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The Top Ten Missteps in Execution

"Silverpop University"

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I have presented this in various forms over the years. It is one of my favorite presentations (even if some references are a bit dated).

I have made these presentations available in the hopes that the ideas will be helpful to others. I only ask that you respect my work by providing attribution as appropriate and not re-posting the document.

Thank you and enjoy.

Bill Nussey

This presentation and others available at http://NusseyNotes.com and http://www.slideshare.net/BillNussey1

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An Opening Story

▶ **The Bill Gates Tidal Wave Memo**

- On May 26, 1995 Bill Gates kicked off what may have been one of the single greatest feats of corporate execution ever witnessed in high tech.

- Microsoft had bet EVERYTHING on a "walled garden" competitor to AOL that was called Blackbird

- In one memo, they shut down the entire Blackbird effort and went on to rewrite the history of the internet.

▶ **"In this memo I want to make it clear that our focus on the Internet is crucial to every part of our business. The internet is the most important single development to come along since the IBM PC was introduced in 1981."**

▶ **To paraphrase… The Internet is a tidal wave. It changes the rules. It is an incredible opportunity as well as an incredible challenge… I want every product to try and go overboard on Internet features…**

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Various Views on Execution

▸ **Standard definition:** *Execution is the act or mode or result of performance*

▸ **"Execution is the missing link between aspirations and results"**
   - Execution (the book)

▸ **Execution requires a clear view of reality – mis-execution stems from misleading yourself as a company as to what is really happening**

▸ **"Without execution, vision is just another word for hallucination"**
   - Mark Hurd, CEO of HP

What is Execution, Really?

▶ **What is execution, exactly?**

- There's nothing heroic or admirable about – not smarts, not charisma, very little way to be innovative or novel
- Barely covered in business books
- It's what Microsoft and General Electric do
- It's boring, it's really hard

▶ **What happens without it**

- Delivery dates slip, work is shoddy

▶ **Bad side of execution**

- "Fear-based culture"
- "Inhumane", "ruthless", "profits over people"

▸ **Two Key Truths About Execution…**

  - The largest challenge for most businesses is themselves

  - "Winning is largely a matter of screwing up less than everyone else"

    – Bill Nussey

▸ **When Businesses Truly Execute…**

  - Mistakes and problems are no longer hurdles they are opportunities

  - The level of productivity (output, speed, quality) goes up <u>a lot!</u>

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The Top 10 Missteps in Executions

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10. Ready, Shoot, Aim!

▶ **The Problem**

- The only thing worse than having a plan go wrong is having had no plan at all

- When things get busy, planning goes out the window

▶ **The Solution**

- Take the time to consider your actions before you act

- Create habits and patterns that force you to step back and review the "Big Picture"

The benefit of planning is <u>not necessarily</u> to ensure error-free execution but, instead, to have a benchmark from which to understand what went wrong and how to avoid problems the next time around.

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9. Feel Your Way Through It

▶ **The Problem**

- Executives fail to set specific, measurable goals
- Even when measurable goals are established, executives fail to manage accountability

▶ **The Solution**

- Set goals and measure – chose three key areas to measure each part of your business
  - It's fine to use subjective measures when numerical and financial measures do not apply
- Rhythm, habit and discipline

"People don't do what you expect, they do what you inspect." – Bob Hayes, Harvard Business School

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8. "Every Employee is A+"

▶ **The Problem**

- Everyone on your team is not equal, don't treat them that way

- It is easy mistake loyalty and effort for performance and output

- Treating mediocre people the same as you treat your best people will absolutely undermine your best people

▶ **The Solution**

- Hold people accountable

- Set clear goals (even if they are subjective) and measure against them

- Recognize the highest performing people with words and dollars

"A players hire A players; B players hire C players" -- Stephen Jobs, CEO Apple

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7. Management Through Crisis Creation

▸ **The Problem**

- People can respond amazingly in a crisis but it is not sustainable
- One "Fire Drill" after another means nothing long term get done

▸ **The Solution**

- Make long term plans and stick with them
- Create what author Jim Collins calls the "Flywheel Effect" from his book Good to Great
  - Momentum is more important than speed

"Don't mistake action for productivity" – Bill Nussey

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6. Boil the Ocean

▶ **The Problem**

- Small businesses can only do one thing well

- Success rarely comes from being clever or having a better idea

  - The most successful companies are the most committed and focused

▶ **The Solution**

- Figure out three things:

  - What you are passionate about? Which things you are really good at? Which things you are better at than your competitors?

