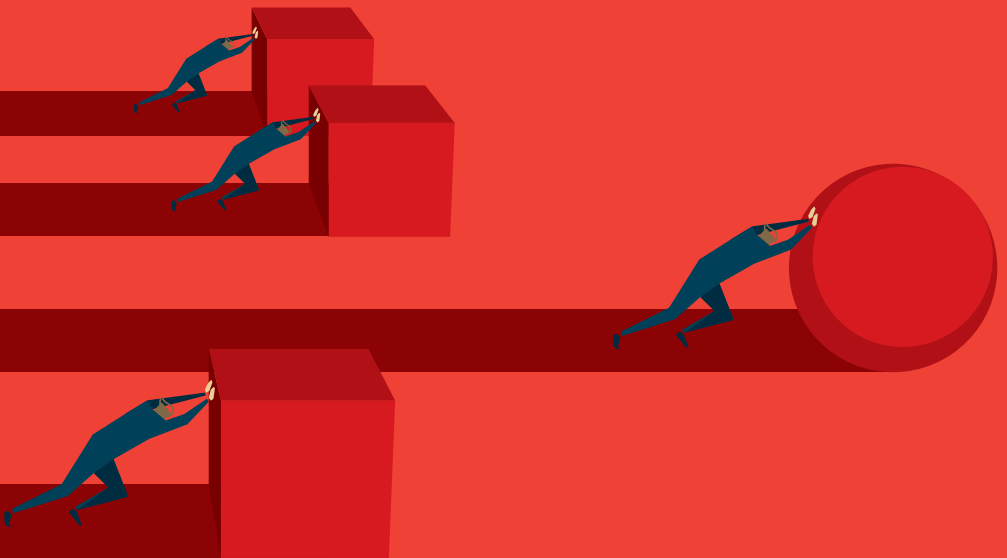# The Competitive Contractor

A dozen practical performance improvement techniques that will take your team to the next level

Shivendra Kumar, PhD

These business tools have been prepared specifically for engineering and construction contractors by a productivity and business improvement expert.

'If you fail to plan, you are planning to fail!'

Benjamin Franklin

Introduction

Productivity in the construction sector has been declining since 2015. As a result, there is an immediate need for all players in the sector to change gears. The impact of the decline in productivity is magnified by the shortage of skilled workers in the sector, all further complicated by infrastructure spending being at its peak, and mounting public pressure to deliver projects on time and on budget.

It might seem like a remote probability, but if action isn't taken, there is a chance that large infrastructure projects may be lost to overseas firms, which bring their own employees with them to deliver large projects. Indeed, portions of construction are already being offshored, as is seen in rail and defence projects.

At the same time, major construction companies have started to report profit downgrades. A number of companies have collapsed and a vast majority haven't made a cent from projects recently completed.

The impact of poor productivity will have a knock-on effect. Delays and overspending on projects will mean completion of fewer projects, which in turn reduces the productivity of the overall economy – a key driver for investing in infrastructure.

There is a need to improve now. And there is substantial opportunity for those who act.

Having worked in the industry, alongside general managers and senior executives, I have realised that the construction industry is very focused on winning and executing work. Everything in between is resolved on the fly, with fighting spot fires becoming the pseudo role for senior managers. The industry cannot continue to operate this way.

On the positive side, good discussions are taking place between leaders and there is hunger at the top to create new ways of doing business.

Born out of my own practical experience, this book deals with topics that are discussed frequently by business leaders in the construction sector and, interestingly, these are progressive topics, where solid past experience still needs a dose of industry best practice to make real progress.

I have therefore tried to bring a number of topics, such as strategy execution, KPIs and breaking down silos to the fore, arranging the topics carefully, demystifying them for the benefit of the budding leaders, as well as providing very practical implementation tactics for businesses across the construction sector.

All in all, this book provides quick and easy tools to improve important areas of your business. Tools that can change the culture in your business from firefighting to being more strategic, and show you how to create a culture that is ready for, and eagerly embraces, change.

This book can be used as a reference guide to understand and learn more about topics when you need it. It can also be used to evaluate how well your business is positioned to change gears and move forward most effectively.

Each section first introduces the topic and then explains the relevance of the topic to the business. Methods, that are simplified as tips, are then discussed in detail, helping you understand the concept as well as initiate action. We have a sub-section called question time (yes, we got this idea from Canberra). Now that you have a clearer understanding of the topic, the questions will help you evaluate the business and ask questions of your teams in a discussion. Each section concludes with final thoughts that are presented with a motivational twist to give you that extra incentive to change gears right away.

You will realise, as I did early in my career, that businesses don't have to be complex, and you don't have to know it all. The simple strategies and tools presented here can make a big difference. They will give you genuine leverage.

With the external world around us changing ever so rapidly, leaders of businesses that want to last the next decade and beyond need to be working ON their business. Merely focusing on operations and firefighting your way out of challenges may work in the short term, but this approach is not sustainable.

I've spent my career ambitiously working in the trenches like you, working with senior managers and executives, improving departments and transforming whole business units. This book is a collection of lessons learned from my own experience – direct situations – where I applied the approaches presented in the book, saw rapid improvements in delivery performance, dramatic reductions of quality issues and customer complaints, and product introduction times were slashed, while the bottom line performance and customer reviews earned endless praise from senior executives.

So, it is my vision that this book becomes a companion on your journey to success. A success that will not only protect the livelihood of your employees, your suppliers and customers, but one that will make significant contributions to the communities your business interacts with.

Thank you. I'm excited that you're here and have this book in front of you. I trust you will put it to good use.

Shivendra Kumar, PhD

Contents

Chapter 1

Setting and kicking goals both start with a plan

If you are looking to take your business to a new level, or enter a new phase of maturity, it's important to develop a game plan for what's ahead — one that keeps the big picture very clear for you and your team.

First and foremost, you have to plan for the new phase of business that you wish to commence. But let's be clear, I'm not talking about a complicated plan that is securely stored in the general manager's computer. No, rather, I mean a simple plan. One that will ensure you know exactly what your business's goals are and how to give them every chance of being reached.

In the words of Benjamin Franklin, 'If you fail to plan, you are planning to fail!'.

If you are worried about taking the first step and don't know how to begin developing a basic plan, here is an idea to simplify your strategy planning: what if the phase ahead was no different from a 90-minute football match that you were going to play?

Now you're probably wondering what football can teach us about business? Well, let's explore!

Focus on the goal

Every team, including my son's under 10's, and my favourite team, Arsenal, know and understand what the goal of any match is: to score more goals than the opposition and win.

It is a clear goal understood by everyone. Every pass, every run and every set-piece in the match has 'a goal' as the end goal. The fact that the team's objective is so clear has a powerful, unifying effect on each member's performance.

So, as you approach a new phase, you need to understand and be crystal clear what your business goals are. Additionally, you have to make sure everyone in your business, including important subcontractors and suppliers, knows and understands what they are and is aligned with them. Only then will decisions, actions and projects will be directed towards your business's goals.

Build a high-performing team

Every football team is made up of members with different skills. There are strikers, midfielders, defenders and a goalkeeper, all of who have their own unique skills.

It is thanks to this diversity that they are able to defend, attack, maintain possession of the ball, and more simply, play a match. Each player has their own purpose and expertise, but collectively, they are united by a common goal: to win the match.

A striker has the mandate of scoring as many goals as possible, whereas the goalkeeper is responsible for blocking as many of the opposition's goal attempts as possible. When combined, each players' effort will equally contribute to the overall result. This is what is truly meant by the much-overused word 'synergy' – when the whole is actually greater than just the sum of the parts.

So, when looking forward, you need to make sure that you have all of the different skills needed for your business to succeed. And don't be surprised if you need to develop or bring in new skills and capabilities.

