategic guidelines are defined, the tactic is so important for a HPL. The tactic, in effect, is the entrepreneurial means by which the opportunities for success are gathered every day.

At times the tactic may even be in contrast with the strategy, but that's the way it is, in today's competitive world where change is so rapid, the tactical speed, just as precision and rapidity of implementation of the strategy, are crucial.

In cosmetics, for instance, the recent success of Korean brands is truly a perfect mix of strategy (speed of development, accessible prices and high quality) and tactic (aggressive and appealing marketing, discounts and a copy of the market trend setters).

A HPL is therefore able at the same time to have a long-term vision tied to the strategy, rational we might say, but also a short-term tactical, indeed much more "entrepreneurial" approach.

Create a compelling vision to direct the future

Where there is no vision, there is no hope.

George Washington Carver

Having a clear vision is fundamental for the success of an enterprise.

The vision is our “representation” of the future, the ideal image toward which we must strive; it is the “direction” that the people of our firm must take.

Having a clear and shared vision is fundamental, because it has to help people to make the right choices every day, in the correct way and with the proper priorities.

The resources, the efforts that we make, the operational objectives, must all be aimed at attainment of our vision.

In reality, being an “ideal” image, the vision will never be fully reached, **but the whole firm must continually strive toward its attainment.**

A vision that has “appeal” has to have a “reason for existence” of the firm, and has to answer these three questions:

- what business are we in?
- what we want the firm to be like?
- what are the fundamental “characteristics” that want our ideal firm to have?

And even most important... **How can we win in our business?**

In this sense the vision has in any case to be deeply rooted in the strategic process, even though it must be more of an “inspiration”, that an “operational guide.”

In the vision there are all the characteristics that we will later find declined in the operational strategy and objectives.

The challenge that we must win at this point is that of **making this vision apply to the people in our organization in everyday life, of transferring it to every person, in every department, at every level of the organization.**

Even the people who work in invoicing have to know it, the people that work on the switchboard, in the warehouse, everywhere!!

Not only to know it, but also to act every day!

Create your vision with your management, involve the people in contact with the customer and don't be afraid to make this process a creative process...

Show that the first line of managers takes as its main responsibility that of “living” the vision every day.

Arrange it so the people in contact with the customer are the first ones to act out the vision in their every day relationships with the customer.

Communicate the vision to the whole organization, and ensure that this is done with continuity, reiterate the message! Put the vision in your mails, speak about it, stick it up in your offices, and speak about it!

Define your strategy

The essence of strategy is choosing what not to do.

Michael Porter

Be simple is the first and most important rule of the HPLs.

Even in defining the strategy to become a truly High Performance Company.

*A complicated strategy cannot be communicated,
it cannot be applied and it cannot be pursued.*

Very simply strategy is nothing other than finding and cultivating our own competitive advantage. If this starting point is clear, all the rest will be simple. That is to say, even more simply, **understanding or deciding what we can do differently and better in comparison to our competitors, and to pursue** it: defining the elements of the offer of products and services that put you in the condition for which customers buy from you and not from your competitors.

Let's start by saying immediately that a competitive advantage must have certain characteristics:

- it must be unique (if too many firms already have it, then why should it make us different?);
- it must be hard to imitate (therefore to be able to be sustainable);
- it must create more value for the client, compared to the alternatives.

We have said that the first point in defining a strategy is that of knowing one's own market, one's competitors and obviously the product to the best. But first and foremost you must **reach a shared definition of**

who you are now. But why, you will say, is there a need to discuss what we are? Certainly, every member of your management, you will discover, probably sees the company in a different way, or only sees a part of it. Meet with your management team and answer some questions.

Step 1: Where are you and who are you?

(now you need to **Analyse**)

Describe your competitive arena. Who are your competitors? Who sells products similar to yours? Who sells to customers similar to yours? Who sells an alternative product or service to yours? Why do your customers buy from your competitors? What do they seek from them that you are not able to offer?

This analysis must have done gathering the greatest possible amount of information about your market, and, especially about your competitors (turnover, margins, market share etc.)

Key question:

***who are your 3 main competitors and
why do your customers buy from them?***

Speaking of "your market", in what business are you? What do you really offer your customers? How do you create value for them? If you talk to your customers, what do they say about you? Why do they buy your products? What do they look for in your products? Which products and customers ensure you some margins today? Which no?

Key question:

what do you really offer your customers?

Step 2: In what are you unique and what is important for you?

(now you need to **Reflect**)

Now try to define where you are already different. What do you do extremely well? What makes you better than your competitors today? What are the specific competences that make you different, and that allow you to best satisfy your customers? In what way are you better than your competitors?

Step 3: Where is your market moving?

(now you need to **Assess**)

Now analyze the market trends, the “external situation”:

The markets (consumers), The competition, The technology, The markets of suppliers, The markets of labour, The economy, The regulatory context.

Try to define the opportunities and the risks of the external context. Ask yourself: which are the most serious threats that could strike you in the future? What are the hurdles to the growth of your sector and your firm? How are the tastes of your customers changing? What are they asking for today, and what will they want in the future? Have a brainstorming session with your management team.

Key question:

how and where will my market be moving in the future?

Step 4: Where do you want to go and what do you want to be?

(Now you need to **Dream**)

Now it is the moment to define your future. This process cannot only be rational; we have seen that it must be **rational-creative-entrepreneurial**.

Some questions can help you.

In an ideal world, how would you like your firm to be described in five years' time?

Describe it, or draw it. Be creative, dream.

What should you change in the organisation, in the products, in the services? Who should your target customers be? What characteristics will they have? How will you be able to satisfy them in a unique and differentiating way? Will you focus on unique products or on lower costs? What type of organisation will you need? In what way is it different compared to the current one? What type of people will you need? Will your present competitive advantage allow you to be unique even in the future? Do you need to develop new competences?

Will your "company of the future" be able to overcome the greater difficulties that you have defined? Will your "company of the future" be able to put your competitors in difficulty and steal market share from them? Or "to create new markets?"

How must your P&L be in five years' time? What top line must you have? What margins and costs?

Key question:

***in what unique way will I want to satisfy
my customers in the future?***

Step 5: What must you do to move toward your desired future?

(Now you need to **Plan**)

What can you do immediately to move in the direction that you have defined? What changes must you make in terms of organisation, people, products, investments, sales processes and marketing processes? How can you focus on the customers and products that give you more margins?

Some questions that might be useful to you in this process:

If you started your activity with the competences that you have today, what would you NOT do anymore? What would you do differently? What would you do immediately?

Key question:

What can I do immediately to move toward my desired future?

We have said that it is fundamental to aim for simplicity. **When you define your plan of action, ask yourself what you can simplify, outsource or eliminate?**

Once you have all the information at your disposal (don't forget, the process must be shared), you must gather it all in a document that is simple, logical and easily communicable.

Finally, you can revise your KPIs (see after), so that now they reflect your new desired future state. If today your business model is, for example, tied to costs, you will have many indicators linked with the costs themselves; if tomorrow you want to be unique for the speed with which you serve your customers, then you must have KPIs that reflect this new strategic intention.

Lastly, don't forget to create operational plans for every function.

Indeed you have to remember that often, in the end, the execution is more important than the strategy!

If we want to simplify even more, there is a definition of strategy that I like a lot: Richard P. Rumelt, defines strategy as a kernel divided into 3 parts. Indeed Rumelt says that strategy is a "type" of problem solving made up of a diagnosis of the challenge that awaits us (that derives from our analysis of the market and the current situation, steps 1,2 and 3), the guidelines to tackle this challenge (step 4) and finally an action plan to develop these guidelines (step 5). We often find ourselves faced with strategic documents with a sophisticated analysis of the market, of very clear (in theory) actions and a slide at the end that says that implementation will be done subsequently. It is instead fundamental to consider that implementation is a fundamental part of the strategy.

Strategic process is a highly creative process (even though based on rational data) and the role of an HPL is that of "redefining" the market, not only of trying to do the best with the market itself. What indeed does it mean to create "blue oceans?"

I have asked to my friend **Bernard Catry**, Professor of business policy at the University of Lausanne, to tell us why so many strategic planning processes fail. Here his point of view on the 6 **pitfalls when creating a strategic plan**.

1 - Strategic planning process imprisoned the planners:

- disproportionate focus on analysis to the detriment of synthesis: "paralysis-by-analysis syndrome";
- disproportionate focus on justifying past decisions to the detriment of future decisions;
- format triumphs over content, reasoning over "vigorous" implementation.

2 - Planning systems become sterile:

- managers do not feel involved in the strategic thinking process;
- general management's role is limited to that of signing up the strategic plans;
- integration of the strategic planning system within an operational context failed; strategy is therefore not sufficient to direct action.

3 - Planning concentrated on exciting subjects:

- focus on subjects such as mergers and acquisitions giving up the development of specific skills and competitive advantages.

4 - Planning process failed to develop real strategic choices:

- pressure on planners and managers to produce "ready-made" plans as fast as possible: hasty selection of first "satisfying" strategy, plans are adopted by process of elimination rather than by choice;
- the assessment and motivation system is based on annual results / budgets, which reduces the strategic thinking on mid and long term and prevents from any breakthrough.

5 - Planning neglected the organisational and cultural needs of the firm:

- example of the SBU concept: only defined on the basis of external analysis (e.g. market) and neglectful of specific internal relations between the future SBUs, notably in the implementation of strategy.

6 - Simplified forecasts were an inefficient basis for planning in an uncertain climate undergoing complete restructuring:

- firms fostered simplified forecasts and considered very few hypotheses; a general extrapolation of past results and trends, together with the "hockey stick" syndrome;
- planning based on several scenarios was the exception rather than the rule.

Designing a High Performance Organization

An organization's ability to learn, and translate that learning into action rapidly, is the ultimate competitive advantage.

Jack Welch

The right people are the difference that make the difference between a mediocre organisation and an excellent organisation. Simple.

People themselves are the reason why a company grows or not (that's why companies in growing market stay blocked: lack of the right people).

People, however, need to be inserted in an organizational model that allows them to reach their objectives in the best way, and that allows the company to exploit its "core competences" to the best.

Designing an organizational structure means acting on the very same structure (organizational roles), the processes, the incentives and, we will see, KPIs.

Certainly, we don't want to write an essay of "organisational design" here, but High Performance Companies have organisational structures with certain characteristics. When you design your organization:

1. not change too often! Doing it can give you the impression that something substantial has changed, even if that is not how it is. **Changing too often means that in reality nothing changes and it produces confusion in people.** The organisation must change, only however, if the strategic objectives of the company change;

2. **be simple!** The simpler the organisation is, the easier it will be to make it work and to communicate;
3. remember that there has to be just one person at the helm. Responsibilities must be assigned in a clear way, **you always need to know who is "accountable" for results;**
4. **be flexible:** in today's world structures cannot be too rigid;
5. **distinguish functions aimed at efficiency from functions aimed at effectiveness.** To get efficiencies, you must be rigid, precise, inflexible. To reach effectiveness, you must be flexible and be able to make mistakes. Don't make the CFO bring in the innovation!;
6. not design organisational structures based on the people that you have available at the moment! First comes the design of the best structure to reach the strategic objectives, **then the right people are allocated** (or sought);
7. remember that every organisational structure has some trade-offs. **A perfect structure doesn't exist;**
8. group similar activities, but not to overlook the mechanisms of integration to coordinate and to share information and decisions among different groups. **An optimal structure balances differentiation (through grouping) with integration (through linking);**
9. **be careful with matrix structures!** According to many they are a way to integrate, but in reality they have shown to create more problems than those that they solve; they have been abandoned by most companies that had implemented them in the '80s and '90s, and above all they are perfect for those who don't want to make decisions;

10. Communicate, Communicate, Communicate!

Finally, remember that the most difficult thing to do is to change the company culture, according to Frances Frei and Anne Morris at Harvard Business Review:

“Culture guides discretionary behaviour and it picks up where the employee handbook leaves off. Culture tells us how to respond to an unprecedented service request. It tells us whether to risk telling our bosses about our new ideas, and whether to surface or hide problems. Employees make hundreds of decisions on their own every day, and culture is our guide. Culture tells us what to do when the CEO isn’t in the room, which is of course most of the time.”

