


A Tool for Business Awareness

Business Mindfulness, Part 2

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Note: This is not hippie fluff nor a technique for meditation.
This is a tool to aid you in business performance improvement.

A black and white photograph of Maya Angelou standing on a rocky shore, looking up and smiling with her arms raised in a gesture of triumph or joy. The background shows the ocean and a cloudy sky.

My **mission in life** is not merely
to survive, but **to thrive**; and to do so
with some passion, some compassion,
some humor, and some style.

—— *Maya Angelou* ——



Will You Thrive or Survive?

Thrive		Survive
Revenue growth	↔	Revenue preservation
High customer retention	↔	Low customer retention
Customers thrive and win	↔	Customers lose
Market leader	↔	Market follower
Cost optimization	↔	Cost reduction
Talent development	↔	Talent retention struggle
Culture of transformation	↔	Culture of incrementalism
Play offense and defense	↔	Play defense only



Executive Summary

- Business Mindfulness throughout an enterprise enables it to thrive
- **Essential Factors to Thrive** (EFTs) must be completely in place for a firm to flourish
- A **Business Awareness Tool** measures an organization against the EFTs over time
- With data in hand, the organization's leadership team can determine interventions to increase the probability of thriving
- Without data and awareness of the current state, business mindfulness is difficult to achieve, if not impossible
- Details for each EFT are provided in an appendix to this document



Definition of Mindfulness

For an Individual

- “Mindfulness is **awareness** that arises through paying attention, on purpose, in the present moment, non-judgementally.”¹

For a Business²

- An enterprise’s core competences in business environment scanning³, **frequent measurement of the as-is, in the moment**, fulfilling customer needs ahead of competitors and new entrants through innovation, informed decision-making, and rapid transformative change

1. Dr. Jon Kabat-Zinn, University of Massachusetts, 1977

2. Chen, R., 2019

3. “Environmental Scanning and International Growth Strategy”, Chen, R., Master’s Thesis, M.I.T. Sloan School of Management, 1983



Essential Factors to Thrive

1. Sense of **urgency**
2. Unswerving focus on **customers**
3. Deliberate and swift **cash flow** management
4. **Visible** top executive leadership
5. **Clear thinking**, few strategic distortions
6. **Shared vision** for 2020 and 2021
7. Forceful **revenue and cost** initiatives
8. Disciplined initiatives **execution**
9. **Channel partner** involvement
10. **Vendor and supplier** involvement
11. Organizational **resilience** and endurance
12. **Holistic** approach

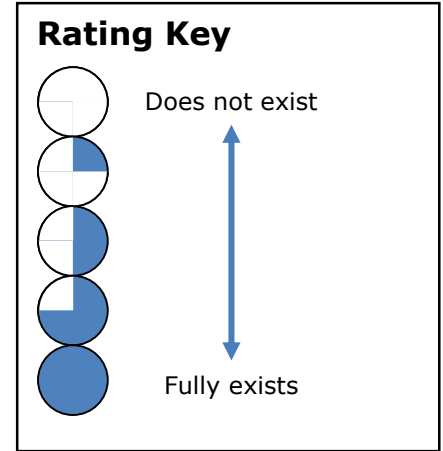
Derived in part from John Rockhart's original critical success factor work at M.I.T. Sloan School of Management
Details of each EFT are in the appendix to this document.

A Business Awareness Tool

Measures Your Organization against the EFTs

Illustrative

Rating	Essential Factor to Thrive
	1. Sense of urgency
	2. Unswerving focus on customers
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	4. Visible top executive leadership
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	9. Channel partner involvement
	10. Vendor and supplier involvement
	11. Organizational resilience and endurance
	12. Holistic approach















Test Result:
Probability of success
= 37.5%

Raw data from interviews, focus groups, surveys, and secondary research





































Use Results to Determine Interventions

Illustrative

Essential Factor to Thrive	Rating	Remedial Interventions
Sense of urgency		Make sure the organization remains calm
Focus on customers		Talk with them and help them thrive
Deliberate cash flow management		Follow through
Visible top executive leadership		Get leadership in front internally and externally
Clear thinking, few distortions		Practice business mindfulness
Shared vision for 2020 and 2021		Conduct leadership strategic off-site(s)
Forceful revenue and cost initiatives		Form rapid action teams each with a financial target
Disciplined initiatives execution		Get organized, consider a program management office
Channel partner involvement		Engage, listen for issues and opportunities
Vendor and supplier involvement		Further engage, integrate with cost initiatives
Organizational resilience & endurance		Diagnose root causes, education, identify role-models
Holistic approach		Integrate strategy, people, process, technology, ...