A variety of complementary skill sets is always helpful, and you need to apply this to your business's plan while reviewing each team member to make sure that their role objectives are clear.

They need to understand the contribution they are going to make towards the final result as well as the contribution of their colleagues and other team members. High-performing teams are much more powerful than high-performing individuals.

Why a coach matters

While the match is taking place and the players are 'in' the game, the coach remains outside, calling out instructions, encouraging the team and analysing their performance. It's the coach's job to find out what's working and what's not. The coach is not on the field playing, hence why they are able to more objectively observe how the team plays together and how each individual role is supporting the team as a whole.

Take a step back while planning and ask yourself if your business has advisers who can offer a coach's view of the business. And if yes, how well is their role defined and what can be done to improve their overall view of the business? You will ultimately benefit from having advisers who provide frank and fearless advice to consider.

The half-time break is vital

No matter how good or bad the result is in soccer, there is always a half-time break. The break is an opportune moment for the team to rest and for the coach to provide feedback and encouragement before tweaking their strategy and approach in order to get the results that they need. The break also allows the team to rest so that they are able to play the entire duration of the match.

Just like the players in a football team, the employees who make up your team will need to take breaks, to step back and take the opportunity to reflect on their performance. So plan to give your team the opportunity to periodically rest and review their progress. Set clear intervals throughout the year that will give you all an adequate amount of time to regroup and think strategically about what you need to redevelop in your overall game plan.
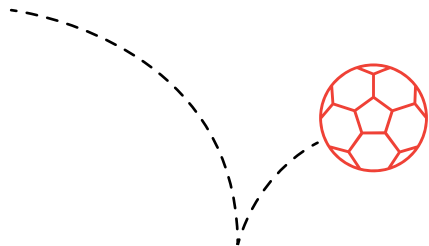
Work to the full-time whistle

In football, the match will always finish in 90 minutes. No matter what, your team will have to score more goals than the opposition within that time frame as the opportunity to score more goals after the whistle simply doesn't exist.

So, during the match, with the prize firmly in mind, the players must make every effort to score more goals than their competitors.

Importantly then, when setting your business goals for the next phase, you need to consider what time restraints you have and when these goals should be achieved. Moreover, it is important to think about how you will ensure your strategic projects will

be completed on time without dragging on for extended periods. Be realistic about this, and remember it is human nature to believe projects will be easier and quicker to undertake than they really are.

Undoubtedly there are more similarities and lessons to take from the pitch to the boardroom; in fact, there's enough to write a whole book on this analogy alone!

Question Time

So as you approach planning a new phase for your business, do take the time to answer the following:

1. Do you have clear goals set in place?

2. Do you have the right team with the right skills to achieve the goals?

3. Does your team know their own roles and objectives?

4. Do those objectives contribute to the overall business goals that are being put in place?

5. Who will keep an external eye on the performance of your team and the progress being made towards the goals?

6. Are there scheduled breaks in place to refuel and modify the plan?

7. Do your team members have the right character traits needed to deal with uncertainty and any common challenges within your industry or business?

8. Does the team know the period in which agreed goals have to be met?

What have you got to lose?

While there are more detailed and elaborate methods to prepare annual plans, setting out the basics will help set clear intentions for you to focus on and will increase the positive attitude within your team. You should all have a greater feeling of achievement as the year progresses.

If you're ready to make a start, simply answer these practical questions and you will be well on your way to building your advantage. There is nothing to lose and everything to gain.

Chapter 2

A quick word before you start a new project

Most people in the construction industry are familiar with the old adage 'measure twice, cut once'. The same advice applies to project planning.

Having the right operations in place is crucial if a new project is to be launched successfully. By assembling the best team and implementing business functions that work for your organisation, you will be able to build a reliable foundation to work from, and this foundation will improve communication within your team and support superior outcomes.

But how do you start building this strong foundation? What does it look like? And how can you identify the changes you need to make to improve a project's outcomes?

Let's look at the steps that you should take to ensure that your organisation is ready to start new projects and help create greater competitive advantage.

The right people are important

It is not just in our personal relationships that chemistry is important. So, when forming a team for a project, you will want to onboard personalities that work well together and add value to the project.

Seasoned employees with both engineering and leadership knowledge will be able to help set up processes that work best for the project, while also providing the motivation your team needs to stay engaged and invested in your venture.

Look for people with an entrepreneurial mindset, or perhaps consider contracting SMEs that can manage customers and work with you to either scale up or down when necessary. If you decide to engage contractors, you will gain the flexibility to manage change, capabilities and costs, as well as the opportunity to learn and try new techniques and processes.

Flexible processes help everyone

The more rigid a process is, the more likely it is to break; processes must adapt in order to keep up with rapid changes, as well as respond to new opportunities and any potential problems. Tony Robbins captures the thinking precisely when he says, 'stay committed to your decisions, but stay flexible in your approach'.

Assess the processes you already have in place to help manage the project. How easily can they be scaled up for significant opportunities? Equally, can they be scaled down to fit smaller tasks? Answering these questions will help you to identify any restrictions that could delay the progress and hinder the performance of your team.

Automation is also vital for building flexible and agile solutions. According to McKinsey & Company, '45 per cent of work activities could be automated using already demonstrated technology'.

Automation gives a project manager the opportunity to free up necessary human resources (as well as time and budgets), while also allowing you to collect vital data. The end result is that you and your team can better focus on the essential tasks at hand.

Monitoring and checking play a vital role

We all want 'no surprises' projects, yet so few of us do anything to ensure that is the case.

Are risks being regularly and proactively identified and arrested within projects? If your answer is no, it's time to make the relevant changes needed to deal with these problems.

In the life cycle of any project, no matter what sector you are in, there will always be unexpected problems and questions that you will have to acknowledge and deal with. However, small bugs are much easier to deal with if they are arrested before they become a bigger problem.

A simple way of recording these checks is to keep a log of any recurring issues – this will help you to see patterns and identify problem areas that should be dealt with before they develop into more severe problems. This process should be supported by reviewing the changes made to solve these problems.

Take a look at your current process for managing issues. Have you put measures in place to monitor any resolutions that could be made during a project? You need to ask: will this process successfully identify the effect any decisions are having on the project? Make sure to have these additional checks put in place before launch to help prevent miscommunication and ensure that the problems have been completely resolved.

Actively manage change and communication

There are lots of moving parts in a developing project, and each cog needs as much attention as the others. Every element of a project will have its own goals, presenting multiple fronts that should be carefully monitored before, during and after a project.

In such dynamic environments, communication is key. Miscommunication, or lack of communication, can quickly cause confusion and have a negative impact on the progress of the whole project, encouraging the development of even more complex and problematic situations. You may not like it, but it is true that most people feel that they do not receive enough communication on business projects. So say it, say it again, and repeat!

To combat emerging threats and to ensure that your project stays on track, you must implement effective change management measures, recording the changes and progress as the project unfolds.

Your approach for dealing with change should include a platform dedicated to the support of communication across multiple branches within a project. This will help you to stay up to date with progress, collect vital data that can be used to analyse progress and provide a framework for the rest of the team, keeping you all on the same path.

Explicitly report against your goals and expectations

All team members must be rowing in the same direction and be in tune with the rhythm you require if you want to work towards and achieve your goals.

A reporting system using accurate Key Performance Indicators (KPIs) will allow you to analyse the data most relevant to the project and the progress being made.

With the right KPIs in place, you will be able to see if any areas are not meeting targets or goals and whether anyone is going off course, going too slow, or too fast.

When deciding which KPIs will suit your project, keep in mind the planned value (PV) of the project, the actual cost (AC), as well as return on investment (ROI), cost variance (CV), and the cost of managing processes. Although these could be considered rudimentary metrics (most of these are used daily by most businesses), they are fundamental to the performance of your project and will help you collect the data needed to steer you towards success!