Define a set of KPI

*There is no real magic to being a good leader.
But at the end of every week,
you have to spend your time around the things
that are really important:
setting priorities, measuring outcomes,
and rewarding them.*

Jeffrey R. Immelt

Defining a basic set of KPI which in a few minutes can give us an indication of where the company is heading is, indeed, essential to then be able to define the right strategy and in any case understand whether the implementation of a strategy is moving in the right direction.

If, for instance, the KPI for new project sales is decreasing, in the mid-term this means that the strategy of innovation is not bearing the desired fruit. Or if the indicator on delivery punctuality is deteriorating, that means that there is an obvious problem in the supply chain, either organizational or of capacity.

When we speak of KPI, I still think that the Balanced Scorecard (BSC) model is the ideal reference point, especially for the structure with which the indicators are created.

The BSC is a system of management and measuring of the company's performance that links the strategic objectives to overall performance indicators.

This system sets out from recognition of the fact that companies tend to focus on only a few parameters that are often separated

from one another, thereby losing sight of the general trend of company management.

Instead, the BSC focuses management's attention on a wide range of Key Performance Indicators (KPI) so as to give a balanced view.

Initially the idea was introduced by David Norton, co-founder of the consulting company Renaissance Solutions, and Robert Kaplan, lecturer in Leadership Development at the Harvard Business School.

They developed the concept of the BSC at the start of the '90s, in some research promoted by KPMG.

The result was an article published in the Harvard Business Review: "The balanced scorecard" in 1992.

They explained the basis of their work as follows:

"You cannot manage what you cannot measure and you cannot measure what you cannot describe".

The card's task is to translate the mission and strategy of a particular business unit into tangible objectives and measurements. **These measurements represent a balance between external measurements, aimed at shareholders and customers, and internal measurements of the critical processes of innovation, learning and growth.** The measurements are balanced between measurements of previous results and measurements that encourage future performance. The card is also balanced between the objective aspect of easily quantifiable measurements and the subjective aspect of the KPI oriented to the future.

Therefore, the BSC may be considered a support for the handling and spreading of the strategy since it allows you to define the variables to be monitored for the purpose of carrying out strategic control of the performance of the whole company or a part of it.

Furthermore, the BSC tends to define the logical connections existing between the KPI in such a way as to know in advance what effects a certain action will have on the entire company.

The methodology of the BSC starts from the premise that it is necessary to build an organised set of indicators which, linked to one another, allow a global assessment of the company's results. For this reason the traditional layout of this tool analyses the company's results on the basis of four significant dimensions:

- economic-financial performance perspective;
- customer perspective;
- internal business process perspective;
- learning and development perspective.

See this model as a map, as a reference. When you design your company indicators remember to split them into the four views.

The **economic-financial perspective**, inside a BSC system, allows you to identify the capacity that the company shows with regard to pursuance of its strategic objectives from an economic-financial standpoint, taking into account maintenance of conditions of cost-effectiveness. The financial perspective has an ex-post approach, since its purpose is to highlight the economic consequences of actions taken in the past.

In this area the question that we must ask ourselves is: **“How should we present ourselves in order to succeed at the economic-financial level and be successful?”**

Generally speaking there can be three economic-financial goals to guide a company's strategy:

Growth of revenues and product mix (growth of revenues, in which markets, with what product mix, with which customers, etc...);
Cost reduction/productivity improvement;

Utilisation of resources/investment strategy (capital optimisation).

KPI you can use: *Total assets holdings, Profitability of assets, Profitability of net assets, Ratio of equity capital to total assets holdings, Capital productivity ratio, Efficiency of assets, Profitability of investment, Market price per share, Sales volumes for new products/services, Marginal revenue per employee, Added value per one employee, Revenue per employee, Revenue from new products/services, Ratio of marginal revenue, Cash flow, Total expenses....*

In the **customer perspective** companies identify their customers and the market segments in which they have chosen to compete.

In effect, in this perspective attention is placed on the performance of the organisation as it is perceived by the customers and with the awareness that if customers are not satisfied, sooner or later they will find other suppliers able to meet their needs. **Poor performance in this perspective are an index of a future decline for the enterprise, even though financial results may seem to be good. From this point of view, assessments from customers are "early warnings" for the company.**

In this area the question that we must ask ourselves is: "In order to achieve our vision, how must we present ourselves to our customers?" and also, "Pursuing our strategy, how do our customers see us?"

KPI you can use: *Number of customers, Market share (%), Average annual sales volume per customer, Number of lost customers, Average time of taking an order, Specific weight of concluded agreements in the total number of contacts with customers, Customer satisfaction, Customer loyalty, Expenses per customer, Number of visits/contacts with customers, Marketing expenses, Number of customer visits to the company, Average time between first contact with the customer and signing of agreement, Average annual expenses to serve one customer...*

In the **internal business process perspective**, those processes that have the greatest impact on the creation of value and on consolidation of market relations are analysed and monitored. The metrics to be used are those which measure the efficiency and effectiveness of these processes, allowing the manager to know at any time the business performance and whether the products and services are responding to the customers' needs.

Therefore, in this phase the question that you must ask yourself is the following: **"In order to satisfy the shareholders and our customers, in which processes and in particular in what activities do we need to excel?"**

Generally speaking, the objectives and measurements relative to this dimension are defined after having identified the objectives and the measurements relative to the economic-financial perspective.

This model mainly includes three processes:

- innovation process (new products, patents, innovation lead time);
- operative process (KPI relative to the phase that goes from customers' orders and ends with the delivery of products and services to the customers);
- after-sales service process.

KPI you can use: *Ratio of timely completed orders, Average product labor-output ratio, Average development time of a new product, Average time from placing the order to its completion, Supplier frequency, Turnover of material assets, Labor productivity growth, Efficiency of information systems, Specific weight of expenses on IT Systems in the total amount of administrative expenses, Influence of company products to the external environment, Administrative expenses per employee...*

The **learning and development perspective** of the BSC develops the objectives and the measurements to guide learning and growth.

You must ask yourself the following questions: **“How can we go on improving and creating value?”** and **“In order to reach our vision, how should we increase our capacity to change and improve?”**

The indicators useful to measure the processes of learning and growth include the degree of employee satisfaction and loyalty, the level of training and the level of excellence of the IT systems.

KPI you can use: *Specific weight of expenses on research and innovation in the total amount of expenses, Length of research and innovation projects, Resources allocated on research and innovation, Investment in training of personnel dedicated to customer relations, Investments in innovation and research, Expenses related to preparations and study of new products, Investments in exploration of new markets, Number of registered patents, Number of rational and creative ideas per employee, Average training cost per employee, Employee satisfaction index, Non production expenses per customer, Specific weight of new products in the total amount of product...*

The success of a BSC is given by its capacity to express a strategy through

an integrated series of monetary and non-monetary measurements. It is important to link the BSC to the strategy: this connection is given by three main factors: cause-and-effect relationships, performance drivers and the link with economic-financial results.

Cause-and-effect relationships: A strategy is based on this type of relationship, which can be expressed with a series of statements of the type "if...then". For example, the link between a programme of improvement of innovation may be linked to an increase in margins... "if I create greater competence for innovation, I can improve the number of new products that I can put on the market at a higher price than current less innovative products and thus have an increase in margins". If a BSC is built well, every measurement chosen should be a link in the chain of cause-and-effect relationships that expresses the meaning of the business unit's strategy to the organisation.

Performance drivers: The measurements of results used in BSCs point out the final objectives of the strategy and indicate whether the short-term efforts have led to the desired results; but they tend to show this with a delay. The measurements of the performance drivers, instead, are trend indicators, which reflect the uniqueness of a business unit's strategy and that recommend to all the components of an enterprise what it is necessary to do today in order to create value tomorrow.

Measurements of results, if not accompanied by performance drivers, create uncertainties about the way to reach goals and to successfully implement the strategy. In turn, the driver measurements that are not linked to final results may allow the business unit to reach short-term operative improvements, but do not show whether these improvements are reflected in a wider reaching economic-financial performance. A good BSC should have an appropriate mix of performance drivers and measurements of results.

Link with economic-financial results. At the end this must be the final objectives. Even the most “soft” KPI needs to be reflected into a robust and steady growth of economic-financial results.

A completed organizational score card needs to have the following components:

- strategic Themes Identified;
- strategic Objectives Identified;
- measures for the execution of the strategic objectives;
- competitive Bench Marks for the measures selected;
- short Term and Long term targets for identified measures;
- initiatives aligned to the Strategic objectives for execution and review.

What we have just described in this chapter, could seem complicated and boring, but is not. Let me repeat again:

You cannot manage what you cannot measure

If the idea of a full BSC scares you start small, start setting few KPI (10 f.e.), but try to balance and link them in the 4 areas: economic-financial performance perspective, customer perspective, internal business process perspective, learning and development perspective. Review it at least monthly, and use it to verify if your initiatives have been successful.

This “map” of KPI must become your “reality check” to evaluate if your company or functions is really becoming High Performance.

HIGH PERFORMANCE COMPANY PRINCIPLES & MANAGEMENT

Force yourself and your organization to improve everyday

Excellent firms don't believe in excellence - only in constant improvement and constant change.

Tom Peters

I have been fortunate to spend some years of work in close contact with a great entrepreneur: I remember that one day, a few days after I had joined the company he told me that every morning before arriving in the office he asked himself:

"What can I improve today?"

It's a simple question but I can assure you that it can totally revolutionize our business.

This is indeed "innovation".

This is indeed "continuous improvement."

Waking up every morning giving yourself the objective that your present is better than your past, and making sure that this is your way of thinking and the way of thinking of the people that work with us.

Without continuous improvement a firm is dead! Without growth a firm does not stand still, it goes backwards!

Our objectives both as managers and as a firm therefore must always be aimed at doing "better" than yesterday.

Innovation, in the end, means improving something that already exists every day.

We do not only have to give ourselves the objective of growing, but rather give ourselves the objective of being the **BEST in what we do**. We could say, in terms of "blue ocean strategy": the only ones, the best, the most skilful, and the most courageous.

Let's try and ask ourselves, while we are tackling our work, "What would the best firm in the world do in this situation?", or "What would the best salesperson, planner, telephone operator etc. in the world do in this situation?"

Indeed, how would we define a mediocre person or a mediocre firm? A firm that always makes the same things, that does not improve, that does not set itself challenging objectives, that doesn't believe in itself.

At times, however, it is difficult, especially in certain markets to be unique. For this reason, **an excellent realization is just as important as an excellent idea**. Instead at times, a **mediocre realization of an excellent idea is less important than a "perfect" implementation of a "common" idea**. Let's think, for example, of the low cost airlines.

But there is no need to go too far... Let's think of our business... at times we are so good as to be able to find a revolutionary product, **but other times we have only to do the same work better than others**. And all our businesses has a lot to do with this. There are no holy grails to be discovered. **Every day there is the "hard" job of improvement**.

However, improving every day also means being ready to change

every day. But if we are not the ones seeking change, then it will be the change that overwhelms us. Difficult times such as those of today are a great opportunity.