Measure Frequently to Stay in the Moment

Raise Red Flags Where You See Erosion

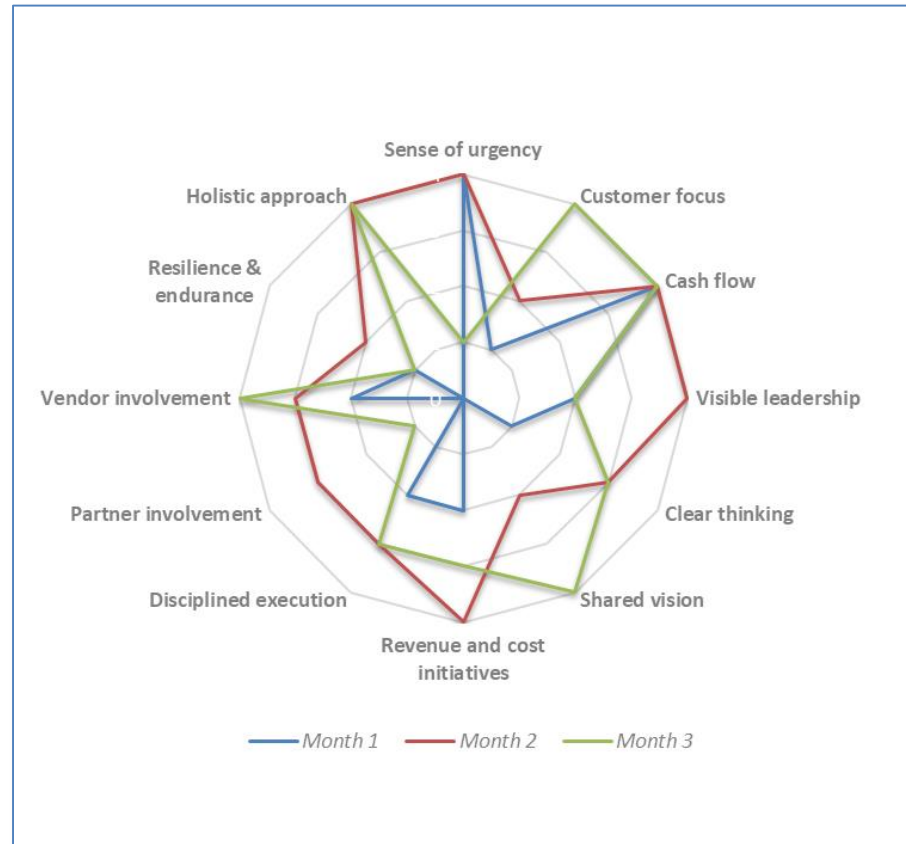
Essential Factor to Thrive	Month 1	Month 2	Month 3
Sense of urgency			
Focus on customers			
Deliberate cash flow management			
Visible top executive leadership			
Clear thinking, few distortions			
Shared vision for 2020 and 2021			
Forceful revenue and cost initiatives			
Disciplined initiatives execution			
Channel partner involvement			
Vendor and supplier involvement			
Organizational resilience & endurance			
Holistic approach			
Probability of success	37.5%	79.2%	70.8%



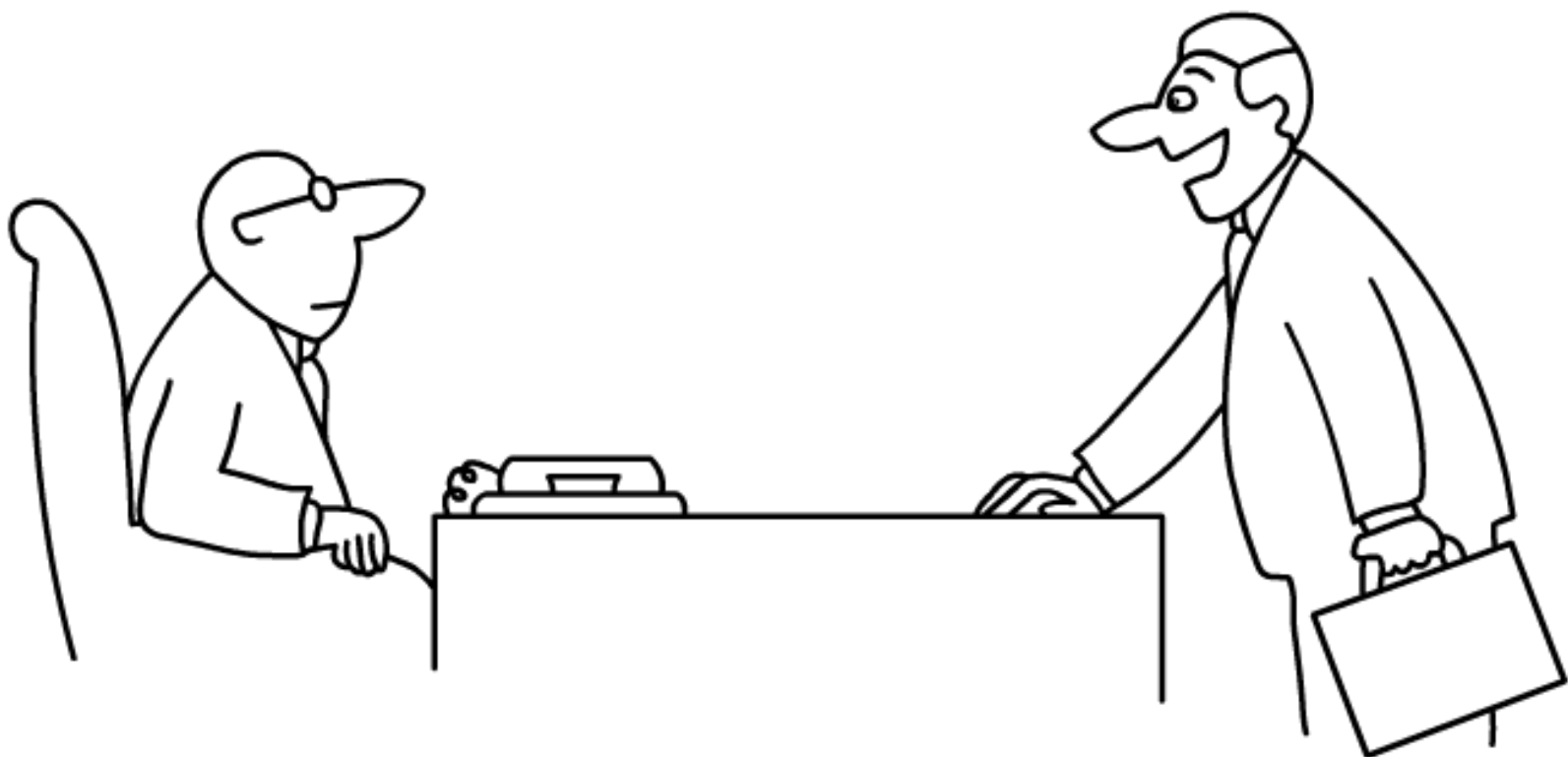
*Erosion across
several factors –
act quickly*