Reviews can improve time, cost and quality goals

Don't be afraid of reviews, or treat them too lightly. The more aware you are of your team's performance, the less likely you are to be caught off guard.

As a project leader, you should be reviewing the performance of employees, associates and subcontractors regarding the progress of the project on a regular basis and be confident about implementing reviews and evaluating decisions.

Before starting the project, make sure that you have allocated intervals or milestones to assess progress and analyse the data that you have collected from your KPIs and other analytics.

If you begin to notice any recurring problems, unexpected patterns, or a dip in performance, sit down with your team to discuss why this is happening, as well as what can be done to stop this from reoccurring. Ensuring the team knows it is safe, indeed encouraged, to talk about risks and changes that may need to be made, will mean that there are greater vigilance and preparedness to raise issues of concern.

Get external assistance early

When planning a project, you may find that there are gaps in your team's knowledge and resources. The engineering and construction industry is continuously evolving, especially with the integration of innovative technology in the workplace.

To successfully integrate external help into the primary process of your work, you need to start looking for help before the project begins, giving external experts time to share their knowledge, to work with you to successfully shape the foundation of the project before moving forward.

The planning stage is an essential time for learning and evaluating how everything is going to work – not only to accommodate new members but to include their knowledge and apply it to the project to add value.

Ensure you have the capacity to meet your goals

What is the overall goal of the project, and do you have the ability to fulfil this goal?

Although this may seem a simple question, many project managers forget its importance. It is a vital step in understanding what you are working towards and what changes you will have to make in order to get there. If you are yet to answer this question, start by establishing your **SMART**[1] goals, which are:

- **S**pecific

- **M**easurable

- **A**chievable

- **R**ealistic

- **T**imely

You should be specific about what you want to achieve and why before introducing the KPIs you have chosen to measure overall performance. You will then be able to assign tasks to relevant people in your team, distributing relevant resources and knowledge to help establish a starting point. Finally, a time frame (whether that be a week, a month, or two years) will give you a finishing line to work towards. After establishing your goals, give yourself five minutes to re-evaluate your plans.

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1 There is a more detailed discussion on SMART goals in chapter 7.

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Question Time

Project planning is both a science and an art. Test how comfortable you feel now by answering these two fundamental questions:

1. Within this framework that you have created, will you be able to deliver what you have promised according to the restraints that you or another manager has set?

2. Can your capacity be extended or stripped back as you head toward your goals? If your answer is yes, you have successfully established a strong foundation for your project. If not, go back through these stages until you build a framework that can support your project.

What have you got to lose?

Measure twice, cut once. It makes so much sense and avoids risks and losses, so give planning the time and attention it deserves.

Chapter 3

We can improve on that

In today's environment, businesses are constantly setting up and running improvement initiatives in order to encourage growth, create advantage, or address issues, such as solving a company crisis, keeping pace with the changing needs of clients, or even seeking to take advantage of new and innovative technologies.

However, despite a prevalent need for improvement teams, many companies fail to get improvement strategies off the ground. Why this might happen varies with every business. It may often seem that an improvement initiative lacks good leadership. However, there is also a high likelihood that a failed implementation can also be caused by the absence of certain critical stages.

Let's look at how you set up and monitor improvement initiatives to give them the best chance of success.

Get poetic with your problem statement

To resolve an underlying problem or identify the potential of a new opportunity, it is essential that project teams and stakeholders collaboratively document the initiative. A pithy problem statement, that captures the essence of the problem, will allow you to determine how to move forward, outlining what the problem or opportunity is, the influence it is having, as well as how you might go about developing a solution.

When creating a problem statement, make sure to:

1. Specify what exactly will be worked on.

2. Identify what the challenge/opportunity is.

3. Include information on competing companies, products, finances or technology (the more data that you provide, the clearer your next step of action will be).

4. Evaluate the data to see what insights you can gain.

From your viewpoint, an initiative needs to meet specific objectives. The initiative must be aligned with the company's objectives, identify challenging targets – ones that cannot be achieved during business as usual – and create results that are both measurable and significant.

It is crucial that you workshop the problem statement with your leadership team. Doing so will ensure that the problem statement is well defined and that all questions are addressed.

You must be able to define the initiative's structure and organisation

A person or team is more than capable of implementing improvement initiatives. However, initiatives may also require collaboration between multiple people and teams – utilising talent from a range of different sites and cultures. Diversity will produce better ideas.

Once you have documented the problem or opportunity, it is time to build a structure that will support the initiative and encourage communication between stakeholders.

You can start building your structure by defining who will be involved and designating particular roles, which includes identifying decision-making authorities. This action will help to establish a clear process, avoiding mistakes and confusion, as well as ensuring that the right people are making decisions.

At this stage, it is also important to consider initiative office resourcing – how will you support the coordination of works? You don't want an absence of resources any more that you want them overlapping. Consequently, it is vital that you plan accordingly to ensure the business doesn't lose or waste essential resources.

Goals and objectives must be crystal clear

The strategic goals of your business will define critical milestones and achievements in your organisational strategy. These goals will also help you to identify what you're working towards, not only in the improvement program but as an organisation as well.

The most effective way of identifying and defining your goals or objectives is through **SMART** Goals, which are defined as:

- **S**pecific
- **M**easurable
- **A**chievable
- **R**ealistic
- **T**imely

Although SMART goals may seem like a simple technique, utilising this method ensures that every strategic corporate goal you set is both realistic and achievable.

Putting metrics in place is key if you want to be able to measure and learn from the initiative's progress and your team's performance. Metrics are an essential part of any modern business and encourage behaviours that will drive a business forward.

The final step in establishing goals and objectives is to ensure that:

1. The team understands any goals set in place as clearly as the leadership team does.

2. That they agree with them!

It is a popular belief that goal sharing will get resolved as time progresses. However, the reality is that this does not happen, and assuming that it will can often lead to other complications.

Investing time, early, to clarify goals and fully engage team members will pay off in the long run and will help you to avoid any miscommunication.

There must be an effective governance framework

The success of your initiative relies upon the notion that the setting of SMART goals can and will be met. That's good but it's not enough.

As the initiative progresses, it is vital that you track overall performance and perform status checks. Doing so will help you to identify how every decision and action is contributing to the goals and objectives that are needed for a successful outcome.

Ask yourself, are the initiatives delivering the results? If not, what needs to be tweaked? And when you have found your answers, you will need to adjust actions and schedule review cycles accordingly.

Governing an initiative may also include providing guidance and coaching to team members as required: supporting talent is vital to the success of the initiative.

In some circumstances, however, it may be best to call out for additional support where needed. There may be gaps in your team's knowledge or skills, and it's essential to address these issues if you want to avoid any potential problems. The earlier you train your team and ask for assistance, the more successful you will be.

Communicate, communicate, communicate

Do not think one-way, top-down communication is effective. As Dan Oswald states, 'Communication must be HOT! That's Honest, Open, and Two-way'.

It is imperative that you initiate a communication program as soon as the improvement initiative begins, with consistent, face-to-face meetings playing a central role. Use enterprise and social media channels to reinforce key messages and encourage discussion. With these tools set in place, contact will be more proactive and consistent, throughout.

You must be sure that your communication is transparent if you want to build trust, not only with your team but with the company's investors and stakeholders too. You can build on the trust of your stakeholders by continuing to provide them with accurate and timely information, whether that be with reports, progress updates or even sharing the excitement of your progress. Doing so will keep stakeholders engaged and well informed.

Although communication with stakeholders and the leadership team is vital, you should never underestimate the benefits of receiving feedback from the ground up. Customer-facing staff, in particular, can offer valuable insights (such as consumer preferences and feedback) that may otherwise have not been available to you.