In difficult times what do “mediocre” firms do? They “sit back” on what they know how to do well... they stop taking on smart people for “budget reasons”... they don’t set themselves ambitious objectives because they aim only at “not moving backwards”. **It really is in these situations that we must become so good, and so ready for change that our competitors won’t be able to reach us any longer.**

At times we don’t change because things seem too difficult, change frightens us... but it is really because we did not change things before that often they have become difficult.

Let’s give ourselves an objective for improvement every day, let’s ask our people to improve something every day. Let’s create projects of change and projects of improvement, let’s not wait until it is too late, let’s bring it forward. Let’s all be entrepreneurs!

Work on having the best Management Team

*Individual commitment to a group effort
- that is what makes a team work,
a company work, a society work,
a civilization work.*

Vince Lombardi

The myth of companies led by charismatic leaders alone at the helm is, indeed, a myth.

Or rather, it is an exception seen by most people as the rule however, as if the transition toward a High Performance Company can be made only if one puts an extrovert, genial and charismatic leader at the head of a company.

Research shows instead that the companies that succeed in reaching sustainable and lasting (and here the word lasting is fundamental, because it is only on lasting results that the goodness of a leader is measured) results are those that have High Performance Leaders able to create an excellent management team around themselves.

In short the most important thing, as Jim Collins says in his book "Good to great", is to **put "who" before "what"**.

Selection of the right management team, of the right people (in the plural) to put in charge is more important than the strategy itself!

This might seem to go against intuition (first I define what to do, then I choose the right people to do it), but in reality this way of thinking implies that the "thing" to do, once decided, is static and

unchangeable. Instead thinking first about “who” implies choosing people that one believes suitable for change, and therefore capable of performing irrespective of today’s strategy, that might be different from tomorrow’s strategy.

We will speak later in the book about the importance of hiring motivated people, rather than trying to motivate people (often an “impossible” task) and we will speak at length of the characteristics that these people (High Performance Leaders) must have.

What is important to point out here is that the first thing to be put first (first things first) is really that of setting oneself the absolute, essential objective of creating a strong management group.

Like for so many “company” objectives dictated by good sense, an easy thing to say but much more difficult to do.

Firstly, we must be able to employ excellent people, without being afraid that these can put us in difficulty or create problems for us (HPLs have a brain and character and many directors don’t like this). You must primarily be a “mentor”, not only a boss. Secondly, you must give these people as their primary objective that of **putting the interests of the group (and therefore of the company) before all the rest: this means having the strength to “expel” those who produce negativity, conflict, and in general anyone who thinks (s) he can be a “one man band.”** The people of a management teams have to “love” being together; they must be able to have the liberty to quarrel, to do some soul searching, to go over problems with a fine-tooth comb, but then to be able to arrive to a common solution and to implement it. **Discussion must be a fundamental part of a strong management team just as the ability to “negotiate” shared solutions.** Information must always be shared in a transparent way

inside the management team and gossip, power games and blame games must not exist.

I believe there are 10 essential characteristics of a successful management team:

1. loyalty of the members to the team and absolute desire to put the team first and foremost;
2. atmosphere of help (we will see this in a separate chapter, where we will speak of the importance of the question "how can we be of help?");
3. trust in the abilities of the other team members in their roles;
4. flexibility and ability to adapt;
5. ability to discuss, even strongly, in a constructive way and then to negotiate a common solution;
6. clear "rules of the game" defined in advance, clear roles;
7. ability to listen and for self-criticism of the members;
8. ability to share decisions and assign responsibilities;
9. absolute commitment of the members to the responsibilities assigned;
10. scarce orientation to power and strong orientation to the search for solutions.

But in the end **it will be the level of trust that you have toward the people in your team that will make the success or failure of the team itself**, just like a prophecy that makes itself come true. In any case only the results will be the gauge of an effective or ineffective team.

"How many people spend part of their lives in meetings where they

endlessly discuss the same projects without ever succeeding in reaching agreement? If they were able to give proof of understanding and love toward the others, everything would be easier. Instead they participate without love, they do nothing but criticise, contradict or oppose so they don't find a solution. When you take a seat at the same table to discuss, having an open mind and heart, at times five minutes are enough to resolve a problem; but without this opening, even after years of discussion you might never come to anything.

If you meet so many difficulties in coming to an agreement with others, there is no reason to be proud of it. Think about what prevents you from reaching it: is it not perhaps really because you are so closed? Put a little more love in your heart: your understanding will turn out to be improved and the problems will find a solution. You will go away happy and also amazed that things were resolved so simply”.

Omraam Mikhaël Aïvanhov

Get your hands dirty

*As an entrepreneur,
you work out solutions.*

Les Wexner

We are used to think about the operativeness/strategy dichotomy. That is, it is not possible to be operational and strategic at the same time, to manage our organisation from the inside, and at the same time to “fly high”.

Reality shows instead that some of the greatest leaders and entrepreneurs of our time (yes, really our High Performance Leaders) have been able to do both things, i.e. they have been successful, because they were able of “to live” their own business at 360 degrees and therefore to define some strategies, not theoretical, but practical and revolutionary instead.

We give three concrete examples.

Sergio Marchionne is known at the international level for having driven the in-depth renewal of FIAT. Today the manager covers numerous roles: he is Managing Director of FIAT S.p.A. and Chairman and Managing Director of Chrysler Group LLC. He is also Chairman of FIAT Industrial S.p.A. and of CNH. He was elected as Chairman of the Board of Directors of ACEA (European Automobile Manufacturers’ Association) for the year 2012. He is a member of the Board of Directors of Philip Morris International Inc. He is also on the Board of Directors of the Peterson Institute for International Economics and co-chairman of the Council for Relations between Italy and the United States. He is a board member of Exor S.p.A. and a permanent member of the Giovanni Agnelli Foundation.

The first thing that he did after the acquisition of Chrysler was to close the last floor of the corporate offices, indeed an “ivory tower” devoted to the CEO, so he could place his desk in the middle of the engineers who develop the products.

He is well known for being obsessed by results, for managing his dozens of reporting through objectives and rapid assessments of performances, but at the same time of being able of to enter operativeness in more detail, showing that he knows very well what is being talked about.

Robert Allen “Bob” Iger is an American businessman and the current chairman and chief executive officer of The Walt Disney Company. He was named president of Disney in 2000, and later succeeded Michael Eisner as chief executive in 2005, after a successful effort by Roy E. Disney to shake-up the management of the company. Iger oversaw the acquisition of Pixar Animation Studios in 2006, following a period of strained relations with the animation studio. He also led the company to acquire Marvel Entertainment in 2009 and Lucasfilm in 2012, further broadening Disney’s intellectual property franchises.

Bob Iger says he is in reality the Chief Technology Officer of the company. In other words he has decided to “keep” for himself the most strategic role in today’s Disney.

He has decided to get his hands dirty. He has decided not only to coordinate, but to do things.

*Today media companies must think like technological firms,
therefore their CEOs must begin to think like CTOs.*

Iger is known for doing gymnastics at 4.30 in the morning, of being obsessed with punctuality and, despite the 180,000 employees in Disney, of being a hands-on manager.

Carlos Ghosn, is a French-Lebanese-Brazilian businessman born in Porto Velho, Brazil, who is currently the Chairman and CEO of Paris-based Renault, Chairman and CEO of Japan-based Nissan, and Chairman of Russian automobile manufacturer AvtoVAZ. Ghosn is also Chairman and CEO of the Renault-Nissan Alliance, the strategic partnership overseeing Nissan and Renault through a unique cross-shareholding agreement. The Alliance, which includes AvtoVAZ, has held approximately 10% of the global market share from 2010 through to 2014, and as of 2014 is one of the top four automobile groups worldwide.

After his radical restructuring of Renault that returned that company to profitability in the late 1990s Ghosn became known as “Le Cost Killer”. In the early 2000s, for orchestrating one of the auto industry’s most aggressive downsizing campaigns and spearheading the turnaround of Nissan from its near bankruptcy in 1999, he earned the nickname “Mr. Fix It”.

He is said to travel 300,000 km a year; the executives that have worked with him, when interviewed, say that the only way to survive with him and to completely sacrifice everything that is not work.

He works 15/16 hours a day, and shares his life between offices in Japan, Paris and trips around the world. **He says he thinks about strategy during his plane flights, and he devotes himself to operational decisions during the day.**

Does this seem to you like the profile of a person who lives in an “ivory tower?”

Hands-on managers often are described as leaders by example because they show a willingness to engage in the same type of work as their employees. By working closely with employees, the hands-on manager also is more aware of coaching and training needs. He knows the problems of the company, the request of the markets. He has more regular contact with customers and knows better the products. From this point of view being "hands-on" doesn't mean "micromanager".

Micromanager struggle to delegate, prefer to criticize, assign tasks and then jump in. Too much oversight of work can demotivate workers and cause them to lose confidence in their abilities.

A manager "hands-on" is not a "micromanager", is a manager who knows what is talking about!

Define your customer

*There is only one boss.
The customer.
And he can fire everybody in the company
from the chairman on down,
simply by spending his money somewhere else.*

Sam Walton

Are you sure to know all your customer?

The **first customer**, is indeed, the buyer of our products, and is the person that must LOVE our company.

As Sam Wolton of Wal-Mart said, every customer is able to fire us every day simply by deciding to do business elsewhere.

The relationship with a customer is created both from the “emotional” point of view and from the “rational” point of view.

Especially in businesses where we have a one-to-one relationship, the emotional part is fundamental in creating a lasting relationship with the customer.

The customer doesn't buy a product; **he/she purchases an experience. That's why service is so important.**

If we want to be able to convince a customer to pay a premium price for our products (and seeing the competition that have, this is absolutely essential), then our product, our service and our quality must be perceived as “excellent!”.

We know well that to win a new customer has high costs, therefore, even though the search for new customers is a fundamental part of our marketing strategy, most of our margins are usually produced by our existing customers, that we must convince to buy more and more from us (increase the “share of portfolio”). From this point of view the customer is NOT always right! **Only the customers that help us earn are right!**

The “loyalty” of our customers is therefore our priority objective.

The **second customer** that each of us has it is our boss: after the end customer it is him/her that we must make happy and understand. Even this customer must perceive us as excellent! What type of reporting does he/she want? What is the best type of communication? Which are his/her priorities? His/her values? His/her expectations?

But in reality there are two other types of customer that we must serve: our internal customers (**the third customer**) i.e. our colleagues we give a service to, should be considered as external customers... problems of communication, “service” or quality provoke, at the end of the value chain, damage that will have repercussions on the end customer (and will create never ending tensions in the organisation!).

Who then are our internal customers? What service do we give them? Do we spend time and resources in understanding them?

Finally, our **fourth customer** is our shareholders. We must never forget that the objective of a firm is to make a profit, and that the satisfaction of our customers must lead to this. The **Shareholder Value Theory** states that the creation of value must be the guiding principle every organisation.

It's possible to say that to create value the management must be able of "to deliver to investors" a satisfactory level of cash flow, where a term of comparison for the level and the comparability of the flows is given by the results of the main competitors.

Are you focusing on ALL the 4 customers?

High Performance Marketing

*You can simplify business in 2 main activities:
Innovation & Marketing*

Peter Drucker

Recent studies reveal that consumers trust online reviews no less than the advice of friends.

In the United States more than 60% of people say they make their purchasing decisions on the basis of the evaluations of specialized websites.

But what is worse (or better) is that more than half of the people think that reviews posted on the internet are more credible than advertising campaigns. Do you understand the change that is taking place?

It's clear that today it's no longer possible to pretend, a communication strategy has to have a simple starting point: **an excellent product or service and the best people to sell and represent** it. Quality is the starting point. An exceptional product is a prerequisite. Excellent service is indispensable.