Alternate Display: Business Awareness Radar

- The further from the center, the better
- Interventions are required for EFTs not on the outer ring
- Compare latest test results to previous months
- Movement outwards indicates progress
- Movement inwards indicates erosion and time to intervene



	Month 1	Month 2	Month 3
Probability of success	37.5%	79.2%	70.8%

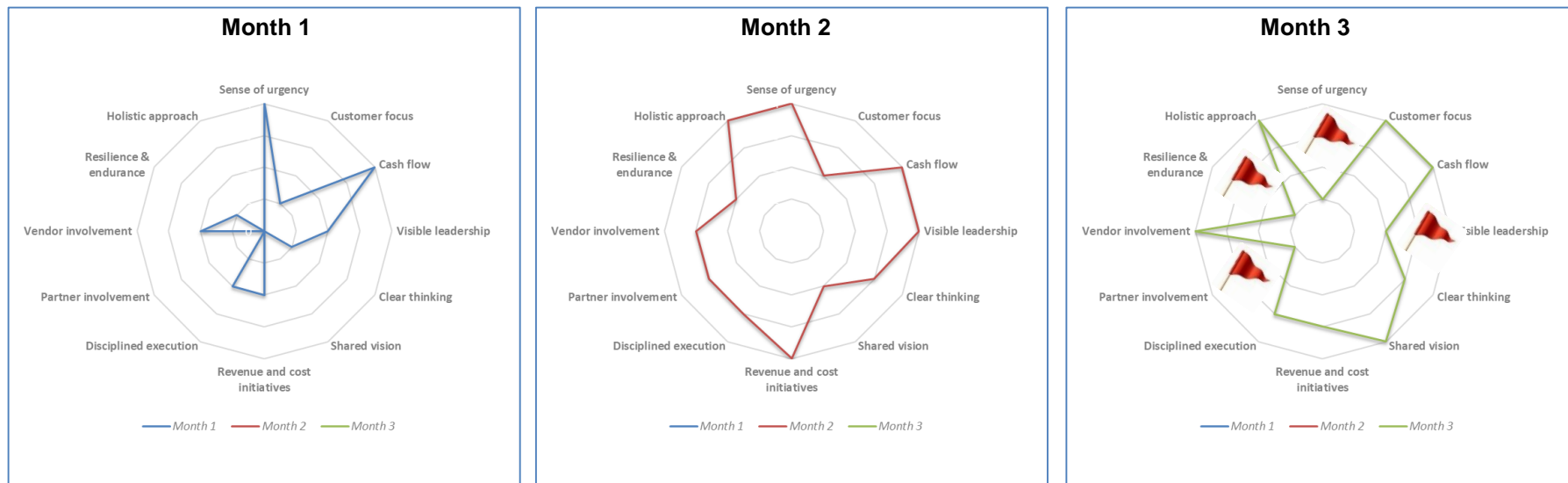


timoelliott.com

"Our dashboards are so advanced, they automatically filter out any bad news"

Business Awareness Dashboard (rolling 3 months)

Date: Month 3



Test Results

Month 1

Month 2

Month 3

Probability of success

37.5%

79.2%

70.8%

Observations

- Probability of success has taken a dip between month 2 and month 3
- Erosion across 4 Essential Factors to Thrive
- Erosion in Sense of Urgency, Visible Leadership, Channel Partner Involvement, Organization Resilience & Endurance

Recommendations

- Urgency: communicate priorities, clarify consequences, use external and internal data
- Visible Leadership: publish round-robin internal e-newsletter weekly (top executives take turns)
- Customer & Partner: conduct virtual partner summit
- Resilience: provide grief counseling as part of employee assistance program



So What?

- Business awareness is about improving business performance in order to thrive
- Business awareness is a component of business mindfulness
- Measuring business awareness frequently helps you and your teams to identify required interventions and to rapidly close gaps
- The Business Awareness Tool is customizable



Questions?

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APPENDIX



Essential Factors to Thrive

1. Sense of **urgency**
2. Unswerving focus on **customers**
3. Deliberate and swift **cash flow** management
4. **Visible** top executive leadership
5. **Clear thinking**, few strategic distortions
6. **Shared vision** for 2020 and 2021
7. Forceful **revenue and cost** initiatives
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11. Organizational **resilience** and endurance
12. **Holistic** approach

We'll step through these one at a time.