Question Time

Let's recap this topic with the following questions:

1. Can you write a poetic problem statement that will capture the imagination of your team?

2. Do you think you're ready to have a go at writing some SMART goals?

3. Are you confident that you will stay in control of the improvement initiative? If not, why not?

What have you got to lose?

Reflecting on the insights gained while working with fellow business leaders, it is clear that all projects are only as good as the people behind them. Taking a 'no-regrets' approach to improvement projects, investing your best self in them, will make your work much more satisfying. So what have you got to lose?

Chapter 4

KPIs must be part of your business plan

Key Performance Indicators (KPIs) are intended to quickly tell you how well the business is doing. They are also put in place to let your employees know if they have had a good day or a good month, and to empower them to respond to the highs and lows.

Most importantly, KPIs help you evaluate the performance of the business frequently enough to enable you to make required adjustments, guiding you constantly to achieving your objectives.

KPIs, if selected and designed correctly, keep overall business objectives front of mind and at the centre of decision-making. Let's discuss how you can easily make KPIs a part of your business and take advantage of the feedback they provide.

They must be simple and easy to explain

Have you come across situations where people have struggled to explain a KPI to you? And more crucially, have you found yourself struggling to understand what the KPI actually implies? You are not alone.

Complexity is one of the identified reasons why KPIs don't work in many businesses. There are instances where businesses incorporate too many factors mathematically into a single KPI, making it difficult to understand overall performance. Consequently, complex and difficult KPIs lead to performance charts that are either insensitive or hypersensitive, masking or exaggerating events and improvements, making the KPI less powerful. At the same time, there are instances where too few factors are considered, rendering the KPI irrelevant.

As a rule of thumb, you should be able to explain a KPI, and what it is telling the business, in 10 to 20 seconds and interpret a KPI performance chart in three seconds.

They must be reliable and accurate

Do you recall instances where you encountered hesitation when asking if the results reported were correct? What about times when data reported a few days ago has now changed? Or perhaps you have been in the situation where you questioned why the data indicated declining performance, and the respondent blamed inaccuracy of data?

The prospect of finding KPI reporting inaccurate and unreliable is troubling for any business leader. It should be of great concern if you continue to find errors or results that change upon questioning, or results that the team does not believe in.

KPIs that involve excessive manual processing and calculations, from data entry to calculations, are prone to errors. Equally, KPIs that rely heavily on manual processing or manual upload of data can also cause reliability issues, since there may be instances where routine KPI reports may not have all data included. And finally, sometimes having a different person do the reporting makes the data inaccurate.

Any reason that makes a KPI unreliable or inaccurate ends up making the KPI less relevant. It also introduces a culture of 'second-guessing' at a leadership level and slows down decision-making. Such situations can be compared to driving a car with a faulty fuel gauge. The chances of running out of fuel or stopping too often to refuel are both equally detrimental to efficiency.

They must be readily accessible

How many times do you search for KPI reports before asking your team where they are? Or even worse, how many times does the responsible KPI lead not know where the report is? And how many people in your business generally know how to check the performance of KPIs?

Accessibility of KPIs is a challenge for many businesses, more than what many estimate it to be. KPIs often rely on calculations and data sets, and for businesses without sophisticated reporting tools, it makes sense to keep the report tucked away in a computer, avoiding the risk of corrupting data or the formulas. I am sure we have all

seen KPI reporting files getting corrupted or formulas accidentally deleted. But access to KPI reports can be an issue for businesses with sophisticated reporting tools. With licencing issues or even with the limitation of staff to be able to use the reporting applications, reports may be restricted to a handful of skilled individuals. Typically, whatever you can do to share measures with your people will be beneficial, but use your judgement and beware competitor snooping.

Make sure they are current

Do you recall a time when you asked for KPI performance data and you were told it wouldn't be available for two days? Or if the report did arrive on time, it contained data from two days ago?

You cannot drive forward looking in the rear-view mirror! Since a KPI is important for the business, having it reported with old data diminishes the value of reporting, and gradually, if not addressed, the KPI loses relevance for you and your team. In some industries though, one-day-old data is acceptable, but there are more scientific methods to determine if one-day-old data is actually acceptable.

An additional consequence, other than the KPI losing relevance, is that people will begin to assume outcomes and make decisions based on outdated facts. This has an almost equal probability of failing as succeeding.

The team does need to be stretched

It is rarely the case, but have you come across KPIs that are consistently indicating favourable performance? What is the typical response from the owner of the KPI? What has been your response?

While attaining good KPI outcomes is excellent, the question to ask is if the team was or is being stretched enough? Is there more benefit hiding behind a lower expected outcome? More critically, it warrants an evaluation of why the KPI is met and why others aren't. Is it because there are more resources? Is it because of the simplicity of the KPI? And, extending this, is there an excessive bias towards a particular KPI performing well? A business truly succeeds in the long run when it is successful in all KPIs, not just a handful.

They must be easy to implement

Have there been instances where KPIs have been established, only to realise that the data required to measure performance isn't collected or the business system is unable to deliver the data as required?

There may be instances where new KPIs are required in the business; however, sometimes there will be situations where the required KPIs cannot be developed as the data doesn't exist.

For businesses operating with a digital system, these changes can be easy if resources to enact the change are available. This assumes the requirement is able to be incorporated in the system. For businesses with manual systems, adding new KPIs can be challenging and costly, and even more so for businesses without a method to properly collect, store and report data, which often is the case for growing businesses in the construction industry, as the need for collecting, storing and reporting data doesn't exist when they are a smaller business.

It helps if they are visually similar

Have you found yourself pausing when saying you would like the KPIs to trend up, since in some instances 'up' could imply deteriorating performance? Have you tried connecting dots between functions but couldn't since KPIs were categorised differently by function? Have you struggled to define the overall outcome of the business since the KPIs did not easily piece together?

It is very common to see some KPIs trending upwards to show improvement while some trend downwards to show improvement. So, you should standardise your charts so that improvement always goes upwards and declines go down.

Colour coding is another useful method. The fundamental reason KPIs are not getting used in business is the absence of flow. Being able to seamlessly and visually connect the KPIs to the overall performance of the business is key to letting KPIs be an integral part of the business. Imagine if all charts point upwards for improvement.

Seeing this will give you assurance within a few minutes that the business is making progress. This is all the executives and the employees need to know, in the time they need to know it. Mixing upward-pointing graphs with downward ones doesn't allow people to easily connect the dots, and it's tempting to move on to more pressing or visually obvious matters affecting the business.

Grouping or categorisation of data for reporting is also key in the visualisation of the KPIs. For ease of use, KPIs need to be grouped similarly, in a manner that depicts the flow. If work is grouped by projects, then it is good to depict the performance of KPIs consistently by project and not have some KPIs report by project while others are by names of project managers or customers.

Standardisation is all about having a method to quickly communicate how the KPI is performing. The less time looking at the chart, the more time you have to work and improve the KPI.

They are working when they trigger action

This point doesn't really deal with the KPI itself but the behaviour triggered in the business to respond to the performance of the KPI. What is your response when a KPI performance is down-trending? How do your team or superiors respond? Does it only get reported, or is there a discussion that takes place? And, what is the response when the performance shows an improvement trend?

KPIs for the purpose of reporting is the fastest way to disassociate KPIs with the business. It defeats the purpose of having KPIs and makes reporting a non-value added task. Taking action and responding to KPIs, and later observing the effect on the KPI is what makes KPIs valuable and meaningful for businesses. With the follow-through comes action plans and, more importantly, accountability. It is at this stage that the purpose of the KPI extends beyond what's being measured to it being a catalyst for transformation in the business.

? Question Time

Let's test your comfort on this topic with the following questions:

1. How easily can you identify the Key Performance Indicators in your business?

2. How confident are you that you can design a KPI reporting system?

3. Which people in your business are best placed to help you build a KPI measurement system?

What have you got to lose?