Is your problem your communication? or your products?

Remember, YOU are not the ones who define whether your product or service is excellent. It has to be your customer who fixes the standards of your products and services (thanks for the complaint!).

We must have clear in our minds what our "unique offer" is and how it differentiates us from our competitors.

Are you different?

We have to create products and services that make our customers fall in love; we don't want services that are "acceptable", nor services that respond to the customer's desires. We want Lovemarks.

This is what Kevin Roberts, the first to develop this concept of marketing, says:

"Mere products (commodities) command neither love nor respect. Fads attract love, but without respect this love is just a passing infatuation. Brands attract respect, even lasting respect, but without love. Lovemarks command both respect and love. This is achieved through the trinity of mystery, sensuality and intimacy."

Roberts says that to make a brand into a "lovemark" it's necessary to have:

Mystery, Sensuality and Intimacy.

Take a look at the websites of many brands that consider themselves unique... many of them have nothing mysterious, no sensuality, no intimacy!

When your customers think of your brand, do they dream? Do they perceive sensuality, mystery and intimacy?

Your service and product has to create an "affective relationship" with customers; human beings are made of emotions, first and foremost, as far as one can believe, they make decisions on the basis of emotions (and often the most important emotion that guides a purchase is reassurance about fear).

Do you know why ex-post many market analyses turn out to be

fallacies? Simply because decisions are often made not on the basis of rationality, but on emotion!

We must learn to sell “emotions”, “dreams”, “experiences” and “relationships”.

Your communication has to speak your customers’ language, not yours!
Put the customer in the centre!

Is market research so important? Most successful products that we adore today would never have been born from market research. Are Focus Groups so useless? They are focussed on today, while you have to think about tomorrow!

The point is to analyse every “moment of the relationship” with the customer to make it excellent; it is necessary to reposition all the company processes and every interaction of our collaborators in order to attain customer satisfaction and in the creation of a unique relationship. Every act of your company is an act of marketing, each person who works in your company is doing marketing.

We must be unique; we must be different; we must have a clear and simple message; we must be different from our competitors.

Sacrifice wanting to be everything for wanting to be unique. Once again: focus, focus, focus

Simplify; if we had only 10 words to describe why our product or our company is unique, would we be able to do it? Would we be able to do it in a simple, precise, clear way?

Give your customers, in the way that you do your marketing, a clear

reason why they have to buy your goods or services. Go on repeating it endlessly. Use case histories. Be coherent.

Instead of the 4 Ps of marketing mix (Product, Price, Place, Promotion), I am proposing you analyse the 4 Cs of high performance marketing.

Customer solutions, not products: Customers want to buy value or a solution to their problems.

Customer cost, not price: Customers want to know the total cost of acquiring, using and disposing of a product.

Convenience, not place: Customers want products and services to be as convenient to purchase as possible.

Communication, not promotion: Customers want two-way communication with the companies that make the product.

Do everything possible not to be average. Do all that's possible to be different. Tell stories. Be unique. Be the first.

I repeat once more: speak your customers' language, not yours!

People are interested in themselves, not in you. They want to solve their problems, not yours.

Use case histories. Be coherent! *Tell Stories!*

Make sure that your positioning and your prices are clear.

Lastly ask yourselves: do you really love your product? Do your collaborators do likewise?

You CANNOT make others love what you yourself don't love!

Be a customer satisfaction machine

A satisfied customer is the best business strategy of all.

Michael LeBoeuf

Basel, March 2014. The watch-making industry, above all Swiss, meets at the most important trade fair in the world. Once again this year it was an enormous success. The Swiss watch-making industry always turns out new models with more sophisticated complications and cutting-edge designs and discusses new ways to sell watches... more selective distribution, a better experience for the consumer. How can I sell more? **How can I increase the desire for our watches?** Is this what the manufacturers ask themselves.

Cupertino, September 2014. Apple presents the Apple watch. It will let you do (almost) everything... manage your phone but not only, keep tabs on your health, make payments without using your credit card or cash and communicate in a different way. Apple is about to launch a product that we don't just want; soon we will really need... just as happened for the mobile phone or the tablet.

Are we in the watch-maker's shop faced with a clear cut case of marketing myopia, just like the music industry or the camera industry?

How many of us remember each and every day that we must always think about reinventing our business, and that our business as we know it might disappear in the space of a few years?

We are dealing with a "myopic" company from the marketing point of view when people mostly focus on the goods and services that they want to sell, but they have a much vaguer idea about

who the customers are that they want to sell these services to and more especially what these customers' needs are and how they are changing.

Theodore Levitt first introduced this concept in the HBR in 1960. **He in fact stated that a company is not a goods producing process, but a customer satisfaction "machine"**. Wow, what a great concept!

In a market that is changing so fast, with such global markets and ever more innovative methods of distribution the biggest mistake that we can make is to focus ourselves on and simply repeat what has brought us to success today.

It's not enough to have a company that does everything to know its actual customers and satisfy their needs; this cannot be our only objective. **We must strive to have a company that is able to adapt continuously to the changing market, to new consumers, to new desires and so to new products. Flexible people, flexible organisations, adaptable processes and a true love for change; these should be our goals.**

The "company life-cycle curve" (introduction, growth, maturity, decline) shows us in an unequivocal way that it is precisely at the time of greatest success (the highest point on the curve, the phase of maturity) that we have to be able to re-invent ourselves to make the leap onto a new growth curve.

For sure, if we look back from the highest point of the curve, we only see growth, so why not wallow in our success and go on in the same way?

That's what the coach builders did, who with the advent of the car said that it would be enough to add more horses...or the sailing ship

builders, who with the advent of the steam ship thought that it would have been enough to add more sails...

The underlying mistake is therefore always asking yourself only "how can I sell more of the same product?"...

Even though it is counter-intuitive, it is exactly when things are going well that we have to be able to rethink our business "from the foundations", always trying, every day, to understand who our current but also future consumers are.

Not forgetting, as Steve Jobs used to say, that the customer doesn't always know what he wants, especially if he has never seen anything like it!

After the Second World War the main objective for firms was "to maximize the profit for their investors". Most management theories rotated around this concept. In 1973, the person who is surely the greatest management expert of all time, Peter Drucker put the "customer" and his/her satisfaction at the centre of the enterprise, and said that "**only those firms able to satisfy their customers' needs**" will be able to flourish.

But he also said something else... he coined an exceptional phrase.

The aim of marketing is "to know the customer so well as to produce goods that satisfy him to the point that they sell themselves".

Wow, products that sell themselves! What a marvellous idea!

But knowing the customer means 2 things: knowing the customer's

needs, his/her psychology but also the context in which he/she lives, just as important and relevant for its capacity to influence the customer him/herself (economy, politics, fashion, trends, etc...).

Beginning from these considerations, in the '60s and above all '70s the qualitative and quantitative techniques of market research were born, today refined with the techniques of CRM (Customer Relationship Management), profiling and even with neuroscience, to understand the subconscious drivers of our motivations to purchase.

Understanding one's own customer, understanding his/her present and future needs therefore remains our main objective.

Our objective, as Peter Drucker said, is to make "selling absolutely UN-necessary", through the development of unique and exceptional products, able to satisfy our customers.

Focus on few things

*Effective leadership is not about making speeches or being liked;
leadership is defined by results not attributes.*

Peter Drucker

The companies that are successful are the ones that are able to distinguish the business and people that give exceptional results from the business and people that give mediocre results.

The companies that don't perform are the ones where "all are equal" and where incentives are distributed like rainfall.

Remember, resources are not infinite! Remember, your time is not infinite! It's necessary to focus on the people and resources that give a greater return and reduce all the others! Always remember Pareto's rule... This rule, known as the "Pareto principle", establishes that:

*20% of inputs generate 80% of outputs
20% of causes generate 80% of consequences
but above all...
that 20% of efforts generate 80% of results.*

This rule can be applied to innumerable fields: from business, where one is used to finding that 80% of profits are generated by 20% of the customers, to wealth (as we know a small part of the population owns most wealth), and on to personal organisation. It is here that the rule can generate the most extraordinary results. What I would like is that you begin to think with the 80/20 mindset. This mindset means that, each time that you have to decide how to use your time, every time that you have to define the actions to reach your goals, every time that you have to redefine the difference that makes the difference for you, abandon the common way

of thinking, that asks you to do more, to work more, to get agitated, and pass to the non-linear, almost hedonistic, thinking of the 80/20 rule.

Therefore, always think about what the actions will be, and only those, that if applied will let you obtain great changes in your life. **Always think about what is NOT necessary to do (80% of actions that lead to 20% of results) and concentrate instead on the 20% that make the difference.** Let's go back for a moment to the discourse related to personnel and resources. Here Pareto's law is also applied for which, and of this you can be sure, 20% of your best resources create 80% of your results. **On average, 70% of the people in an organisation have a good performance, and 10% have an unacceptable performance. Well, this 10% must be made to leave the company!**

Despite the cruelty of this rule, remember that in the end the under performers will "drag" your organisation downward, and this will lead to much greater harm (and sacrifices) than that of dismissing just one person!

The meritocratic principle must de facto become the basis of your organisation!

Recapitulating you must:

1. give clear objectives;
2. measure them in a systematic way;
3. reward those who perform, basing yourself on results;
4. make those who do not perform leave.

Remember that a middle management that doesn't work can cost you MILLIONS every year, and these are not estimates but calculations made by experts!

Keeping C performers in the company lowers the crossbar for everybody!

Focus on results, not happiness

If you want to be happy, be.

Leo Tolstoy

Never forget that, as an entrepreneur and manager, your main task now is to turn your organisation into a high performance organisation.

This is your main focus.

Rivers of ink have been written about how important it is that companies make their employees “happy” (what a repugnant word “employees”), forgetting that nobody, other than ourselves, can make us happy.

Any organisation to work adequately must be able to focus only on one, or at most two great objectives, and in the case of the companies one of these must be linked with making a profit.

Unfortunately, in fact, a company that doesn't make a profit dies. If we start to set ourselves too many objectives (profit, happiness of the employees, the good of humanity, etc.), we will certainly run into problems.

But is it completely wrong then to take into consideration the well-being of the people that work in the company? No certainly not, but when one speaks of well-being, one must mean something that is aimed at attainment of the company's objectives, and therefore, at the success of the company. **For this reason, follow me in this passage, High Performance Leaders must have as their objective that of creating working environments, organisations and teams where it is easy to reach objectives.**

After all is this not happiness in the work place? Think about your past experiences... if you are high performers, you have suffered; you were frustrated just when you were put to work in situations in which as strong as your efforts were, it turned out to be difficult if not impossible to get results (bureaucracy, too complicated and muddled processes, incompetent people etc...).

An important component that you must be able to constantly introduce in your work is "meritocracy" (i.e. the one and only importance of results). Or rather you have to introduce an ethics of meritocracy.

Meritocracy leads to equity, and equity really is one of the essential components of job satisfaction.

Another invitation is that of not seeking the holy grail of the "happy job." All jobs, even the most beautiful, have positive and negative sides. My teenage dream was to play the guitar, and I saw myself as Eric Clapton going around the world giving concerts in stadiums... try looking "behind the scenes" of a show and you will see endless trips by train, airplanes, snapshots, boring interviews with journalists, in short a host of things that for sure have little to do with the idea of the "legend" who plays for his public.

Every job is like that, it is up to us to give it meaning and to find satisfaction in what we do.

Manage agreement, not people

Motivation is the art of getting people to do what you want them to do because they want to do it.

Dwight D. Eisenhower

You will have read different books and articles that tell you how to motivate your collaborators, but is it really possible to do that?

Is it not true that perhaps, in the end, we alone are the only people able to motivate ourselves?