1. Sense of Urgency

*“The trouble is you think you have time.”**

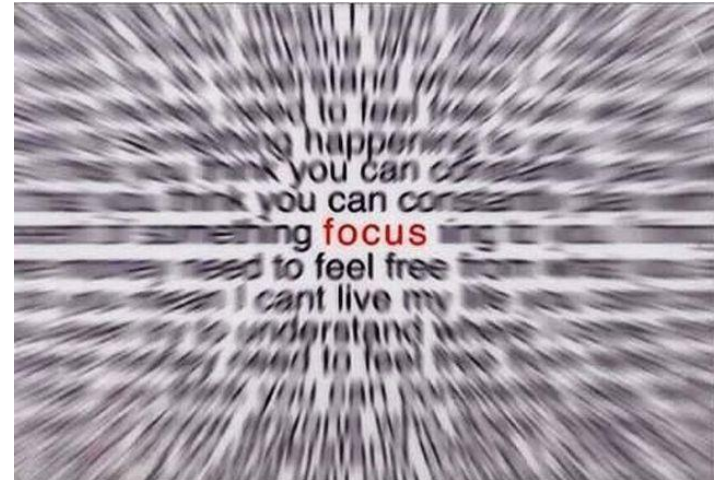
- Your people have a heightened awareness of the precarious situation
- Time is of the essence
- Longevity of the business is at risk
- The competition is not frozen
- Pressure from investors and creditors builds
- The right “urgency messages” are essential for aligning all stakeholders, internal and external – call to action



* Attributed to the Buddha

2. Unswerving Focus on Customers

- Help each customer grow its revenue stream since part of it ends up in your pocket¹
- “*Spend a Day in the Life of Your Customer*”² to deeply understand current and future needs
- Innovate based on customer needs at an accelerated velocity – faster than your competition³
- Provide exemplary experiences during the crisis – redesign experiences if need be
- Do what’s right for your customer and money will follow



1. Chen, C., CEO g.root Biomedical, 2020

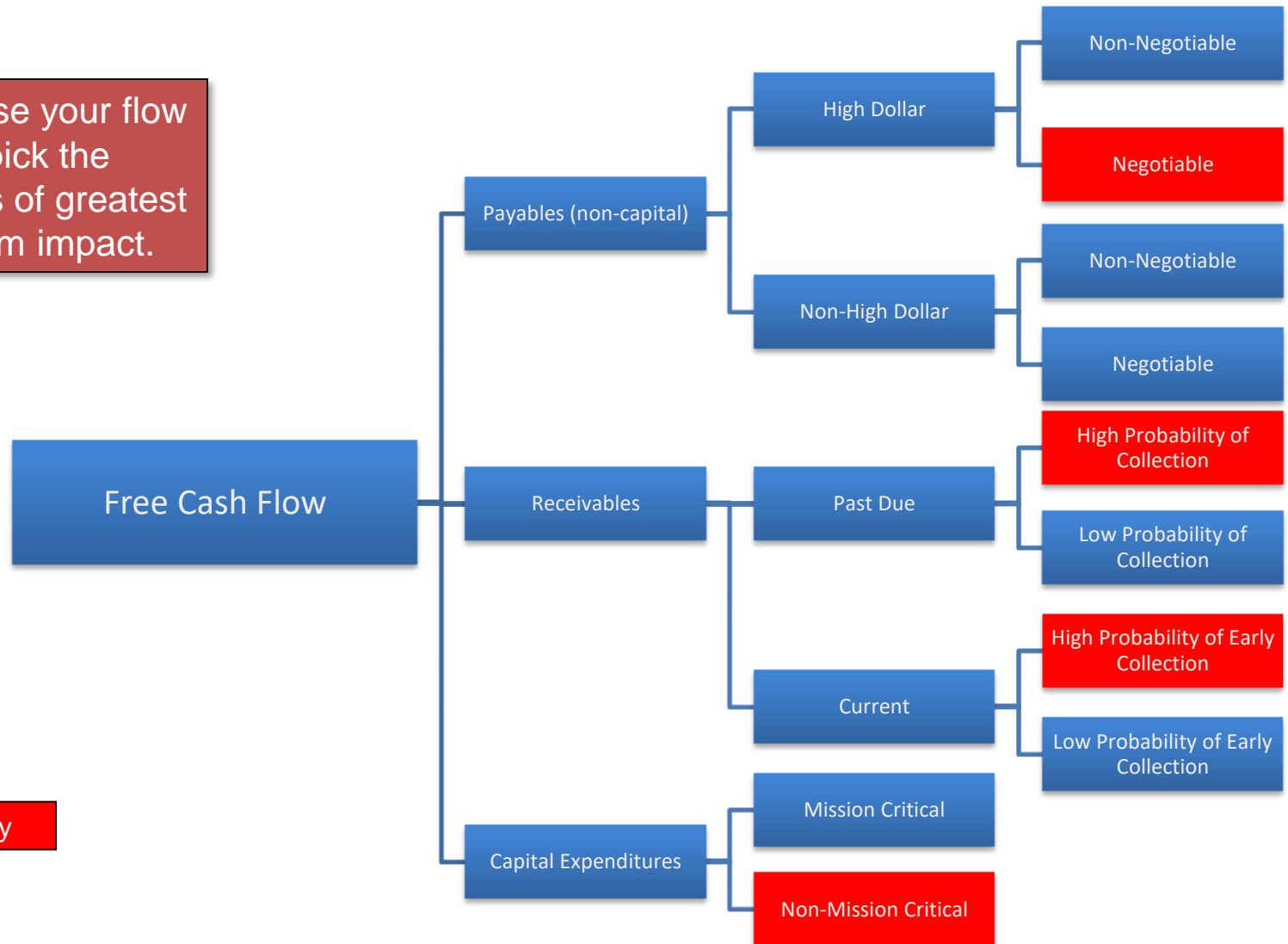
2. Goulliar, F., Sturdivant, F., “Spend a Day in the Life of Your Customer”, Harvard Business Review, 1993