KPIs are an essential part of any business and help to trigger behaviours that will drive a business forward towards their goals and aspirations. But while the basic concept of KPIs is easy to understand, many businesses struggle to recognise the importance of developing, implementing and utilising KPIs. They provide an early warning system, to tell businesses how they are doing and how they will do in the future. Therefore, it is good practice to share them with employees and spend time drilling, refining and questioning KPIs – it's these simple things that make KPI work for businesses. They can be easily ignored in the daily grind, but this is a massive mistake.

Chapter 5

The forgotten art of listening

Feedback is often given from the top, down. This makes sense simply because most executives have a good overview of the business and will, therefore, have a more developed understanding of its overall performance. And, as a leader, it is your responsibility to keep the business moving in the right direction – providing feedback down the chain of command to other employees is a very natural and worthwhile process.

But it is far less natural, less comfortable even, for leaders to consider how their business could benefit by gaining feedback from the ground up.

You'd be surprised at how many business leaders and executives underestimate the importance of working from the ground up to gain relevant feedback and advice. For example, customer-facing employees will interact and communicate with your clients on a daily basis. By analysing this type of communication, as well as identifying the patterns in any feedback that they provide, you will be able to make more informed decisions and increase the overall performance of your business.

The following points are just a few examples of how you can make the most of the feedback from the grassroots of your business, boosting engagement with both your customers and your team.

Know the face of your organisation

Any negative or positive feedback from customers can offer valuable insight into how your products and services are performing and serving your target audience. However, relying solely on client feedback may not be enough – clients do not know your products and services well enough to provide the type of feedback needed for improvement opportunities. You are far more likely to gain a better perspective if you turn to your frontline employees for feedback.

Employees, both new and old, will have a good understanding of your business and their feedback will be based on interactions with a wide range of clients. They will also have reliable insights into your structure and systems, resource constraints, as well as experience gained from working with your business's products and services on a daily basis.

However, if frontline staff cannot readily provide feedback from clients or from their own experiences, you need to question whether the people in your team really know your products and the clients that rely on your services. Equally, they may be reticent to provide honest feedback if they feel the company culture does not reward such behaviour. Either way, inadequate feedback is likely to result in missed sales and other business development opportunities.

Healthy companies have healthy systems

It is sad but true that businesses often end up serving highly sophisticated business systems rather than the other way around. When reviewing your system, ask yourself whether the current complex, multistep and sophisticated processes that are in place have a purpose – or is the process slowing you down? Getting such feedback, from the ground up, ensures leaders are continually improving processes and reducing non-value add system time, which usually results in follow on steps that further add to the overall complexity.

Continuous improvement is the name of the game

Because frontline staff regularly work with your clients and products, they will often have simple but effective improvement ideas that could multiply and go on to generate further improvements. Usually, these initial ideas will be too small for an executive to look at. But, multiple ideas added together, which are then brought to the attention of an executive, could go on to make huge savings and improvements to products and customer experience.

So, you need to ensure you have mechanisms in place that enable these types of ideas to be generated and articulated.

Know what matters

Reporting is a tricky and very filtered process. The information given to executives can be limited as they are only presented with what they need or want to know. Consequently, only the information that a busy executive actually hears or reads will end up as a priority on the to-do list.

On the ground, there is a better opportunity to quickly identify any issues and then fix them, opening the pathway for further innovation and improvement – so test perceptions gained through reports with the reality on the ground.
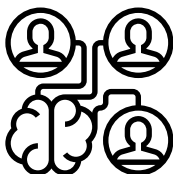
Effectiveness of communications

Effective communication acts as a catalyst for better engagement with employees and clients and can drastically improve the services that you provide. If there is little communication between each tier within your business, there is very little chance that you will receive feedback that will help you improve.

Does communication between the different departments in your business flow throughout? If it does, how and how quickly? Is it understood well? Is it in context of what impacts people, and do calls for action get implemented?

Equally, is the meaning of the communication understood and shared, or do the style and language need to change? As a leader, it is essential that you have a business process in place to ensure that communication is as symmetrical as possible: where genuine dialogue takes place and there is an opportunity to provide feedback.

Feedback is essential to the success of a business but communication must flow both ways in order to gain the feedback you need to improve. A grassroots approach will gain you insights that are hard to obtain sitting in your office. It is also crucial that you help facilitate and support this communication with effective and efficient processes – without them, communication will slip through the cracks or fall on deaf ears.

Question Time

You can think this all through a bit further by considering the following questions:

1. Are systems effective: that is are they doing the right thing?

2. Are your systems efficient: are they doing the right thing as well as possible?

3. What mechanisms do you have in place to ensure continuous improvement ideas are generated and captured?

4. Do your reports ring true in reality?

5. Have you tested the effectiveness of the way you communicate?

What have you got to lose?

Unless you're someone who prefers to be surrounded by 'yes' people you have nothing to lose by putting measures in place to regularly listen to what clients and frontline staff have to say. You may not like what you hear, but that's the whole point, as it should motivate you to improve what you do.

Chapter 6

The lost art of execution

If you've found strategy execution a significant challenge, you can take comfort in the fact that you're not alone.

Strategy execution is widely reported as the number one challenge executives have to face. Interestingly, you can find many books and articles on strategy formulation, but there are far fewer resources available that deal with the seemingly lost art of executing a strategy.

Generally, one will find that business executives, along with their leadership teams, have:

- aligned the strategy within the organisation and cascaded it well

- planned the strategy execution and are driving the plan

- communicated the strategy to the entire business

- developed an organisation with a strong performance culture

- been rigorously driving the execution of the strategy from the top

However, they still struggle to deliver the desired results that were set out during the planning of a business strategy. It begs a big why? Why, despite all the time and effort, hasn't the organisation delivered on the strategy anywhere near what was hoped for and expected?

There is not a simple answer, so let's take an in-depth look at the most common reasons as to why strategy execution fails and what you can do to turn the situation around.

Collaboration is critical

The inability of managers to rely on colleagues in other units to deliver actions and meet requirements can be detrimental to a business strategy. The same can be said about business functions that are unable to connect with, or work alongside, other business functions within an organisation.

Moreover, neglecting collaboration will often lead to dysfunctional behaviour and duplicated efforts from different departments, thereby creating conflicts, wasting precious resources, and directly impacting the overall performance of the organisation.

While reviewing or making changes to your strategy, be sure to take a closer look at how departments and business functions communicate and work together. As Mattie Stepanek said, 'Unity is strength ... when there is teamwork and collaboration, wonderful things can be achieved'.

Adaptability brings advantage

If a business struggles to adapt to changing circumstances, they will soon find themselves in deep water.

Organisations often shift their focus to emerging threats without much consideration for the rest of the business, losing sight of the organisation's strategy. However, at the same time, responding to emerging threats too slowly can also impact a company's ability to focus on their strategy.

If your organisation can respond to threats in a timely and efficient manner, you are on the right track! On the other hand, if you find that, after dealing with an issue, the business is still struggling to follow the strategy that has been set in place, consider how shifts in the allocation of people and funds could have affected your strategy. While it may have solved the emerging issue, it could have produced undesirable results in relation to your strategy execution.

And remember, rather than always fighting spot fires it is important to focus on the non-urgent, but strategically important, work you need to do.

Take a portfolio perspective

Indecision, or even being too generous with resources, can lead to a company's assets being trapped within unproductive ventures that were, at one point, valuable. This can lead to shortages in resources and the stalling of projects.

In fact, a recent Harvard Business Review study found that 90% of the respondents indicated that they did not have the right resources available to deliver strategic initiatives at the time of developing business strategies.

The most significant impact of poor portfolio management is usually on the allocation of employees. The ability of a business to shift people in order to address strategic priorities is vital; without the right talent, performance can easily falter.