Isn't motivation an internal drive? Doesn't every individual have different needs and different ways of satisfying them?

It's true that we can create a series of superstructures able to "push" a person in the direction that we want (money, recognitions, appreciation, etc.) but we have said that HPCs want not "directed" but "passionate" people. There is a big difference.

Considering that we don't want to speak of theories "living on air", let's begin immediately by saying that the best way to have motivated people in a firm, is to hire motivated people!

Indeed, they are McGregor's Y people i.e. people who spontaneously tend to take responsibility, who by nature have an attitude of loyalty and commitment, who identify with the firm with its objectives and with the profession.

Therefore, HPLs devote a lot of time to the selection of people, because they know that this is the key to success!

If who you have on board is so important, the process of selection becomes indeed one of the most important processes of an HPL.

Experience shows that it is very difficult in an interview to reach the certainty that the person that we want to climb on our bus is really the right one, but we can do something to move closer to this result. In this sense much more important than the interview is in my opinion preparation of the very same interview. Many managers approach selection with not very clear ideas on the position or on the profile desired to cover it. It's necessary to have clear in your mind:

- the main tasks and responsibilities of the position;
- the technical-professional characteristics;
- the personal characteristics;

and finally, it is fundamental to remember that the person that you select must work in your organisation and must work with you! **So evaluations in the interview phase of your business culture and of your managerial style are fundamental for an effective performance! So first and foremost clarify what you need!**

I have a motto that I always tell my collaborators in the selection phase, that is perhaps a little exaggerated but reflects the way in which I see things, and it is that every technical competence can be learned in two weeks but motivation and attitude, those no, cannot be learned!

Think about it, with training you can teach almost all technical skills, but you can hardly teach motivation!

Finally a last recommendation: don't fall into the trap of selecting people similar to you, you need not only people better than you but also complementary to you!

*People often say that motivation doesn't last. Well, neither does
bathing - that's why we recommend it daily.*

Zig Ziglar

That said, there are in my opinion some simple criteria that must be taken into consideration, the first of which is to **realise that we cannot manage people but only agreements.**

We must make sure that the people are motivated alone, not strive to be the ones to motivate them!

A HPL wants a mature relationship with his/her people, (s)he doesn't manipulate them, (s)he doesn't exploit them or try to manage feelings.

*A HPL creates agreements with the members of his/her team
and manages them on the basis of an adult relationship.*

So a HPL talks to his/her collaborators and creates agreements on the basis of the most important objectives that must be reached: "I want this thing to be done, and I want us to reach an agreement on how to do it best", the HPL says to collaborators. When the agreement has been reached, the HPL asks his/her collaborator: "Can I count on you 100% for the thing to be done?"

However, after having managed an agreement the HPL concentrates, as said before, on the results and not on the justifications!

Here the secret is not to be stuck in an analysis of the processes (why a thing has been done or not), but to focus on the results! HPLs don't swallow all the excuses that mediocre collaborators put forward for why they have not reached their objectives.

Other things that all of us see happen every day, which in the end lead to poor results and very low motivation are:

- creating an environment full of stress. People work badly if they have too much pressure from the outside; to get results one needs to be relaxed but highly concentrated;
- complicating too much. If you want to be a HPL you must **simplify, simplify, simplify**. Concentrate yourself and your collaborators on just a few clear objectives;
- **focus on efforts**. Your mediocre collaborators will always concentrate on discussing with you how to get certain results, your excellent collaborators will get them and that's all. When there is too much discussion about how, in reality they still don't want to get the result. **When we give too much importance to efforts, we divert it away from the results!;**
- too much delicacy. People are motivated "toward" something (pleasure), but also "away from" (pain). You must learn to be at the same time a good person, but also **intransigent and determined**. At times people need to be brought back onto the straight and narrow, even by someone that "scolds" them;
- to try to be liked, rather than trying to be respected;
- too many words and too little action;
- "Let's arm ourselves and set off!".

A HPL does not see him/herself as a babysitter who has to put out fires.

*Anyone who babysit in the end does nothing
but create organisations and collaborators
who behave like children in need of help!*

Good management, as Steve Chandler and Scott Richardson say, consists of **outcome management not activity management!** Often

mediocre managers convince themselves that their collaborators are already doing their best and they stop growth condemning the firm to mediocrity.

Management based on activities confuses the end with the means, the processes with the results and this is an error to avoid absolutely!

Build a culture of “help”

We can't help everyone, but everyone can help someone.

Ronald Reagan

A case of great success in the automotive business is Alan Mulally, former CEO of Ford. Alan Roger Mulally is an American engineer and former President and Chief Executive Officer of the Ford Motor Company. Ford had been struggling during the late-2000s recession, returned to profitability under Mulally and was the only American major car manufacturer to avoid a bailout fund provided by the government. His style of management is very different, and it has truly inspired me. Here is something said about him in an article published in “Forbes”:

“It has been reported that before Mulally took over, internal meetings at Ford were like mortal combat. Executives regularly looked for vulnerability among their peers and practiced self-preservation over collaboration. Mulally changed all that, making executive meetings a safe environment where data could be shared without blame, improving collaboration and setting the stage for innovation success.”

Inside an environment aimed at support, frankness and help, Mullaly constantly tries to bring the results reached into discussion, also thanks to a very precise and simple system of indicators (“traffic light system”) with red, orange and green lights for every indicator for precise action plans discussed (strategy + implementation!!). Everything is discussed at a weekly meeting of management (BPR) on Thursdays at 7 o'clock in the morning.

Here is what Alan says on this subject:

“One of the biggest parts of the leader's job is reinforcing the

processes we are using to meet our goals. Again, that is where the BPR comes in. It is more than a way of asking, "How are we doing?" It is asking, "How are we doing against the plan? What are the areas that need special attention? And then all through the year, what is our plan to improve our performance in the following year?"

Here is how Alan Mulally replies in an interview with McKinsey Quarterly on his style of leadership:

*"At the most fundamental level, it is an **honor to serve**; at whatever type or size of organization you are privileged to lead, whether it is a for-profit or nonprofit. It is an honor to serve. **Starting from that foundation, it is important to have a compelling vision and a comprehensive plan.** Positive leadership—conveying the idea that **there is always a way forward** - is so important, because that is what you are here for - to figure out how to move the organization forward. **Critical to doing that is reinforcing the idea that everyone is included.** Everyone is part of the team and everyone's contribution is respected, so everyone should participate. When people feel accountable and included, it is more fun. It is just more rewarding to do things in a supportive environment. Say, for example, an employee decides to stop production on a vehicle for some reason. In the past at Ford, someone would have jumped all over them: "What are you doing? How did this happen?" It is actually much more productive to say, "**What can we do to help you out?**" Because if you have consistency of purpose across your entire organization and you have nurtured an environment in which people want to help each other succeed, the problem will be fixed quickly. So it is important to create a safe environment for people to have an honest dialogue, especially when things go wrong. **The first thing a leader does is facilitate connections between the organization and the outside world.** You can only grow value and profits by 10 to 12 percent a year, which*

*is what great companies do, if **you satisfy customers better than the competition.** Second, leaders hold themselves and their teams accountable for deciding, “What business are we in? What is the deep consumer need we are uniquely positioned to satisfy?” And finally, leaders are responsible for trying to articulate and model a set of behaviors.”*

This idea of handling management team meetings with a clear strategic plan, a clear set of KPI, and with the question, in case of problems from the management group, “How can we help you?” fascinates me and I find it absolutely revolutionary in its simplicity.

I say revolutionary because in reality, if you think about it, it is a question that each of us has probably hardly ever heard in management meetings.

Instead of finding excuses, or blaming things, wouldn't it be better perhaps to ask more often the question “How I can help you?”

Be Coherent (don't believe in miracles)

*I continue to be drawn to clarity and simplicity.
'Less is more' remains my mantra.*

Stephane Rolland

You have the right people on board, you have defined the right strategy, now is the time to be disciplined.

Don't throw yourselves onto the opportunities that are not a part of what you want to be, hoping that thanks to them you will be able to speed up growth. Don't change strategies every six months, always in search of the best opportunity (but at the same time seize tactical opportunities with entrepreneurial spirit, in line with your business model).

*Miraculous recipes don't exist, but only a gradual,
lucid and disciplined application of the strategy.*

The arrival of new managers or new managing directors often causes this "illness": the newly arrived "throws away" the work done by his/her predecessor, and (s)he never succeeds in creating that driving force necessary for lasting growth.

Here are the characteristics of companies which, according to Jim Collins, fall into the spiral of decline:

- they put great attempts at radical change into effect, always in **search of "miracles"** which of course don't happen;
- they apply a **sensationalistic leadership**, instead of a disciplined leadership. Strategy is almost a series of "spot activities";
- they **react in prey to panic** to the changes in the market and above all to technologies;

- they are always forced **“to sell” the future**, due to the lack of results today;
- **they are incoherent** and don’t build on the work of the previous managers, but have a tendency to “throw out the baby with the bath water”.

This mania for discontinuity is also quite true for organisational changes as well as strategic ones: it is very frequent to find companies that change organisation every year; they leave people in confusion and above all they do not leave time to verify the results of the previous organizations!

*Continuous improvement is the key to success;
don't try to pass from one revolution to another.*

Where even gods fall: delegate

*Surround yourself with the best people you can find,
delegate authority, and don't interfere
as long as the policy you've decided
upon is being carried out.*

Ronald Reagan

A couple of years ago I met Antonio, managing director of a medium–small company, who told me he had an assistant, Sabrina, experienced, reliable and very “present” in every aspect; the younger assistant, Enrica, had been in the company for about 2 years, she had not yet fully fitted into her role and Antonio confided in me that he was very perplexed about her future.

Some months later I met Antonio again and besides updating me on the situation of his company he told me in astonishment the evolution concerning his two assistants: Sabrina, the more expert, had left the company and started her own business; Enrica from that moment on had transformed herself into a “phenomenon”, she had become more self-assured, she had developed diplomatic skills and organisational abilities, she had created consensus around herself, indeed she had become much better than Sabrina.

What does this story that is similar to many others teach us?

The first restraint on collaborators is their boss!

In this specific case Sabrina, strong in her own personal knowledge and power, handled all the most important questions in first person and, probably in good faith, “wiped out” all Enrica’s skills. Antonio, by not watching over the means of management of his assistants

and exercising delegating in a questionable way, was decidedly underusing a resource.

Just think: how many situations similar to this are present in your organisation? And you personally, in which skills are you restraining or limiting the potentiality of your collaborators?

The first big step to being a High Performance Leader is to delegate in a constant way – a pity that even managers at very high level miss out on this aspect and the consequences are clear:

- great centring of decisions on 1 person;
- second level managers do not grow and are not motivated;
- one creates a void of knowledge and assumption of responsibility.

While that manager is in his position and manages to do everything, the company will perhaps survive; when that manager finishes his mandate, there will be serious problems!

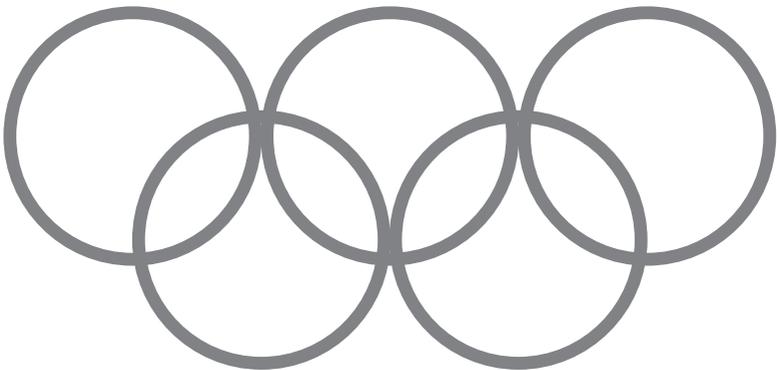
The second evident factor is that the manager who does not delegate will become a martyr: he will arrive in the office at 7 in the morning and leave at 10 in the evening, he will have no weekends free, he will be submerged by the many things to be done, he will choose the people he trusts on the basis of their predisposition to always say YES, and their unlimited availability as far as the timetable is concerned. Is it clear why in particular in certain countries, in management roles men fill most of the positions? Let's not be surprised then if these managers have a "complicated" private life.