3. Srinivasan, C., Project Management Institute India, 2020

3. Deliberate and Swift Cash Flow Management

A Decomposition Tool for Targeting Free Cash Flow Initiatives

Decompose your flow and pick the categories of greatest near-term impact.



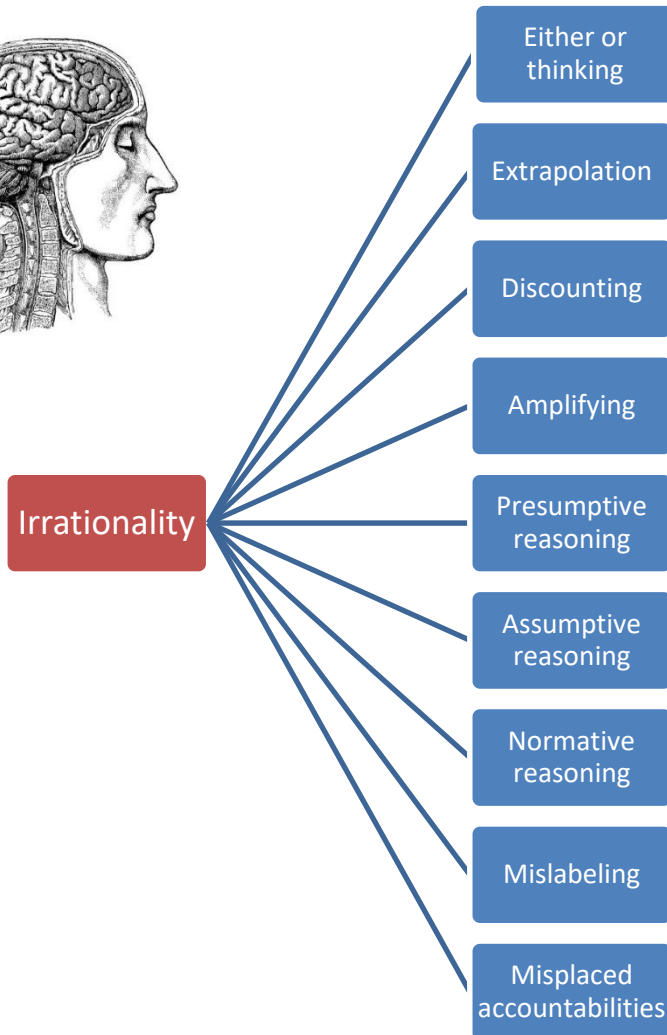
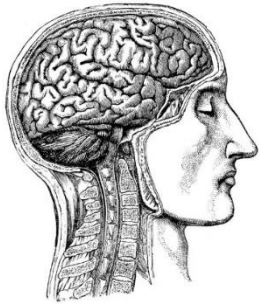
Higher Priority

4. Visible Top Executive Leadership

- All members of the firm's top executive leadership team **publicly champion** and communicate near-term goals, strategies, and rationale
- Major decisions and actions of each executive **align with the goals**
- The organization believes that executive support is **authentic** and is not simply lip service
- **Cynics, pessimists, and defeatists** on your leadership team need to be identified and coached



5. Clear Thinking, Few Strategic Distortions



Stop and reflect during crises and other times of major change. Is your thinking distorted and therefore, putting your business at risk?

1. Chen, C., "Zen and the Art of CEO Maintenance", 2018.
2. Burns, D. D., "Feeling Good: The New Mood Therapy", 1981, updated, 1999.

6. Shared Vision for 2020 and 2021

Attributes of an Effective Vision*

1. Be differentiated
2. Be innovative
3. Be inspirational
4. Be motivational
5. Be enduring
6. Be an accelerator
7. Be measurable
8. Be aligned with a human resource strategy
9. Be proudly shared
10. Be easy to articulate



A shared vision is not an idea...it is rather, a force in people's hearts...at its simplest level, a shared vision is the answer to the question 'What do we want to create?'

— Peter Senge —

Other Key Questions

- What specifically will be different in your **actions**, business model, business processes, and how the firm is managed?
- Will your **competition** be caught off-guard?
- Does the vision include both **external and internal** elements?
- How will your **customers** react?
- How will the **culture** of the organization change if at all?
- Is the vision **inclusive**?
- Are their **socially-responsible** components?

* I have used these with clients in both the manufacturing and service sectors.

