

How Excellent Companies AVOID Dumb things

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A series of Natural barriers exists in every organization simply by the way companies are organized and do business. These are structural barriers.

Other barriers exists because of human nature. These are the behavioral barriers.

The barriers in a company are the reasons a company does dumb things, not the employees themselves.

The 8 Barriers in every firm

1. **Avoiding Controversy**
2. **Poor use of Time**
3. **Reluctance to Change**
4. **Organizational Silos**
5. **Management Blockers**
6. **Incorrect information and bad assumptions**
7. **Size matters**
8. **Existing processes.**

Barrier 1 : Avoiding Controversy

Managers often avoid making controversial decisions.

One of the key skills of being a strong manager is knowing which battles to fight and which to ignore.

The best managers have a knack of getting this right.

Sometimes decision makers are powerless. They may have the authority to make a decision but from a political perspective, it would make no sense for them to act.

The best managers always think carefully about a business decision that produces a zero sum game, where one loses and one wins. Such decisions will polarize people and good managers avoid that.

Another reason managers avoid controversy is that they are deliberately conflict averse.

CEOs and senior managers protect themselves by process and hence avoid controversy !!

Controversy is almost inevitable when choices exist. The more the choices, the more difficult the controversy.

Rationalization is another powerful way people avoid controversial decisions.

Personality is another reason people avoid controversy. The agreeable person, the sensitive type and the compulsive types are examples.

Barrier 2 : Poor Use of time

Poor use of time is about the management of time, the use of time and the value of time.

It is also about how the senior management in the firm values time.

‘I don’t have the time to do that right now’ is one of the most common reasons for why something doesn’t get done. And it is one of the worst.

You cannot create time , but you can find time for important activities.

**Forcing people to complete
problem solving of small steps
increases their completion rate of
unrelated tasks.**

Decision making is like a muscle that needs to be exercised.

The most common waste of time in an organization is a repetition of effort, doing the same thing again, or discussing the same thing again in a meeting

People say they cannot find the time to do things, yet paradoxically they always find the time to fix things when they break. Companies need to create a sense of urgency before a problem occurs.

Barrier 3 : Reluctance to Change

Fear of the unknown is a large component of people's reluctance to change.

Make the process as transparent as possible, and encourage employees to share their fears.

People also resist change because they do not know what exactly that change will mean to them.

The process of change is very stressful.

People embrace change if :

a. they see the logic behind it

b. They see it as non threatening

c the change has future benefits

for them

It takes courage to change, most companies need to think constantly about change so that their companies can stay a step ahead.

**The more change is needed, the more they remain the same.
Like the avoiding controversy barrier, reluctance to change is a behavioral barrier.**

Barrier 4 : Organizational silos

**Organizations need the structure silos provide
– but that same structure keeps information,
focus and control from flowing across silos.**

There are three reasons for silos :

- 1. Non aligned priorities**
- 2. Lack of information flow**
- 3. Lack of co ordinated decision making**

Barrier 5 : Management Blockers

This happens when managers make decisions based on fear of what their superiors will think about an idea or they feel threatened by a bright young person below them who is very good.

People should have a healthy respect for failure , not an irrational fear of it.

The empire protectors (of geography or function) need to understand that influence is the important word, not power.

Influence is exercised by leaders, power is used by spineless dictators. Influence brings you respect.

Barrier 6 : Incorrect information

People at every level in an organization should be expected to back up their assertions with data and facts.

Analysis forces people to go after the facts to support decision making. The key is to minimize the decisions based on weak facts and assumptions.

Barrier No 7 : Size Matters

Continuing to perform transactions that aren't cost effective has the same effect as over servicing clients.

Managers are always surprised at how much money is being left at the table. Change that, its about the future and not the past

The great challenge in companies is to manage the economics of smaller , less profitable customers.

Barrier 8 : Existing processes.

When existing processes are broken, there are no obvious solutions to fix them. There is no “ process to fix the process”.

You don't realize how difficult it is to change an existing process until you discover a problem with it and try to get that problem resolved.

12 Principles for breaking Barriers

1. The CEO must personally lead and support any change process.
2. The entire organization must be involved in the change process.
3. The project must be guided by stars who are willing to challenge the status quo.

(A good STAR is someone with intelligence, works well with others and not by himself, has a passion for change and has the ability to deliver.)

4. The targets must be clear and accountable to all, the leader sets the standard.

5. Those who implement must own the idea.

6. It should be easy to generate ideas rather than reject them in the culture.

7. Ideas must be sieved on facts , deep knowledge, and not on prejudices or wrong theories.

8. Consensus must be built, however painful with some members of your team.

9. There must be a focus on increasing revenue, not just reducing expenses.

10.The change process must not disrupt normal business.

11.Implementation must be nothing less than 100 pc.

12.The change process is about a culture change and not implementation of a project.

20 reasons for killing good ideas.

1. Our company is well run, there are no opportunities
2. We are inefficient, but, my team is not the problem
3. The issue is support functions and allocations, not my costs.
4. Our problem is revenue , not how we think about it.
5. We have tried that before
6. My boss, legal , will never agree to that
7. That wont save money or increase revenues
8. That is too costly
9. No one in the industry is doing that
10. We will lose customers if we did that
11. Anything that takes my time away from customers hurts.
12. We are unique

20 reasons for killing good ideas.

13. We will lose our base if we do that
- 14.No one really understand what we do.
- 15 I don't have time to think about it
- 16.We don't have the technology for that
- 17.I cant risk by job doing that
- 18.I can only impact my department and this idea cant
19. I don't have the right people
20. This is not the time for change.

What is a Good Idea?

- 1. It describes an action, not a problem**
- 2. The action can be taken**
- 3. The action save either time or cost or increases revenue.**
- 4. The idea can be implemented in a definite time frame.**