Is this our ideal leader? NO

So let's start to delegate and to create the conditions to have our substitute.

I meet a lot of people motivated to get on in life; normally they are people who put all their energy into “doing well” and they are keen on the boss finding them busy and well prepared; they are so concentrated on reaching their objectives (small objectives) that they lose sight of one of the main secrets of getting on: **lifting your head, having a view of the whole and identifying new ideas and new transversal projects inside the organisation.**

Organisational units can be compared to numerous circles each close to one another (see figure below) – each circle is managed by a chief, who if good, inside his/her own “territory” manages everything as best as possible. But this is not sufficient to stand out, because many other managers are doing exactly the same thing, and this makes them “all the same”.



Observing the figure... we can see that between the various circles there are empty spaces; inside organisations these spaces are represented by those “borderline” activities between different organisational units that often nobody wants, because they are complicated, they don’t come into day-to-day activities, nobody knows how they have to be

done, they take time, etc.

Well, these spaces, these activities, have to be the land to be conquered! It's here that a HPL increases his/her territory and space of influence; often they are activities that allow to set up relations with other roles of power, increasing knowledge and permitting to a wider view of the organisation. Above all they can be the source of inspiration for new projects for improvement, to have greater impact on the company's successes; to make us truly more visible and different compared to other managers... Hurrah!

But how can a manager do all this if is not able to delegate? The only possibility is to continuously create the conditions so that someone can replace us if we move on to a new appointment.

Most of the people that I have seen who have got on in life, did so because they understood that first and foremost they had to acquire and demonstrate in the field the competences that would be necessary in the new position; so what did they do? **They dedicated themselves fully to developing, putting into force, and reaching new objectives outside their own areas of responsibility to demonstrate that they were able to fill the new role.** By showing what they could do, the new role was assigned to them – easy as that!

The largest territory to conquer for a manager who wants to progress is to go in search of proxy from their own boss (remember influence towards the top?).

Many bosses in seeing their collaborators overloaded with work give up assigning them new activities for fear of giving them too much; and what if your boss was doing the same thing as far as you are concerned? And his/her thoughts were: "he/she is too taken up with his/her own role objectives; I can't manage to help him/her to grow as

I would like, I'll have to find someone else to delegate to" ... - what is the rip-off in this case? That you missed the chance to learn some new things, to be more in touch with your boss and with the company's top management.

So ask yourself this question:

What will I do tomorrow for the first time?

In the sense: what do I want to do tomorrow that is new, that is useful for the company's success, for my own, and for that of my team? In order to dedicate time to new activities I will therefore have to ask myself a further question:

What did I do today for the last time?

In the sense that if I want to have the time to do new things, I will have to delegate others with a great advantage also for the growth of my collaborators.

Besides the positive implications already dealt with, delegating is indeed a great tool to set things in motion and help one's own collaborators to grow.

The risk in any job is of unwittingly entering a situation of routine that little by little lowers our dynamism both at work and in our private lives. You will have noticed how changes feed other changes in a knock-on effect regenerating our motivation in all the spheres of our lives. And vice versa, if we are in a position of routine every small change of programme or extra effort that is asked of us, weighs on us in an exaggerated way – so let's train ourselves and others continuously to change.

Delegating is an essential tool to keep our collaborators dynamic and motivated and to help them to reach objectives that not even they thought they could reach.

The following questions will give you certain elements to understand whether you are delegating or not...

1. Do I stay at work long after normal office hours? Do I take home work on a regular basis?
2. Do I work longer than my collaborators?
3. Do I use my time to do things for other people that they could do for themselves?
4. In case of an emergency do I have to do the work myself because there is no subordinate or colleague who could give me a hand?
5. In case of my absence do activities get left suspended because no colleague/subordinate is able to stand in for me?
6. Do I have enough time to plan my tasks and activities?
7. When I come back from a business trip, is my desk covered with papers, and is there a queue of people who want to speak to me?
8. Right now do I handle work or problems that came under my responsibility before I obtained this role?
9. In order to take care of other things do I often have to put off an important job?
10. Am I always in a hurry to try to meet deadlines?
11. Do I use time to do routine work that could be done by someone else?
12. Do I arrange to check most of the correspondence, memoranda and reports that I have to sign?
13. Do my collaborators often seem to be unaware of meetings, projects or sector activities?

14. Do I have enough time for social or company functions?
15. Do I want to be involved in and informed about everything?
16. Do I have to make a real effort to follow my list of priorities?

Now just think for a moment: is there anything that you would not delegate? In my opinion you can delegate everything, except **responsibility toward others and control.**

Responsibility toward others: let's imagine a situation where we delegate an activity to a collaborator, then this imperfect activity passes into the hands of a director who noticing the errors pounces on the collaborator.

What will the collaborator's state of mind be? Tomorrow will he/she still be willing to take charge of another proxy? As the boss, I must take responsibility toward others for the work of my team and protect them from any possible interference.

Delegating is a truly great management tool but like all levers, if it is badly used it can have undesired effects. Here are the most frequent mistakes in assigning proxy:

- delegating in emergency situations and at the last minute e.g. the boss who should have held a meeting is called by the CEO and 1 minute before the start of the meeting delegates to a collaborator.
- delegating a task and not an objective: if I tell you to make some photocopies, it is a task and for sure not very motivating; if I tell you that there is a very important offer, we have the objective of being winners, and it's necessary to prepare some documents... isn't it a little more involving?.
- being concentrated on "how" things are done and not on the final objective: it's normal for different people to do a job in a different way, a boss has to accept this and concentrate on the

final result.

- taking for granted: the boss assigns a job and takes it for granted that the collaborator already knows everything.
- being hyper-present: the boss delegates but continues to intervene and correct the collaborator's work in an asphyxiating way.
- being absent: the boss is not available to support the collaborator and does not give any feedback.
- delegating activities to more than one person who are not perfectly aligned with one another: it must be clear who does what and if the group is not mature, the activity will not be carried out.
- always delegating to the same people: they could suffer the overload and especially if some activities are simple and feasible for others; those excluded will feel more and more unmotivated and forgotten.
- taking away a proxy: the boss entrusts a job and without it being stated at the beginning, takes back the activity taking it away from the collaborator.
- delegating on impulse to the first who happens to be there with no direction.

Before giving you concrete tools to be able to delegate right away, we must still tackle an indispensable topic for success:

A High Performance Leader must have TRUST!

Do we trust our collaborators?

If not – it's useless to make the effort to delegate because firstly we have to untie this knot that doesn't depend on our collaborators but exclusively on us!

If you can't trust anyone, look for a job in which you can operate

individually without having to coordinate a group. You will be better off and so will the others.

With regard to the people that you do not trust, identify the competences of each person and write them on a sheet of paper. Read it frequently and observe how the competences of your collaborators translate into behaviour and results. Make yourself aware that in specific fields everyone is reliable and now assign proxies that are inherent to the strengths of each and every one with an initially medium-low level of effort. Throw away your preconceptions and work alongside each of them bringing to play the best of yourself in your role as coach. Observe your collaborator closely and even when there are just very small signs give them positive feedback. Go on doing this over time and don't tire of it; I'm sure that you will get great results and even reciprocal trust will be built.

Now you are ready to delegate!

**Contribution by Paolo Ferioli, Founder Openminds (Openminds.it)*

High Performance Company Q&A

Here are some of the most frequent questions I have been asked since I started to speak of High Performance Companies and High Performance Leaders...

Are you born a High Performance Leader or do you become one?

You become one.

How do you recognise a High Performance Leader (HPL)?

If when (s)he leaves a company where (s)he has worked, it CONTINUES to be a High Performance Company.

What are the 3 main tasks of an HPL?

To organise, manage and guide.

What is the ultimate objective of an HPL?

To create value.

What do HPLs have in common?

They get results.

What is the most important question that an HPL must ask him/herself?

How can I win in my market and beat my competitors?

What does an HPL ask him/herself all the time?

What is the maximum contribution that I can give in the position that I find myself in now?

What does an HPL do that many managers don't?

(S)he concentrates on a few important things.

How does an HPL focus his/her people on results?

(S)he manages by objectives and through agreements, (s)he defines KPI.

What mistakes does an HPL avoid making?

Trying to remove weaknesses instead of focussing on strengths.

What environment does an HPL create?

Trust and positivity.

What is the most important thing that an HPL only finds in him/herself?

Motivation.

What will an HPL never avoid doing?

Deciding.

What is the most important thing that an HPL can do for his/her collaborators?

Make them evolve professionally.

What are the main tools of an HPL for getting results?

Plan of action with clear responsibilities, well organised meetings, reports, clear organograms and budget.

What does an HPL look for in everything?

Opportunities.

What does an HPL never want to hear from his/her collaborators?

Problems.

What does an HPL want to have from his/her collaborators?

Solutions.

**THE PSYCHOLOGY OF
THE HIGH
PERFORMANCE LEADER**

In my first book "Personal Excellence" I dealt with the 40 main steps to becoming a leader.

I have found that most of these "traits" are integral parts of High Performance Leaders.

I decided to select 10, and therefore to take them out of my previous book, associating each of them with a leader who shows these traits well (from my subjective point of view, of course!).

In reality these HPL have more or less ALL ten traits (and most of the 40 dealt with in my book "Personal Excellence"), but as I see it, one in particular distinguishes them, and with this purely subjective criterion in mind I have selected them.

My experience is that these ten traits, to different degrees, make up HPLs. It is my belief, furthermore, that they can be learned, especially if one has the luck, or the tenacity, of being able to work alongside mentors to be "emulated".

These are the ten features that you have to build up inside yourselves so as to become HPLs.

1 - We need Leaders who don't accept anything less than perfection: Tim Cook

*Success is the result of perfection,
hard work, learning from failure,
loyalty, and persistence.*

Colin Powell

Everyone speaks about Steve Jobs today as the perfect entrepreneur, the revolutionary innovator, the man able to “change” the rules of the game.

And this is all true. Apple has truly changed our lives...in 2013 Apple overtook Coca-Cola as the highest value brand in the world.

Steve Jobs was known as being a perfectionist, a man who didn't accept compromises to his vision, ready for anything in order to drive his collaborators towards perfection. Jobs had the same interior drive that the great artists have: **a desire stronger than any other thing to see their vision created.**

That is why he was said to be “arrogant”, “perfectionist” and that is why he asked for more and more from himself and from his collaborators.

We know that perfection doesn't exist, and we know that being too much of a perfectionist often leads to a continual dissatisfaction... but are we sure that this is negative? All the successful Leaders that I have met knew how to be satisfied with and proud of what they had created, but at the same time **dissatisfied and in search of something better.**

The perfect example of a leader who doesn't accept anything other than perfection is exactly Steve Jobs. But even Tim Cook, nominated by Fortune as best leader of 2015 is no less. His beginning in Apple was not easy, with failing or at least sub standard apps such as SIRI and MAP. It was precisely in those moments that Cook was able to take tough decisions. Cook justified what he did by saying that at that time the most important thing was to keep up a culture of excellence.