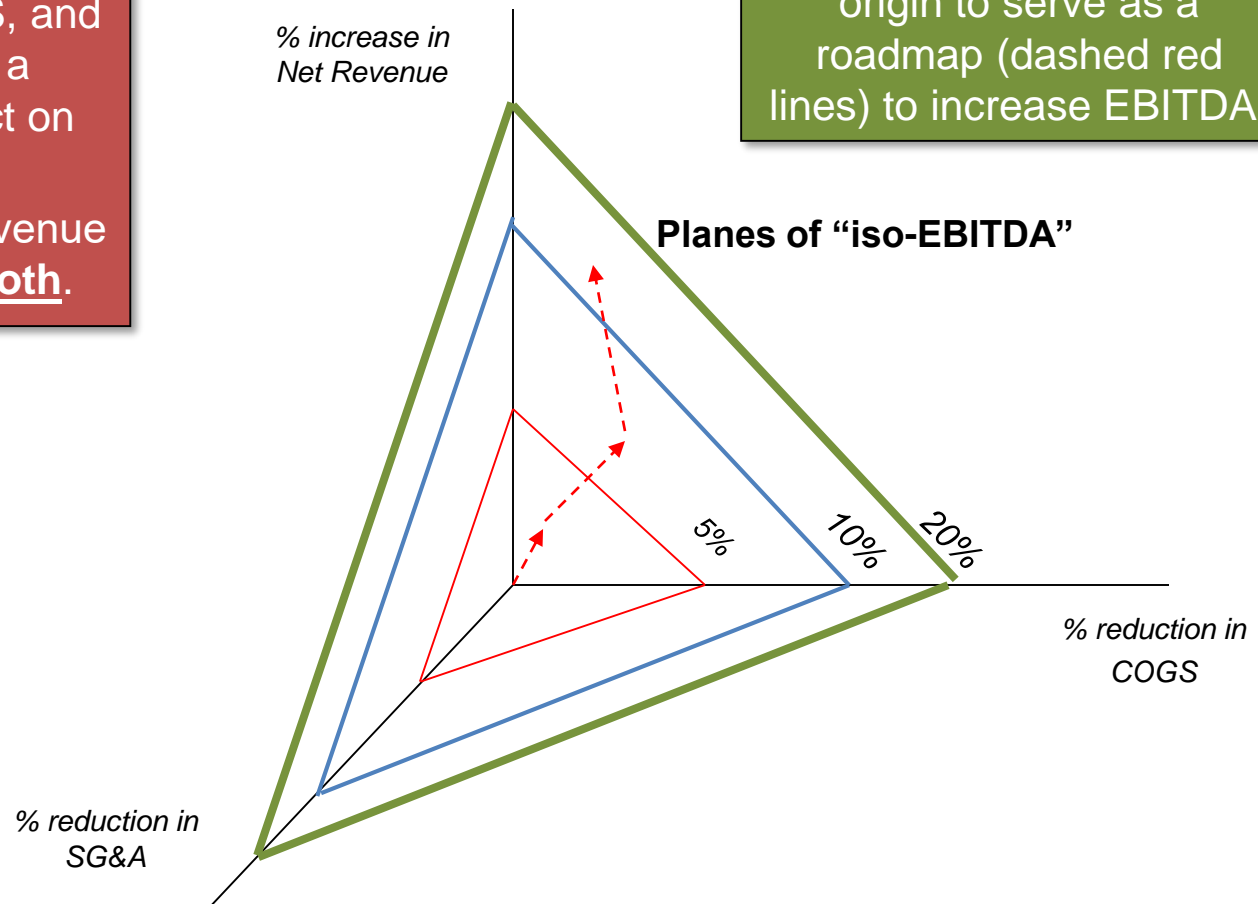
Peter Senge: Lecturer and author (for example, "Leading in a Time of Change" with Peter Drucker)

7. Forceful Revenue and Cost Initiatives

$$\text{Force} = \text{Mass} \times \text{Acceleration}$$

Improvements to revenue, COGS, and SG&A have a multiplier effect on EBITDA.
It's not either revenue or cost – it's **both**.

Plot a trajectory from the origin to serve as a roadmap (dashed red lines) to increase EBITDA.



"EBITDA Contour Map": I have used the map with clients in high tech, chemicals, outdoor equipment, consumer packaged goods, and other industries.

8. Disciplined Initiatives Execution

Building Blocks of Project Management*

<i>Initiatives Goal Setting & Planning</i>	<i>Deliverables Management</i>	<i>Expectations Management</i>	<i>Time Management</i>	<i>Resource Management</i>	<i>Cost Management</i>	<i>Risk Management</i>
<i>Communications</i>						
<i>Performance Indicators</i>						
<i>Cash Flow Discipline and Mindset</i>						
<i>Project Management Technology</i>						
<i>Governance</i>						
<i>Roles & Responsibilities</i>						
<i>Top-Down and Bottom-Up Financial Business Case</i>						

Consider establishing a program management office (PMO), but remain on alert to detect lack of initiative ownership by the organization.