- Pick the best single thing across the three questions

- This is your core competence – do it; do nothing else; stick with it

"If you chase two rabbits, both will escape" -- unknown

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5. Paralysis From Analysis

▶ **The Problem**

- "Excessive delays in the name of information-gathering breeds 'analysis paralysis'. Procrastination in the name of reducing risk actually increases risk." – Colin Powell

- Achieving 100% confidence is a myth

- Too much strategy is as bad as no strategy at all

▶ **Solution**

- 70% confidence is more than enough – after that go with your gut

- It's better to be consistent than right

General rules of snakes (problems): If you see a snake, kill it; don't play with dead snakes; all opportunities start out looking like snakes. – Jim Barksdale, CEO of Netscape

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4. Fear of Failure

▶ **The Problem**

- Fear of failure creates hesitancy, complacency and arrogance

▶ **The Solution**

- Mistakes and stumbles are inevitable, success is largely a matter of how you respond when things go wrong
- Fail fast

"Just beyond the threshold of optimum performance lies total chaos" – Jim Copeland, CEO of Deloitte & Touche

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3. Fast To Hire, Slow To Fire

▶ **The Problem**

- Lack of HR discipline

- Downside of not firing people

  - The implications are much worse than not getting the job done

  - Your good players will lose respect for you if coddle people that don't carry their own weight

  - By the way, if a personnel problem is just becoming clear to you, assume it has been crystal clear to everyone else for a long time

▶ **The Solution**

- Background checks (seriously)

- Interview heavily and, for small companies, make your most senior executives involved in every hire

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2. Lack of Common Sense

▶ **The Problem**

- If it doesn't make sense, it's probably wrong
- Corollary: If you can't explain it to your grandmother, its probably a bad idea

▶ **The Solution**

- Use Common Sense <yeesh>

"If it looks like a duck and quacks like a duck, then it's probably a duck"

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1. No Discipline

▶ **The Problem**

- Above all else, great execution comes from discipline

- "Things are really moving. Why spend so much time reviewing it?"