As a leader, you must be able to decide on the areas that are not a priority to invest in, so you can instead focus your energy on executing your strategy.

Everyone needs to understand the strategy

How well is your business strategy understood by the rest of your company?

As communications explaining the business are communicated across the business and across geographical borders, the strategy can soon become diluted or even modified beyond recognition. Furthermore, the actual purpose or drivers of the planned targets of the strategy may not have been explained or relayed to the staff.

The ability to understand a strategy also depends on how well the leaders within

a company connect the dots between strategic priorities, as well as with business as usual. If leaders focus on a different area and fail to communicate this change to the rest of the company, you will soon find your business heading off in different directions.

To improve your strategy execution, review communication points within the organisation and ensure there is a way for your team to monitor this practice throughout the execution process. This will help to keep everyone on track and heading in the right direction.

Agility must be a core competency

'Success today requires the agility and drive to constantly rethink, reinvigorate, react, and reinvent.' – Bill Gates

Many managers fear the idea of experimentation or are conservative with their commitments to the growth of a business – taking more risk-averse options, rather than taking a leap of faith. They fear loss more than they value gain.

An excessive emphasis on performance (either made by the manager to monitor employees or by business leaders who are focused on figures and metrics) can impair execution, especially where creativity is needed to navigate any possible obstacles. This tendency is often one that sees managers choose a cost reduction rather than reallocating resources to grow the business.

Dead wood is a drag

How are underperformers managed within your organisation?

Many organisations delay direct action when it comes to underperformance. Typically, they don't address underperformers consistently, tolerating poor performance for much longer than they should.

If you want to build a strong workplace culture that supports execution, processes must be put in place that reward and recognise performers, as well as dealing with underperformers.

It is also useful to note that performance in strategy execution should always favour collaboration and coordination over individual performance. Micromanaging performance can shift a leader's focus and distract them from the overall objective.
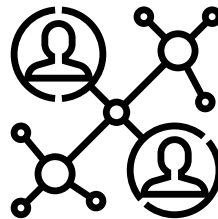
Leadership requires leaders

Is your leadership team distributed across the different functions and departments within your organisation?

Neglecting to distribute and to delegate can leave a leader burdened with unnecessary tasks and commitments. This can cause delays and broken communication, which, in turn, hinders a company's ability to respond to risks and opportunities in an efficient and timely manner.

Having leaders spread across the organisation helps to drive the message of your strategy across different departments, as well as sharing information that needs to be passed on to executives quickly.

Having middle managers and technical experts spread across the business reinforce corporate culture and values. These leaders will also be better equipped to anticipate conflicts and deterioration of performance and, in response, trigger actions promptly.

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Question Time

There is a lot to take in when working on execution, but these quick questions will help you focus.

1. Are the different parts of the business working together or competing with one another?

2. What's your history of organisational change been like? What former adaptations can you identify?

3. Is it easy for you to think in term of a portfolio, and do you have a real feel for the performance of all parts of the business?

4. Have you asked a cross-section of staff how well they understand the strategy?

5. Can you name the things that make your business responsive and flexible?

6. When you think of underperformance, do names easily come to mind?

7. Is your team showing they are keen and getting on with execution?

What have you got to lose?

So, the next time you're navel-gazing and wondering why the brilliant strategy you have developed isn't delivering the results you expected, don't request additional metrics to track performance. Doing so shows that you are micromanaging, reducing agility and reducing peer-to-peer coordination.

Fixating solely on alignment often leads to worse results. Instead, it might be a better idea to review the business first, using the points above to perfect your business functions, before tightening the screws on business alignment and metrics.

Chapter 7

When complete means complete

Task setting is used on a daily basis in a team environment, especially at an operational level where actions have to be recorded and analysed before being marked as complete, or when managing direct reports. As a consequence, most working professionals will be familiar with the four main stages of a task:

1. when communication indicates the assignment of a task/s

2. when a task is started

3. when the task is completed

4. when the result is realised

This might sound odd, but when you're putting these steps into place, are you aware of what is a task and what is a result? And how does your overall understanding of each stage affect the overall performance of a team and the results that are achieved?

The definition of a task requires clarity in order for internal operations to continue working efficiently. This might sound simple, but far too often tasks lack clarity. It is also just as important to ensure that each employee understands the process in order to prevent miscommunication. A lack of guidelines can lead to serious delays and poor results, affecting the overall performance of the business.

Let's look at the steps that are needed to complete a task, as well as how to identify whether the right result/s have been achieved.

Start with clear notification

For a task to begin, the relevant team members or employees must be notified. They must also be provided with the information needed to complete the task. Whether this is done via email or in a meeting, it is essential that the task is logged into a task tracking system (for example, a project management system) so that any progress can be tracked and employees can refer back to important information.

Any actions that have been made in response to this notification should also be considered and reviewed before moving on to the next stage. Was the notification received? Has the task been acknowledged and accepted? Have milestones and/or deadlines been put in place and confirmed? All basics, but too often they are ignored and can come back to bite you.

There will be no results at this point in time. However, these actions will help define the workload, as well as the quality of work that is expected. Once the appropriate actions have been made, work can begin.

The task must start with a high chance of a successful result

When completing a task, work efforts should focus on meeting the deadlines set in place in order to provide the final product.

However, just because a task has started doesn't mean that it is complete. With this action, the task is still a work in progress and will not be finished until every piece of work is completed.

During this time, an accurate completion date may or may not be available, and there will be little indication as to whether a task will or will not be completed on time.

We all want to work in a 'no surprises' world, so plenty of open communication will help identify any problem people are having.

It ain't over till it's over

Once again, it sounds obvious, but for us to say it is complete, all work will need to come to an end, and any formalities associated with completion (such as a report, presentation, paperwork or further communications via email etc.) will need to take place. Again, far too often lose ends are left and these have the potential to unravel.

A common misconception is that a task should end at this point and be marked as complete – all work will have come to a standstill and a final product will have been delivered. Surely it would make sense to consider closing the task here? However, this is not the case, as the question of whether the task was a success or not still remains.

Although a final product has been delivered (or, in some cases, not delivered), a further step is needed to determine if any more work needs to be done and if there is anything to be learnt from the process that can be applied to future tasks and projects.

Results must be assessed

After completion, the results of a task need to be reviewed. Does the final result achieve the goal outlined in the initial notification? Are more actions needed to bring this result in line with the expectations set out at the beginning?

A result-orientated approach could mean having to redo certain actions until the desired result is achieved or until the task is cancelled. However, if you are satisfied with the result, a task can be reported as complete.

The definition of a task given at the beginning is, therefore, critical. It is impossible to effectively analyse the results of actions against initial expectations if a task has not been properly defined.

SMART goals are an industry's best practice, no matter what sector or line of business you are in. They enable a person to outline the bare minimum of what needs to be achieved,

detailing the action timeline that needs to be completed and what the result should look like. The expected result can then be used to drive a team in the right direction, helping a manager or team leader to measure the overall performance and to analyse the achieved result.

To make sure that a goal is clearly defined, each one should be:

1. **S**pecific (simple, sensible, significant)

2. **M**easurable (meaningful, motivating)

3. **A**chievable (agreed, attainable)

4. **R**elevant (reasonable, realistic and resourced, results-based)

5. **T**ime-bound (time-based, time-limited, time/cost limited, timely, time-sensitive)

When spread over a longer period of time, milestones can be set in place with tasks being split into phases.

Question Time

Test how well your business is doing by answering these simple questions:

1. Do you have formal notification systems?

2. Do you have people start tasks in a way that gives them every chance of achieving a successful result?

3. Are you strict about formally completing tasks and assessing results?

What have you got to lose?