* Note: not from the Project Management Institute (PMI), but originally from work I did for a NY-based global advertising firm

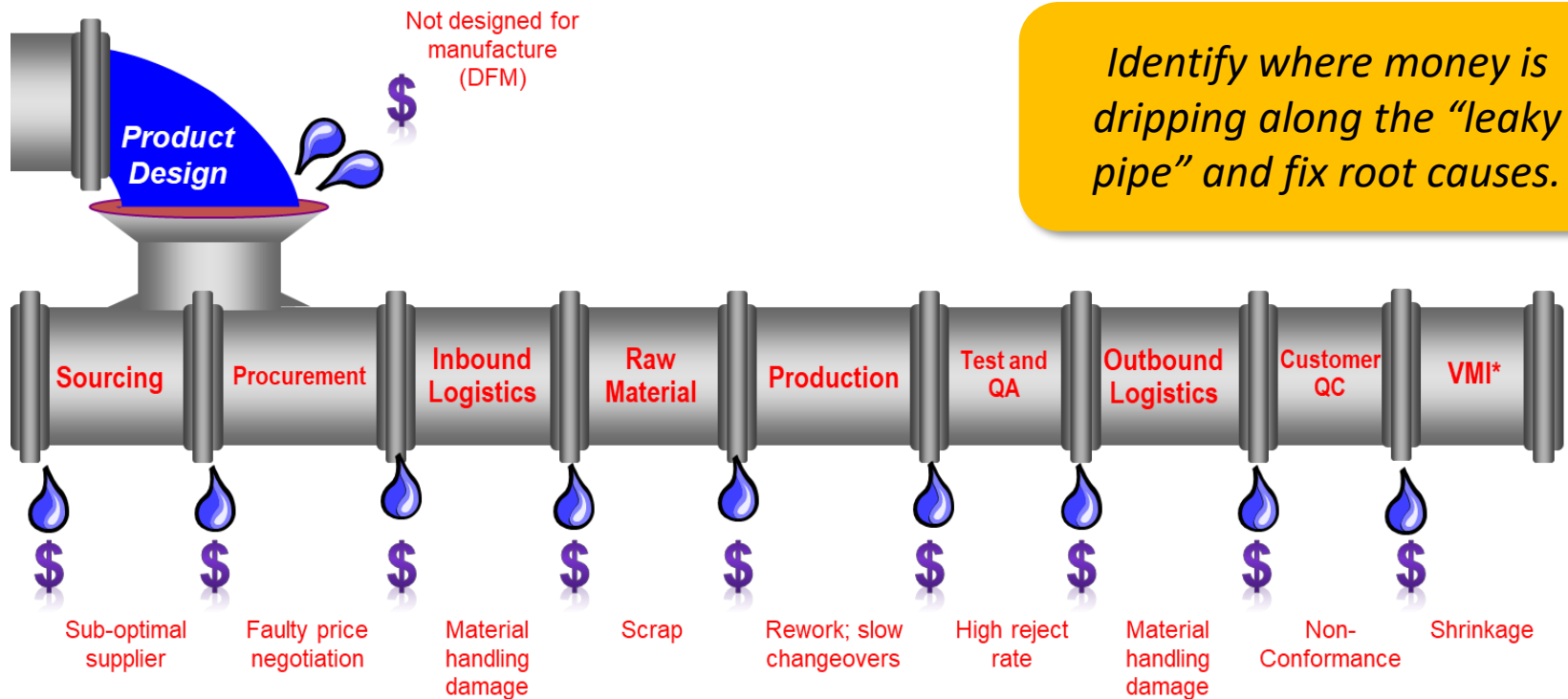
9. Channel Partner Involvement

- Listen to channel partners, distributors, value-added resellers, professional services firms, etc. to identify pain points
- Leverage their direct relationships with their customers to understand pull-through demand
- Your partners understand what your business needs to accomplish quickly
- These stakeholders are on-board to work with you
- Financial pay-offs exist for them
- You bring solutions to grow (or preserve) your partners' top lines



10. Vendor and Supplier Involvement

Find Opportunities to Save Money and to Re-Fill Supply Chain



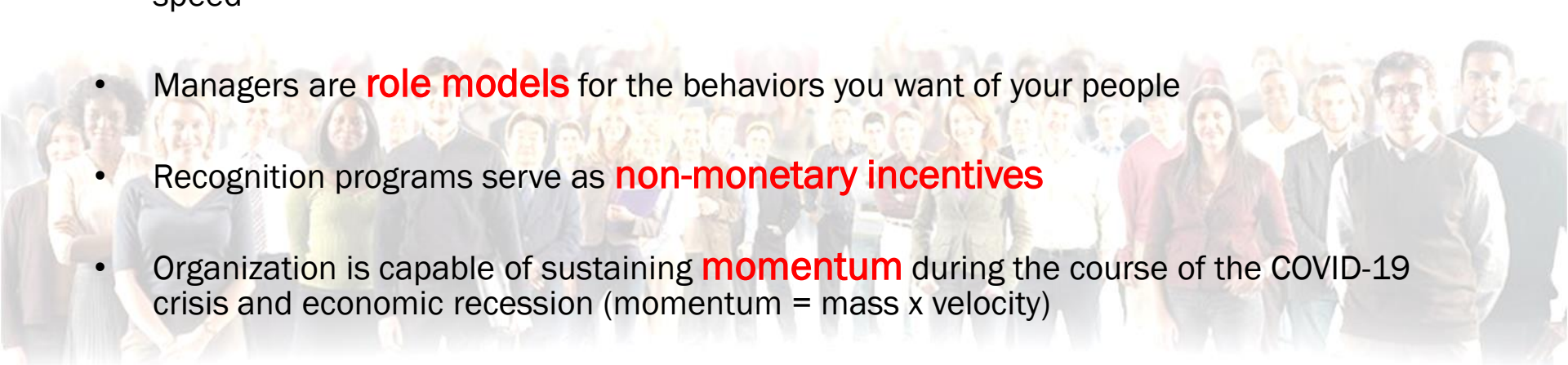
(Example root causes in red)

* Vendor Managed Inventory

Use the same pipe metaphor to identify where the supply chain is dry. Right now it's probably in pre-Production.



