LEVEL THREE
PERFORMANCE SOLUTIONS

THE COMPELLING JOURNEY™
A PLAYBOOK™ FOR SUSTAINABLE PERFORMANCE GROWTH

- Clearly articulate what success looks like
- Make sure that success supports the Call
- Align rewards to ensure effective execution

"Success does not consist in never making mistakes, ***but in never making the same one a second time."***

– George Bernard Shaw

"It's not usual to speak of an employee as a partner, ***and yet, what else is she?"***

– Anonymous

Defining... And Rewarding Success

The organization had a healthy sales record and several seasoned professionals that headed up the business development group. **The challenge was that the sales fell in low margin areas that caused a lot of churn in the operation and was difficult to get to the bottom line.**

The Compelling Journey helped crystallize their thinking, but they would be unable to achieve the level of growth until they resolved the mismatch between the current rewards scheme and their plans.

With the Pillars firmly in place, the Call now sits upon a solid footing for the organization to operate from in the creation of approaches to solutions. From here, it is necessary to define when and where to declare success and what recognition and rewards are needed.

The challenge that often bedevils organizations is a failure to clearly outline what success looks like: not only the destination toward which the organization expects to go, but the milestones that lead to the end state as well. Strategic plans require time to unfold. It is important to maintain momentum, especially in the early stages. Consequently, the organization needs well-defined victory markers that enable everyone to celebrate victories along the way as annual plans unfold. We will discuss this more as we discuss converting the work done in the Compelling Journey into a PlayBook.

Strategic plans often fail to achieve their intended objectives or often fail entirely because of a lack of clarity and alignment that lead to a failure of execution. **For example, the plan calls for an expansion in sales, to be achieved through intensive business development and backed by a comprehensive change in the organization's enterprise resource planning system (ERP).** The manufacturing teams are expected to establish a comprehensive product overhaul and link their process to the ERP. IT is expected to source, initiate, and implement the ERP. Finance is expected to link all reporting systems. Maintenance must be included so that proper maintenance on the manufacturing equipment can proceed efficiently. Procurement and HR are also supposed to connect with the system as well. Of course, warehouse is expected to integrate the supply chain and cover all materials tracking through the new applications.

Anyone who has ever participated in bringing an ERP online can attest to the handful of nightmares that organizations encounter in this effort. What does success look like? The siren call of the ERP is that visibility is high, and everyone knows what is happening in real time. The reality can be muddled.

For sales, success looks like they can find their client lists and contact requirements along with sales history, order and delivery dates. For manufacturing, success is scheduling and producing on a schedule that enables them to run efficiently. For the warehouse, tracking ins and outs, parts arrival, delivery scheduling, space allocation, "just-in-timing" working well. For maintenance, success looks like no breakdowns, little time lost to down time, scheduled preventive maintenance. Finance defines its success as accuracy in the numbers and HR sees success as getting payroll right.

The problem arises when rewards get attached that do not align. If Sales only has a volume goal, for example and it does not align with manufacturing's reward for keeping within a certain production budget, there will be conflict. Further, since the sales reward is for volume, not for margin and profitability they risk failure to align with profitability goals. Accounting is rewarded for monitoring labor expenses, further squeezing manufacturing, making the sales goals precarious. Maintenance needs time to perform preventive maintenance, reducing output because the work must be done without paying overtime. Warehouse can't run adequate controls because IT failed to include high-tech monitoring devices and they are constrained by labor hours as well. Wrong product arrives at the wrong time, further handcuffing manufacturing. HR is rewarded for payroll, but not for high quality training. Consequently, manufacturing is saddled with mistakes because of less than complete training.

The result: everyone is mad at someone else, few successes occur, and nobody is happy with the reward scheme. Grumbling ensues.

The moral of the story: Make sure that success is effectively defined around each of the supporting pillars and thoroughly think through reward mechanisms to ensure that they are aligned with the objectives. Otherwise, expect to see poor execution.