Being able to differentiate between what is a task and what is a result is an essential skill to have and will enable you to improve the quality of your own work, as well as the work efforts of your own team and employees. By comparing the end result of a task to the initial requirements set by SMART goals, you will gain a clear picture of what is needed to improve efficiency, productivity and performance. Why not try this approach?

Chapter 8

Bring down the silos

It is a truth universally acknowledged among business leaders that removing silo management systems can improve overall efficiency. Today, industry leaders are focusing on structures that allow both functions and people to collaborate to produce successful results.

Problems can soon arise if your company is operating with a silo mentality. This is especially true for companies with executives who prefer to take on smaller projects, rather than investing in programs that encompass multiple parts of the organisation.

According to Neil Smith in *How Excellent Companies Avoid Dumb Things*, 'Silos need to work together. But too often that doesn't happen. Problems arise when departments do not share the same priorities, knowledge, or information'.

Organisations that are looking to address the needs of their customers quicker, as well as build solutions that have a lasting impact, need to strongly focus on collaboration.

Innovation programs and digital transformations also demand agile skill sets, functionality and business collaboration, and are far more successful if they function outside of the silo structure. Furthermore, organisations that promote collaboration, and invest more time into it, have higher employee retention and employee satisfaction.

However, how do we, as leaders, go about removing silo management systems within the workplace? Moreover, how would we know if our new structure is working after implementation?

Let's take a look at what you can do to foster collaboration between people and functions and advance your advantage.

Promote people who are natural facilitators

Managers acting as facilitators and enablers can work across multiple departments within a company, acting as a bridge between functions. As facilitators, these managers can understand the business as a whole and will have the required skills to see the 'bigger picture'.

This approach allows facilitators to break down the business, and identify the needs of each function within a collaboration, before communicating these requirements to those involved.

It is a facilitator's responsibility to bring together people who share mutual goals in order to strengthen relationships between groups. They help functions within an organisation to understand other's languages, culture, goals and drives, while also focusing on how these factors can be utilised and improved in the future. For example, can any processes be automated to save resources and strengthen communication?

You don't need a large number of facilitators. Just a few managers will be enough to get initiatives off the ground. However, it is essential that the few facilitators who you employ are focused on growth and can inspire others within your organisation to adopt this mindset, too. Ideally, they are people who possess both positional and personal power.

Set up cross-functional activities

According to a recent survey conducted by Salesforce, 86% of employees and executives cite lack of collaboration or ineffective communication as one of the leading causes of workplace failures.

Consequently, setting up cross-functional initiatives and teams should be a top priority and responsibility for leaders within a business.

Not only will building cross-functional activities allow for employees to understand other peoples' perspectives, but it will also provide an opportunity for them to learn from each other. This offers a cost-effective solution for upskilling your staff and saving vital resources. Additionally, cross-functional activities will allow for teams to ask for help and solve challenges for each other.

Overall, these benefits will boost productivity and help to develop an appreciation for the role other functions play within the business. Also, if employees develop an interest in different job roles, a company that focuses on cross-functional activities can retain staff through internal transfers.

Occasionally, cross-functional teams can also be assembled in times of crisis, allowing leaders to develop collaboration. These teams are more efficient in their decision-making and can produce better results during times of high stress.

Be sure to paint the big picture

Actively communicating how the business works in its entirety helps employees to fully understand the role that they play within the organisation. An inspiring vision, with carefully developed strategies, will create a conversation between functions, encouraging feedback and strengthening relationships.

Creating a clear vision also helps employees to understand that they are not on their own. Every employee should be valued and play a part in the overall success of the business.

According to Andre Lavoie, 'Framing the company vision in this manner will make it an integral part of the day-to-day experience. Everyone from the employees to the CEO should be feeding into the system to push the company toward its goal'.

In the absence of a clear vision, the business will be a composition of individual functional views, promoting the silo mentality.
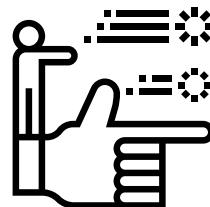
Lead by example

'Leading by example: say it, do it, live it!', says Rick Conlow.

As a leader, you must consider and question the engagement of functions when reviewing projects. Only then will you be able to fully understand the strengths and weaknesses of your organisation. Doing this can help to highlight what changes need to be made to improve the overall outcome of your next project.

In conjunction with this, it is a leader's responsibility to support cross-functional activities, freeing up resources and talent. This will help to reinforce the importance of collaboration and will allow your employees to find new and innovative ways of working.

Leading by example also includes setting goals that require teams to collaborate, as well as actively communicating the importance of collaboration with the rest of the organisation on all levels. Establishing stronger and more effective ways of communicating can help to keep the conversation going as you work towards the overall vision of the organisation.

Collaboration doesn't require sophisticated platforms and apps. It doesn't even require experts and PhDs. It only needs leaders who can create an environment that encourages and supports the many benefits of collaboration.

By sharing priorities, knowledge and information, you are helping to inform and develop the people around you, which will ultimately lead to a brighter and more prolific future for your organisation.

Question Time

By way of measuring how silo-like your business is, ask yourself the following questions:

1. Do all parts of the business know what your vision is and the strategies being pursued?

2. How many structures do you have that are cross-functional?

3. Is there a strong sense of esprit de corps in the business? If not, why not?

What have you got to lose?

If you think you need to break down some silos, why don't you develop a simple but inspiring project or 'challenge' that can be run across the business and engage people in all areas at many levels? It's worth the experience as it may open your eyes to what is possible.

Chapter 9

Innovation in action

Innovation is becoming a perennial buzzword in every industry. The excitement surrounding innovation is mainly due to the fact that those businesses that can implement smart solutions quickly are poised to gain a competitive advantage within their industry.

Many leaders are turning to enabling technologies to improve their strategy, especially within the engineering industry, utilising technologies such as AI, robotics and even drones!

Yet, contrary to popular belief, innovation isn't limited to just implementing new and disruptive products. If your company is looking to gain a competitive advantage, you also need to consider new business models, new ways of providing customer experience, improving customer service, and finding new ways to engage with employees, especially those who have direct relationships with your clients.

According to a McKinsey & Company report, 80% of executives think that their current business models are at risk of being disrupted. Moreover, 84% of executives claim that innovation within their business is essential for their growth.

Taking this into consideration, it is easy to understand why almost every organisation has started to invest in and execute an innovation program. However, despite large numbers trying to innovate, only a handful could safely say that their innovation programs are working.

Let's look at what it will take to make your innovation program work.

Relentlessly pursue change, despite previous failures

If a business has made mistakes in the past (for example, if they've lost money due to a past project failure), executives will often approach future innovation projects with caution.

Due to the restrictive nature of the traditional business model, many companies and organisations will neglect the prospect of designating a group or individual to focus solely on innovation, and are incapable of identifying a person who can lead this innovation.

On the other hand, leaders who can focus on innovation are more comfortable with uncertainty, and tend to be far more courageous as they lead the company into unfamiliar territory.

Failing to cultivate change and creative thinking within your workplace will only set your business up for failure!

Build alignment across the organisation

Turf wars and company politics can also contribute to the underlying cause of a program failure.

If project managers choose to steer their program towards the preferences of influential people within the company or even within the industry, instead of focusing on the ideas that address a company's core business needs, a lack of alignment is likely to occur.

Equally, if executives opt to focus on their pet projects, rather than the company as a whole, there could be a further breakdown in communication and work efforts.

Both scenarios will lead to a toxic and competitive work environment in which managers struggle to find the resources that they need to successfully implement change.

Study industry trends

A leader's inability to identify market trends that could help to inform the future strategies of a company, will be harmful to the success of an innovation program.

The same can be said for a company's internal processes. If your business functions are not dynamic enough to understand industry trends and are not influential enough to drive your organisation, it might be time to reassess your business processes and how you employ analytics and data.