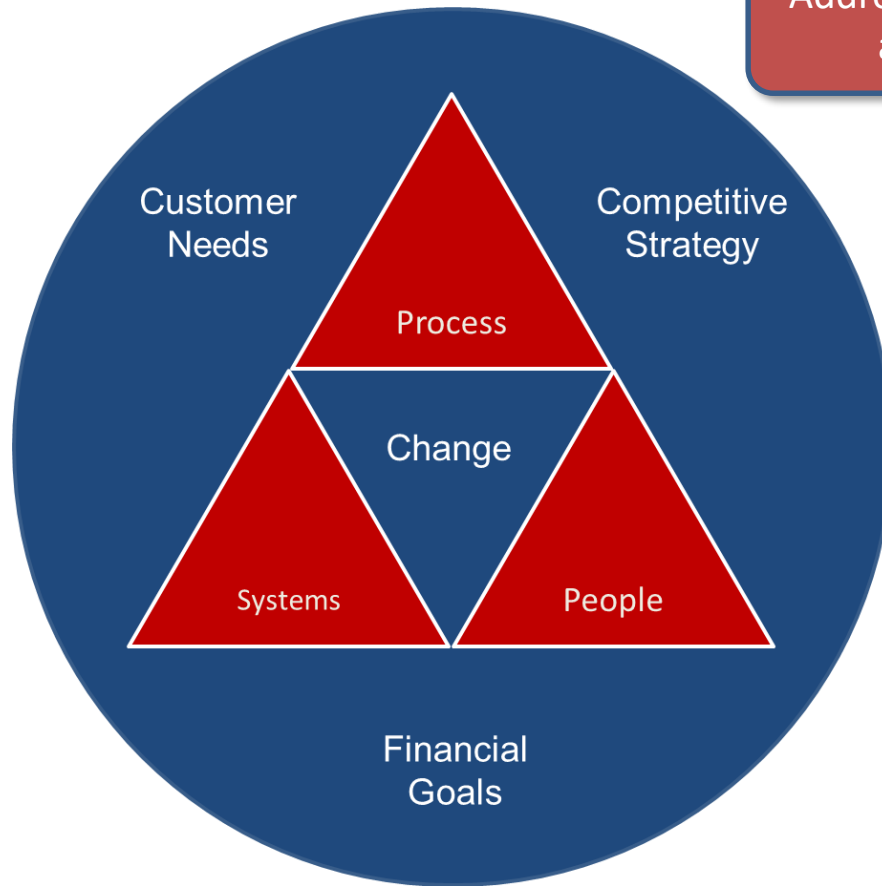
11. Organizational Resilience and Endurance

- Your people are able to **process grief** resulting from the loss of any colleagues by death and by layoffs*
 - Interventions, such as outbound communications and townhalls, are in place to capture and keep the **hearts and minds** of your employees
 - Your people **embrace change** in a time with huge amounts of uncertainty
 - Teams, cross-functional and otherwise, are **nimble** and able to work with extraordinary speed
 - Managers are **role models** for the behaviors you want of your people
 - Recognition programs serve as **non-monetary incentives**
 - Organization is capable of sustaining **momentum** during the course of the COVID-19 crisis and economic recession (momentum = mass x velocity)
- 

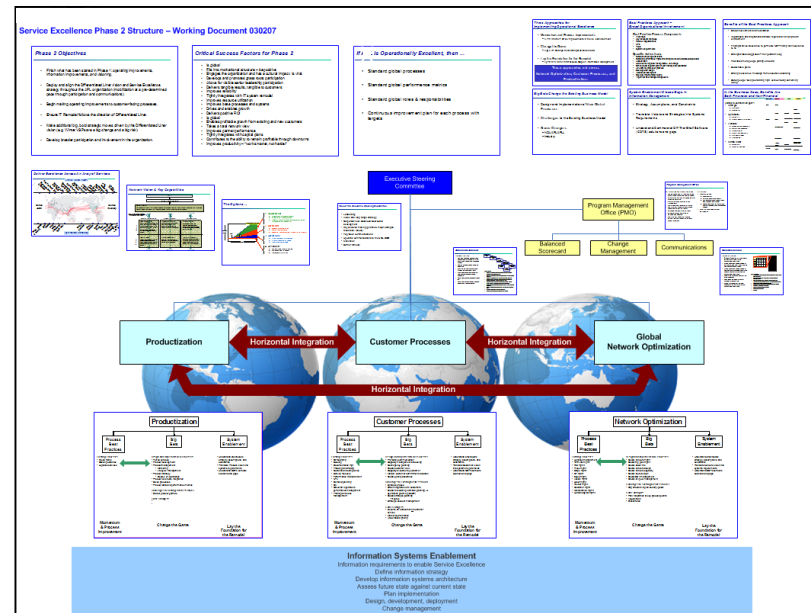
* Reference work by Elisabeth Kubler-Ross

12. Holistic Approach¹

Address all dimensions of your business
and leave no stone unturned.



Holistic Program Concept Map²



A concept map brings it all together.

1. I first learned an early version of this approach at United Research Company in 1988.
2. Also known as a "horse blanket" given the map's large format, e.g. this one is ANSI E size



More Questions? Let's Talk.

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