These were his words on this matter:

*"As CEO you need to be able to operate on shorter cycles, less data points, less knowledge, less facts. When you are an engineer you want to analyse data a lot, **but if you believe that the most important data point are people** then you have to make conclusions in relatively short order. Because you want to push people who are doing great. And you want either to develop the people who are not, in the worst case they need to be somewhere else"*

And what Tim Cook thinks of Apple:

*"Apple has changed every day since I have been here. But the DNA of the company, the thing that makes our heart beat, is a maniacal focus on making the best products in the world. Not good products, or a lot of products, but the absolute best products in the world. In creating these great products we focus on enriching people's lives - a higher cause for the product... The only way you can pull this off is if everybody's working together well. And not just working together well, but almost blending together so that you can't tell where people are working anymore because they're so focused on creating the great experience that they're not taking functional views of things. **They take the customers' views...**"*

Tim Cook

2 - We need Leaders that are Credible: Mary Barra

Trust is built with consistency.

Lincoln Chafee

A High Performance Leader knows that "credibility", this simple, often forgotten word can truly make the difference in their private and professional life.

Credibility is the key to success in all the areas of their life.

Treccani (Italy's leading) dictionary defines "credibility" as:

"The capacity that a person, and especially a politician, a personality from the financial world, or even a body, a company, a government, has to inspire trust"

The root of the word "credibility" is credo... io credo (I believe). Io credo in te:

"I believe in you"

Thus credibility means inspiring trust. The most important thing if you want to be respected and a leader.

Credibility is built with a lot of small things. Sincerity, punctuality, respect for yourself and for others, the way that you dress (yes, that is also important...and High Performance Leaders know it).

Credibility is built by being "honest" and "authentic"... by defining values that will never be violated for any reason whatsoever; being

coherent with them. Even when no one is watching you.

Credibility is not obtained, credibility has to be EARNED.

To give you an idea of how important credibility is, let's think of its opposite. Know what it is?? **Suspicion.**

Would you trust as a Leader a person that you are suspicious of? Would you become a business partner of a person that you don't trust? Would you buy something from a person that you don't think credible?

Not only is credibility made from a lot of small and large things but at the same time **there are no short cuts to credibility.** It must be created over time; it is a "bank account" of trust into which it is always necessary to make deposits. For sure, mistakes can be made, but these will be accepted only if the credit of the trust that we have "paid into" the account is high.

A good example of a Credible Leader is Mary Barra Chief Executive Officer of GM (the only woman in the big automobile companies) since 2014. Despite having ordered the recall of 30 million vehicles due to a problem that had not been solved and that had caused the deaths of 21 people, she showed that she believed first and foremost in the correctness of her decision. The faults had been kept hidden for more than ten years, and the decision seems to have done nothing but make this CEO more determined. She promised to change the culture of GM (despite having always worked there, like her father). A thing never seen before in Detroit, after her nomination as CEO she eliminated all the old directors, including one of the vice-presidents. Her message was **"change, either improve or leave, everyone has to take on their own responsibilities"**

This is what Mary Barra said about her difficult choices, and on the importance of “taking responsibility”:

“Fifteen individuals, who we determined to have acted inappropriately, are no longer with the company. Some were removed because of what we consider misconduct or incompetence. Others have been relieved because they simply didn’t do enough: They didn’t take responsibility; didn’t act with any sense of urgency. Disciplinary actions have been taken against five additional people as well. With these moves, I feel we have addressed the personnel issues in this matter.” “Numerous individuals did not accept any responsibility to drive our organization to understand what was truly happening. The report highlights a company that operated in silos, with a number of individuals seemingly looking for reasons not to act, instead of finding ways to protect our customers.”

Mary Barra

3 - We need a Leader who starts with the end in mind: Jeff Bezos

*Start by doing what's necessary;
then do what's possible;
and suddenly you are doing the impossible.*

Francis of Assisi

"Start with the end in mind..."

The great Stephen Covey left us this important "inheritance"... to start "having the end in mind".

But what does it mean? It means being able to examine our decisions and our behaviour as a whole. Beginning everything with our final goals, our destination, clear in our minds.

If you are not able to have this perspective it is very likely that the decisions that you take are motivated by the "next 5 minutes", that is by the very short-term consequences.

High Performance Leaders, are indeed able to think strategically and, like a game of chess, are able to make their moves with a clearly defined objective (end) and seek to pre-empt all their opponent's possible moves.

Who better than Jeff Bezos, CEO and founder of Amazon, best represents this principle?

The speed with which Amazon has grown is incredible (from 500,000 dollars of sales in 1995 to 17 billion in 2011). Jeff, who has a personal

wealth estimated to be almost 40 billion USD, has continued to pursue a very clear strategy, despite the stock exchange and investors asking him loudly for more profits. Bezos instead has always gone into (even at the cost of low or negative profits) all the businesses that can make the consumer more “dependent” on Amazon. Leaders like Bezos have a clear final point of arrival, and are ready for anything to reach it; they are ready to bring every decision into discussion; they are convinced and tenacious. Some might define them as “unpleasant”.

Bezos is convinced that a business must be created around the things that we think will be STABLE over the coming years, not vice versa. A low price, for instance, will be something that consumers will always want. Amazon has constantly invested to offer low prices and fast delivery, even to the detriment of profits.

Bezos has shown himself to be a Leader capable of “beginning by thinking about the end.”

“When you know that something is true, you can then put a lot of energy into it in the long term”... “The balance of power is shifting toward consumers and away from companies...If you decide that you’re going to do only the things you know are going to work, you’re going to leave a lot of opportunity on the table... The right way to respond to this if you are a company is to put the vast majority of your energy, attention and dollars into building a great product or service and put a smaller amount into shouting about it, marketing it.”

Jeff Bezos

4 - We need Leaders who are able to focus on a few key things: Jack Welch

*Learn to say 'no' to the good so
you can say 'yes' to the best.*

John C. Maxwell

How many times in a day do we stop, faced with a decision or a request from someone, and ask ourselves "what if I didn't do it?" Few, too few.

We live in a world that Alvin Toffler defined as one of hyper choice and we don't know how to say NO.

But why? Simple. Because saying yes is always, in the very short term, the easiest choice. **There are those who say that defining a strategy is in fact not deciding what to do, but deciding what NOT to do.** That is why High Performance Leaders know that they need to focus on just a few essential things.

Obviously in order to do this, it's necessary to know what the essential things are, i.e. the activities that generate the maximum benefits and to which HPLs can truly contribute to make a difference.

Seth Godin, in his book "The Dip" points out exactly how every activity has an extremely difficult and cumbersome phase in terms of effort and focus (precisely The Dip) which allows us to pass from an "amateur" stage to a "professional" stage with the objective of becoming the best, **the biggest mistake that we can make is exactly that of starting a lot of activities, losing focus, and remaining, thereby, mediocre in everything.**

Do you remember when Jack Welch said that he wanted to stay in the business only where General Electric could be number 1 or 2? And to leave ALL the other businesses. This is what it means to be clear and focused!

"If you don't have a competitive advantage, don't compete. Strategy means making clear-cut choices about how to compete. You cannot be everything to everybody, no matter what the size of your business or how deep its pockets.".. "Don't play with businesses that can't win. Businesses that are number 3, number 5 in their market – Christ couldn't fix those businesses. They're going to lose anyway".

Jack Welch

5 - We need Leaders who are able to Think Strategically: Fabrizio Freda

Success doesn't necessarily come from breakthrough innovation but from flawless execution. A great strategy alone won't win a game or a battle; the win comes from basic blocking and tackling.

Naveen Jain

Fabrizio Freda, after having covered numerous roles of great responsibility at managerial level with important companies, in 2008 arrived at Estée Lauder where, just one year later, he was nominated CEO and Chairman of this important multi-national of cosmetics, taking the place of the grand-daughter of the founder of the company. A great satisfaction for this Italian managerial excellence who was able to conquer a place among the 10 best super managers in the world.

Since 2009 Estée Lauder has been growing at the rate of 7% a year with a stock capitalisation passing from 6.4 billion dollars to 27.8 (+334%).

One of the basic points of the strategy is what he calls a “10-year compass” i.e. a strategic blueprint.

This is what Freda says on this point:

“The vision is THE single most important thing in any company. It's all about how you form a vision today. You have to know where you want to go and what to do to get there. It's all about the compass: the next 10 years. What the picture of the future will look like 10 years from now. Reverse engineering is what we have to do. It's all about determining the future and then reverse. Reverse engineering makes it happen”

And this is what he says about Leaders:

"If you don't see it, invent it. That's the definition of a good leader. And you have to inspire the others to get there. The leaders today have to set the vision and serve the organization and inspire leadership."

What is more, Freda seems to be known not only for his ability to think strategically but also for being absolutely focused on the precise and prompt carrying out of strategic plans, thus bringing together two essential features of High Performance Leaders that we have spoken about, strategy & execution.

Here is what Freda says about this:

"I really have no patience for what is not working, for what is not sustainable, for what is not healthy in a business or in an organization. And I have a real sense of urgency of challenging the status quo when things do not work."

Fabrizio Freda

6 - We need Leaders who love what they do: Richard Branson

There is no passion to be found playing small - in settling for a life that is less than the one you are capable of living.

Nelson Mandela

Our subconscious has enormous power; it is the submerged part of an iceberg that can help us to solve the most difficult problems, guide us toward our objectives and help us to find the most creative solutions.

But our subconscious is activated only if we have strong motivation for what we are doing, only if we are truly interested in what we are doing. Only if we have **passion**.

Entrepreneur **Richard Branson** launched Virgin Records in 1973. Today Virgin Group holds more than 200 companies in more than 30 countries. Branson is also known for his sporting achievements, notably the record-breaking Atlantic crossing in Virgin Atlantic Challenger II in 1986, and the first crossing by hot-air balloon of the Atlantic (1987) and Pacific (1991). He was knighted in 1999 for his contribution to entrepreneurship, and in 2009, he landed at No. 261 on Forbes' "World Billionaires" list with his \$2.5 billion in self-made fortune, which includes two private islands

Here is what Richard is suggesting in an interview at entrepreneur.com

"Make a list of all the things you are passionate about or that interest you. It doesn't matter if these items seem trivial or random -- something on your list could spark a great entrepreneurial idea.

Now look at your list, and think about the industries and markets it

touches on. Are any of them ripe for innovation? Think about the companies in those areas whose products and services you like. Most established businesses have some shortcomings -- their customers are just waiting for a better alternative to arrive. Whether the businesses involved are small local operations, online superbrands or global corporate giants, if they've stopped innovating, you have an opportunity to seize the initiative. Sectors where companies have gotten too comfortable and have stopped putting customers first are particularly ripe for disruption.

Also look into starting up a related business. In hotspots like Silicon Valley, each successful startup seems to spawn other enterprising ventures that make the initial idea even better. A great creation like Twitter can lead to dozens of other good products, such as the video tool Vine and the scheduling service Hootsuite.

So rather than being discouraged when you find that someone is already acting on an idea similar to yours, welcome the competition. Pick specific examples of what you think their enterprise is doing brilliantly and try to learn why it works so well. Crucially, also look for areas where the business is performing less well, and work out how your startup could improve on things.

Get in contact with the business's founders and ask plenty of questions. You'll be surprised to find how many successful entrepreneurs are willing to give advice and guidance -- they were all running startups once!"

And here what he thinks is the best advice he could ever give:

"The best advice I could give anyone is to spend your time working on whatever you are passionate about in life.

What are you passionate about? Can you make a living from it? Go for it!"

And...

"I believe that drudgery and clock-watching are a terrible betrayal of that universal, inborn entrepreneurial spirit."

Passion transpires from everything that Richard does, and for sure his image as an eternal youth who has fun making money with his passions is one of the essential points of his success.