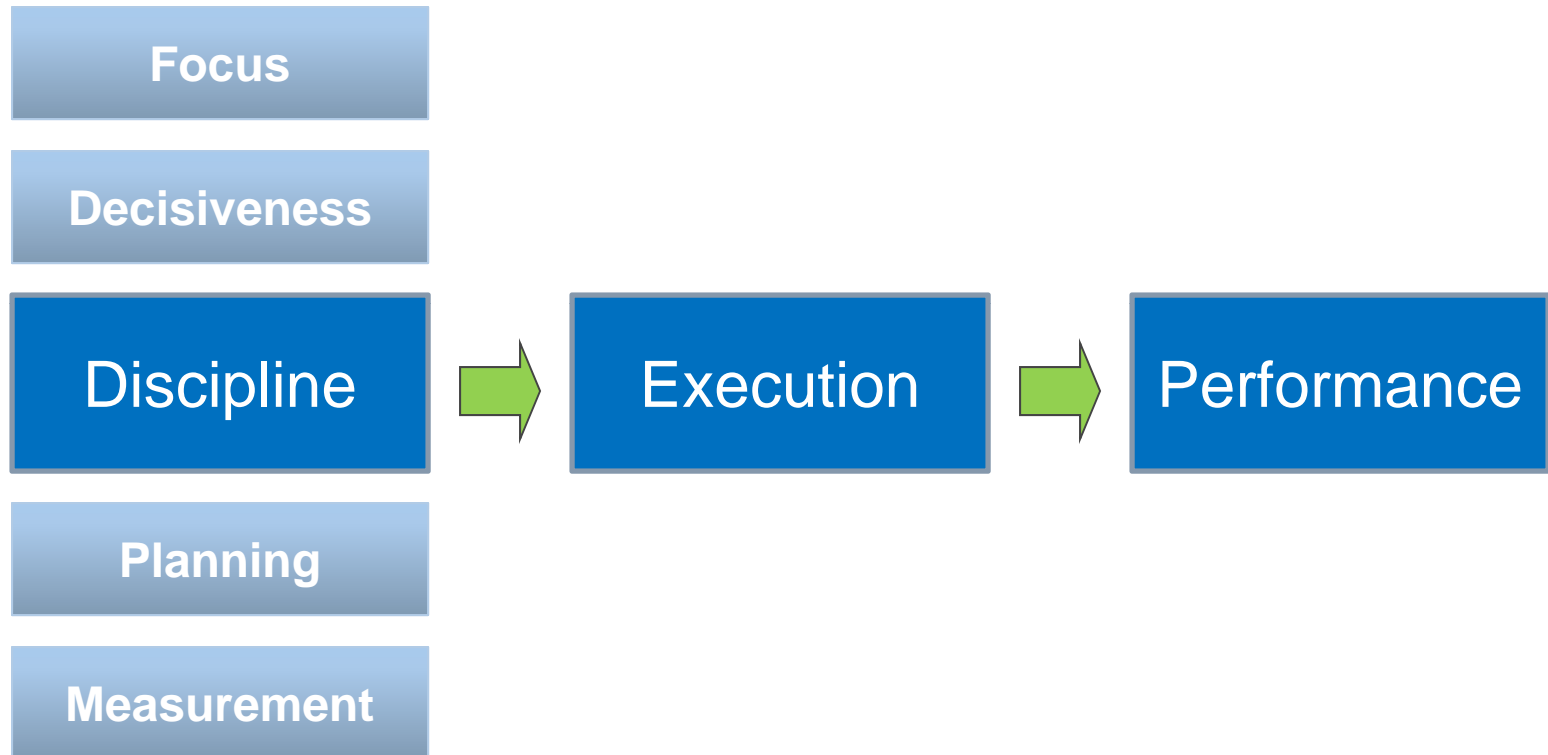- There is always a newer and better idea that's less boring than what you're doing now

▶ **The Solution**

- Discipline can not be delegated, it stems from leadership and culture

- Plan → execute → measure → learn

- Businesses need rhythm – create habits and patterns around planning and review

  - "We are what we repeatedly do, excellence then is not an act, but a habit." -- Aristotle

"Nothing is more harmful to the [military] service, than the neglect of discipline; for that discipline, more than numbers, gives one army superiority over another." -- George Washington

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Conclusions

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Focus

Decisiveness

Discipline → **Execution** → **Performance**

Planning

Measurement

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▶ **The Epitome of the "Good to Great" story - Walgreens**

▶ **Walgreen's keys to one of the greatest sustained turnarounds in business history:**

- NOT hiring a great new CEO
- NOT a brand new strategy and a burning platform
- NOT acquisitions or technology-driven change

▶ **The answer**

- They could not really pin it on anything in particular but…
- It got started sometime between 1971 and 1980…

▶ **The Moral Of The Story**

- Great execution isn't anything fancy. It's just sticking to the basics, using common sense and not losing sight of what you've set out to do.

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Thank You

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http://NusseyNotes.com

Related Books, Sites, Etc.

▶ **Synopsis of "Good to Great" by Jim Collins**
   http://www.fastcompany.com/online/51/goodtogreat.html

▶ **"Jack and the People Factory", a synopsis of Stratight from the gut**
   http://www.fortune.com/indexw.jhtml?channel=artcol.jhtml&doc_id=204011

▶ **"Good to Great" by Jim Collins**

▶ **"Jack: Straight from the Gut" by Jack Welch**

▶ **"The Twelve Simple Secrets of Microsoft Management" by David Thielen and Shirley Thielen**

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