Plain Talk® about Business Performance

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Riding with Thelma and Louise?

Yesterday, I was talking to some friends, and the conversation included some information about a company that was growing by leaps and bounds. The growth pattern of the company would have made most exponential curves dead envious. I was intrigued, and after the call ended, I found a video in which the CEO was being interviewed about how he was able to continue his company's demonstrated growth pattern. At the beginning of the interview, his business history showed that he had a track record in which each of the companies he had led, had shown dramatic growth. He identified five distinct things that he said were the cornerstones of how to grow a company; the same things he had used in each prior company. None of the five things he had been doing seemed to be rocket science, and in fact, seemed like common sense. And yet, he was the CEO that had been able to channel these efforts repeatedly to achieve spectacular results.

The five things he talked about incuded; ensure that you have a solid addressable market; have the right people and employees who consistenly will look at how things can be done better; always measure customer success and happiness; hire and retain the most talented and trustworthy direct reports; and realise that your revenue machine is only as good as your infrastructure is that supports it. This really is some common-sense business wisdom. And yet, for some reason, this CEO's company track record stands out as one that is different. When you see demonstrated behaviours like those of this company, two questions should come to mind. The first question is, if the CEO's ways to continue growth were such common sense, why aren't all companies able to do what he has done? The second question is, will he, if he decides to stay at the company, be able to continue showing this growth curve over time?

An answer to the first question is that whilst the CEO listed his five top ways to continue growth, he didn't add that what holds all five of these together is his ability to have a clear, concise, focused perspective on what he was trying to achieve, as well as his ability to drive this vision into all those who work for him. Many hard-charging CEO-types may think that they have a clear vision of what they are trying to achieve, but miss the mark because they become distracted by internal or externally driven challenges and/or opportunitites. These distractions can cause them to slide off the common sense path and lead them down a road that they may never recover from.

There is no doubt that the ability to have a clear vision, and to be able to have that same vision seen clearly by managers an employees is central to any organisational success pattern. In any organisational structure, that ability would be considered to be good news. But as with most things in life, what is good news from one perspective, may not be good news when looking at it systemically.

This is where "will he be able to continue showing this growth curve" question surfaces. In this case, the good news of having everyone see the same picture can become bad news if the people, including the CEO, are so sharp-pencil-like focused on the goal that he miss or don't take the time to ask themselves, "if we continue on the path we are on to our desired success, what else might happen?" This is all about unintended consequences, and in this subject, not asking the question can lead to some long-term problems that can be devastaing to a plan for exponential growth.

There are things that can be done to mitigate this risk. First, in the interview I listened to, the CEO was clear that he holds his managers to account for achieving the success that everyone has signed on for. He also made it perfectly clear that one of the challenges his company faces was to keep up training to match the demonstrated hyper growth that the company has been demonstrating. Both of these elements of his vision are important, but they could cause one to wonder if anyone in the management ranks of the company has the time to look at the dynamics at play in the organisation. Understanding the dynamics at play can make the difference between being able to demonstrate incredibly hyper growth over the short-term and the long-term. Or for that matter, demonstrating incredible hyper growth over the short-term and being able to retain that growth over time.

Second, in a fast-paced, hard-charging organisational environment, one of the ever-present risks is that collective efforts can become adversarial as a result of the structure in place. Rewards, recognition, and budgets are typically connected to the achivement of goals and targets. But in an environment in which managers are driven to achieve higher and higher levels of demonstrated growth, the internal competition for the rewards, recognition, and accompanying budgets can be brutal, and this can, over time, reduce the ability of collective efforts to function as they should together.

There is no doubt in my mind that working for a hard-charging, exponential growing company like this one would be quite the rush. But I am also sure that being in the back seat of the convertible with Thelma and Louise as they raced across that plateau would have been a rush as well.

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