"I don't think of work as work and play as play. It's all living."

Happiness is closely linked to the interest and passion that we put into the things that we do.

If you spend most of the day doing things that don't interest you, you are dead for most of your time.

Your life makes sense only if there is something in which you can put Passion. Heart. Soul.

"Some 80% of your life is spent working. You want to have fun at home; why shouldn't you have fun at work?"

Richard Branson

7 - We need leader that take decisions: Larry Ellison

*In any moment of decision,
the best thing you can do is the right thing,
the next best thing is the wrong thing,
and the worst thing you can do is nothing.*

Theodore Roosevelt

If there is a common trait of successful people, it is that they are **“action oriented”**. They take decisions fast. They know that it is much better to take an average decision than no decision at all.

Making successful decisions is clearly a fundamental capacity, in that the closer we get to our goals, the more we find ourselves in the situation of having to make a lot of decisions, and very crucial ones.

Larry Ellison is one of the richest people living. He started his company in 1977, and he invested only \$ 1400 in it and since then it has turned into the present so called Oracle Corp.

“If anything, Ellison is merely the poster boy for what it takes to thrive in an increasingly ruthless environment. His rare combination of hubris and self-awareness enables him to skid recklessly to the edge, stopping just short of the cliff. And his stunning trajectory offers a valuable lesson: in the cutthroat arena of big business, sometimes it pays to be a jerk.”

Mubbisher Ahmed

Describing Ellison, BusinessWeek said, *“He has spent years*

transforming himself from a causeless rebel to a driven, disciplined warrior - a self-styled New Age samurai."

"The most important aspect of my personality as far as determining my success goes; has been my questioning conventional wisdom, doubting experts and questioning authority. While that can be painful in your relationships with your parents and teachers, it's enormously useful in life.""You have to act and act now.""You have to believe in what you do in order to get what you want.""There's a wonderful saying that's dead wrong. 'Why did you climb the mountain?' 'I climbed the mountain because it was there.' That's utter nonsense...You climbed the mountain because you were there, and you were curious if you could do it. You wondered what it would be like."

Larry Allison

8 - We need Leaders who appreciate and empower Others: Satya Nadella

Nothing is more despicable than respect based on fear.

Albert Camus

Our primary need is to feel secure. Only if we feel secure can we then experiment. Our sense of security depends profoundly on the experiences that we have had that have made us feel appreciated and people of value. In business, for instance, how we feel deeply influences our results. It's important to have clear and challenging objectives, and at the same time it's important to set objectives for our team that put us "in the flow", but all of this has to be done inside a framework in which we never miss a chance to appreciate others for their value.

What truly makes the difference for a person in the workplace? **Research shows that the real difference is the relationship with the boss.** If we feel well considered and appreciated, everything changes. Our performance improves, we are happier and are prepared to stay at work longer.

Bosses who do nothing but criticize their collaborators are old-fashioned, found only in films; don't believe in it, it doesn't work.

Satya Narayana Nadella is an Indian-American business executive. He is the current chief executive officer (CEO) of Microsoft. He was appointed as CEO on 4 February 2014, succeeding Steve Ballmer. Before becoming CEO of Microsoft, he was Executive Vice President of Microsoft's Cloud and Enterprise group, responsible for building and running the company's Computing Platforms, Developer Tools and Cloud Computing Services.

Before being nominated CEO he was recognised by everyone as a person capable of great respect, a listener, a true coach. Satya's always loudly proclaims the collaborative, participative and non-disruptive style of leadership his personality brings.

*"The way I measure my life is 'Am I better than I was last year?'"...
"Like anyone else, a lot of what I do and how I think has been shaped by my family and my overall life experience. Many who know me say I am also defined by my curiosity and thirst for learning. I buy more books than I can finish. I sign up for more online courses than I can complete. I fundamentally believe that if you are not learning new things, you stop doing great and useful things. So family, curiosity and hunger for knowledge all define me."*

Satya Narayana Nadella

9 - We need Leaders who want to constantly improve: Herb Kelleher

To improve is to change; to be perfect is to change often.

Winston Churchill

There's a definition of innovation that I like a lot:

"create new knowledge or apply existing knowledge to improve"

I believe in improvement defined as "breakthrough" i.e. in taking, in one go, a great step towards change. Creating something new. But experience shows us that change with a "great leap" is difficult to apply for most people. Leaving one's own comfort zone is difficult as we know, but even taking a small step outside of it is really terrifying.

During the Second World War the Americans started to use a technique of quality improvement (later redefined by the Japanese as Kaizen) which is based instead on small improvements made a little at a time.

This is what Robert Maurer wrote in his book "One small step can change your life"

"All changes, even positive ones, frighten; often it is counterproductive to try to reach your goals with radical or revolutionary methods, because this increases the fear. The small steps of the Kaizen Way, instead, inhibit the reaction of fear in the brain and stimulate rational and creative thoughts."

A small improvement every day. A great objective broken down into

many small targets that are easy to reach. The discipline of wanting to improve every day consistently.

The best example of constant improvement is for me Southwest Airlines Co which has become the darling of the U.S. airline industry (and its investors) since its inception in 1966. With a focus on commuter benefits, low airfares and efficient operations, it is known as one of the best airline companies in the entire industry. While many airlines place heavier weight on amenities and comfort, Southwest Airlines has been a pioneer, with its commuter-focused business model that caters to people looking for quick, cheap and painless flights from point to point.

One of the reasons of its success is its founder, Herb Kelleher, who put an enormous amount of emphasis on culture and the customer experience, something that's persisted even after he stepped down as CEO.

In an interview with Fortune's Jennifer Reingold, he reveals that there isn't one formula:

"We held Corporate Day for many, many years, and we had a good many companies that came in. And they basically wanted to know how we hired, how we trained, and how we motivated. And so we would tell them. And many of them, I think, were looking for some formula, you know, that you could put on the blackboard. The concept is simple, but the execution takes a lot of work and a lot of attention.

...It's not formulaic. The way I describe it is this huge mosaic that you're always adding little pieces to, to make it work. And it's not a job that you do for six months and then you just say, "Well, that's behind us." It's something you do every day.

And here's what he thinks about "employees... When I started out, business school professors liked to pose a conundrum: Which do you put first, your employees, your customers, or your shareholders? As if that were an unanswerable question. My answer was very easy: You put your employees first. If you truly treat your employees that way, they will treat your customers well, your customers will come back, and that's what makes your shareholders happy. So there is no constituency at war with any other constituency. Ultimately, it's shareholder value that you're producing... Because you can't really be disciplined in what you do unless you are humble and open-minded. Humility breeds open-mindedness — and really, what we try to do is establish a clear and simple set of values that we understand. That simplifies things; that expedites things. It enables the extreme discipline I mentioned in describing our strategy. When an issue comes up, we don't say we're going to study it for two and a half years. We just say, "Southwest Airlines doesn't do that. Maybe somebody else does, but we don't." It greatly facilitates the operation of the company."

Herb Kelleher

10 - All HPLs are “positive”: Elon Musk

*In order to carry a positive action
we must develop here a positive vision.*

Dalai Lama

Being positive may seem a “taken for granted” feature or even relative to certain “new age” philosophies.

In reality this is not so: **being positive is perhaps the most important quality of an HPL.** There is no enterprise without a positive vision of the future; the capacity to experiment cannot exist without the deepest conviction that things will be able to go well; the strength to beat the market cannot exist without a deep belief in one’s positive ability to solve things.

This is what Fredmund Malik wrote on this topic in his book *Managing Performing Living*:

“Properly understood the discipline and practice of constructive thinking is of tremendous value or, to put it the other way around, negative thinking and corresponding behaviour are so destructive that they should not be allowed to take hold in any organization. In one form or the other, positive thinking behaviour is always to be found in an effective manager”

Indeed an HPL is first and foremost a problem solver, and (s)he is able to see opportunities where others see problems. Like Thomas Edison who is said to have tried thousands of times to make a light bulb before succeeding, positive thinking allows us to know that every failure is nothing other than a step in the right direction towards success.

From this point of view I find the story of **Elon Musk**, “inventor of PayPal and Tesla motor” very inspiring.

Here is what he says:

“Well a company is a group of people that are organized to create a product or service. That’s what a company is. So in order to create such a thing, you have to convince others to join you in your effort and so they have to be convinced that it’s a sensible thing, that basically there’s a some reasonable chance of success and if there is success, the reward will be commensurate with the effort involved. And so I think that’s it... getting people to believe in what you’re doing – and in you – is important.

In the beginning there will be few people who believe in you or in what you’re doing but then over time, as you make progress, the evidence will build and more and more people will believe in what you’re doing. So, I think it’s a good idea when creating a company to create... to have a demonstration or if it’s a product to have a good mark up or even if it’s software to have good demoware, or to be able to sketch something so people can really envision what’s it’s about. Try to get to that point as soon as possible. And then iterate to make it as real as possible, as fast as possible. I think that makes sense.”... “If something is important enough, even if the odds are against you, you should still do it.”... “The first step is to establish that something is possible; then probability will occur.”

Elon Musk

**A leader is one who knows the way,
goes the way, and shows the way.**

John C. Maxwell

TABLE OF CONTENTS

The High Performance Company Manifesto	5
HIGH PERFORMANCE COMPANY STRATEGY & MEASURES	7
Take your own responsibility	9
Be ready to Change	13
Be results oriented	17
You must first understand your market (to create it)	21
Create a compelling vision to direct the future	25
Define your strategy	27
Designing a High Performance Organization	35
Define a set of KPI	39
HIGH PERFORMANCE COMPANY PRINCIPLES & MANAGEMENT ..	47
Force yourself and your organization to improve everyday	49
Work on having the best Management Team	53
Get your hands dirty	57
Define your customer	61
High Performance Marketing	65
Be a customer satisfaction machine	69
Focus on few things	73
Focus on results, not happiness	75
Manage agreement, not people	77
Build a culture of “help”	83
Be Coherent (don’t believe in miracles)	87

Where even gods fall: delegate 89

High Performance Company Q&A 99

THE PSYCHOLOGY OF THE HIGH PERFORMANCE LEADER 101

1 - We need Leaders who don't accept anything less than perfection:
Tim Cook 105

2 - We need Leaders that are Credible: Mary Barra 107

3 - We need a Leader who starts with the end in mind: Jeff Bezos ... 111

4 - We need Leaders who are able to focus on a few key things:
Jack Welch 113

5 - We need Leaders who are able to Think Strategically:
Fabrizio Freda 115

6 - We need Leaders who love what they do: Richard Branson 117

7 - We need leaders that take decisions: Larry Ellison 121

8 - We need Leaders who appreciate and empower Others:
Satya Nadella 123

9 - We need Leaders who want to constantly improve:
Herb Kelleher 125

10 - All HPLs are "positive": Elon Musk 129



Simone is CEO of Clinique La Prairie.

Simone started his career working in Consulting, following strategic and organizational projects for many Leading Italian and International firms, and he has been CEO of International Companies in Italy and Switzerland .

Simone is regularly interviewed on business subjects.

He has written 2 books and many articles on marketing, strategy, organization and market trends.

You can follow him on:

www.simonegibertoni.com

THE HIGH PERFORMANCE COMPANY MANIFESTO

**HOW HIGH PERFORMANCE
LEADERS SHAPE COMPANIES**

This Book Copyright Simone Gibertoni 2015

We want something more, we want something different.

We want love and passion for our firms' products.

*We want crazy and lunatic people ready to do
anything to realize their vision.*

*We want firms that want to be unique and different,
populated by people who want to spend
most of their time knowing that
they are contributing to something important.*

We need new Leaders.

And firms able to stimulate them.

Firms that love change and transformation.