Allocate budget to innovation

After talking to several business executives, it has become clear that they approach innovation program budgets with caution.

Is your business guilty of not spending the average budget on research and development in your chosen sector? Similarly, is your business willing to be competitive with its spending, or are

executives within your company sceptical of change and taking risks?

Of course, what a software company needs to spend will be different from what a construction organisation will need to spend. Despite this, many businesses will compare themselves to others in order to judge what budget they should allocate to an innovation program. However, without taking a company's own needs into consideration during the planning stage, a budget will soon fall short. Starting with a zero and scaling both advantages and costs may be a smart way to start.

Business leaders should also take a look at how they are allocating resources throughout the business – is your innovation program budget being spent elsewhere? Applying finances to training and development, rather than directly using it for actual innovation projects, will soon leave your innovation program struggling to find the vital funds it needs to produce a successful result.

Have a coherent strategy

An innovation program will suffer if the strategy behind the project is incoherent.

Misunderstandings and missteps are often caused by a business using a scattered approach when planning and implementing ideas and goals. This method will leave both management and employees confused and unclear about the needs and goals that the innovation strategy is meant to address.

When taking a closer look at your company's strategy, you should also consider how an innovation program is being executed – is the organisation's innovation efforts being limited by the restricted knowledge of employees and the leadership team?

This might be the case if executives decide not to partner with an agency, start-up or university that specialises in the area that is being pursued.
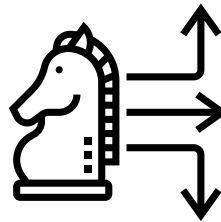
Question Time

Are you walking the innovation talk? Make a call, after you ask yourself the following questions:

1. Have you allocated significant funding to genuinely new developments?

2. Does your executive understand and accept that experimentation is risky, but necessary? If so, how is this demonstrated?

3. Do your people think of the company as being innovative, or do they look to others, including our competitors, as being more innovative?

4. Can you point to a clear track record of adopting innovation? Now test what's on that list with others and see if they agree it is a record of innovation.

What have you got to lose?

Run a workshop, or ideally have one custom designed and facilitated, so you can have a frank, fearless and creative look at the potential for your firm to be more innovative. There is no downside to doing this, so why not?

Put dedicated project managers in the driver's seat for major initiatives

Most businesses acknowledge the importance of project managers for their innovation and improvement initiatives; but many managers or leaders inevitably end up relying on an existing employee who is already part of the daily running of the business, rather than creating a dedicated role for the job.

Ideally, you will want a leader who can ensure that the program is implemented according to plan, in order to successfully deliver accumulative cash to the bottom line of the business.

However, we all know that the reality of running an improvement program involves delays and complications. If these aren't managed appropriately, performance will slip, and the business will suffer.

Technology businesses, in particular, may see a project manager role as the perfect opportunity to challenge a technical SME. However, this scenario often leads to the SME being stretched and stressed, and actually being unable to fully drive a major change.

The role of a project manager should not be taken lightly and requires someone who can fully commit to a project's requirements.

Let's quickly explore the range of opportunities and benefits that a dedicated project manager can bring to a business's improvement program.

You must maintain momentum

Without momentum, a company's initiatives will stall, causing a knock-on effect throughout the business. Before you know it, you will begin to experience a dip in performance and a severe lack of communication.

A project manager will be able to keep a project moving according to the approved schedule, despite any events that might be happening with the general running of the business. Their efficiency in time management and communication will also ensure that you can continue to keep the business running as they overlook progress in other areas, thereby freeing up resources.

As Rocco Baldassarre explains in *Entrepreneur Europe*, 'Rather than have employees dashing to an array of upper management types for different concerns, the project manager is a unique individual, aware of the needs of multiple projects, and can speed up the decision-making time'.

Project managers excel at engagement

Engagement can be met with the same devotion by a dedicated project manager. While SMEs are busy with the running of a business, a project manager will have the time to actively meet and follow up with a project team to clear any obstacles for them, document progress and adjust timelines accordingly.

However, employees are not the only ones involved in business innovation. Dedicated project managers can keep stakeholders and sponsors engaged too, providing updates and reports, all the while maintaining impartiality when receiving and accepting feedback. After all, as Ken Blanchard states, 'Feedback is the breakfast of champions'.

It is through this strategic alignment that all departments within a business will start to sync and communications will start to flow, leading to better results and decision-making – a positive outcome for any business looking to gain a competitive advantage in their industry.

Project managers know what to do with obstacles and opportunities

It is hard to deal with risks and issues if you do not have a contingency plan set in place to deal with them. It is even harder to process these problems if you do not have the foresight you need to identify them before they become too big a problem.

By having a dedicated project manager, you will be providing your business with a readily available resource to work on project risks and opportunities, without disrupting the daily running of your company.

Detached from the business as usual, a project manager can maintain an independent view of the project, identifying areas that are underperforming.

At the same time, a dedicated project manager can also explore areas where opportunities exist to deliver faster and cheaper solutions, resulting in a higher ROI. You will be surprised at how many of these opportunities could have been potentially missed without a dedicated project manager.

They free up and empower management

Once relieved of the responsibilities of a project manager, an SME can do what they do best, instead of being preoccupied with other tasks. As John C. Maxwell says, 'If something can be done 80% as well by someone else, delegate!'.

A project manager can help to innovate, provide training, develop work on new ideas or be available to help progress the project. Additionally, they can provide management support by overseeing the details of the projects, which can be difficult for many managers to work through – it is common to see improvement projects stall for days (or even weeks) when management is too busy and unable to approve plans.

They ensure a smoother handover

Perhaps one of the most significant milestones of a project is the handover of the programme. Although this is the last step for the team producing the programme, it is the very first step for the end-users who will be assuming the management responsibilities afterwards. It is, therefore, essential that the end-users understand everything and that the end result has had a proper evaluation.

A dedicated project manager is the perfect resource for the post-evaluation process in a project and will ensure that a robust handover is delivered, while management and SMEs focus on the next big project.

Working in a dedicated role, a project manager will have the time to make the most of this opportunity for reflection, collecting data that could be useful for other projects. This includes analysing employee and business performance, resources, budgeting and timescales.

As industries continue to change in response to technological advancements, environmental factors and consumer demands, the need for innovation and improvement programs within businesses will increase. It is essential that leaders and management teams take innovation programs seriously if they want to continue to be successful.

Due to their unique position, dedicated project managers can help to form and manage a team that will grow a business while also maintaining the right course of direction, saving resources, improving communication and acting as a role model for other employees.

Question Time

Possibly the easiest way to test whether or not the project you are considering needs a dedicated project manager is to ask yourself the following questions:

1. How well do you think improvement initiatives are run in your business at the moment?

2. If you don't have a dedicated project manager, who in the business will be certain to deliver this project on time, on cost and on schedule?

3. Are there equally important improvement opportunities not being worked on? Initiatives that might be waiting for more progress to be achieved in current improvement initiatives?

What have you got to lose?

This is worth a trial, and it may also open up perspectives not considered in this chapter. A project manager could be brought in on a contract, possibly even one with performance targets, so what's stopping you from trying a new approach?

Chapter 11

The future cannot be put on hold

Remarkable few companies devote time and resources to thinking about the future. Let's look at a topic that every leader needs to consider if their business is to grow and they have a strategy to take on more projects in the future. If done well, this will help you to improve your company's framework and leadership potential.

Are your team's thinking and conversation based more on past practices or the needs of your strategy in the future?

This question is designed to help you assess your staff and identify which individuals are committed to the future strategy of your organisation. Moreover, it will help you to review current operations and to lift current employees out of an expired operating strategy and into an innovative future.

More often than not, I see businesses using resources to meet the needs of an expired strategy rather than a new or current one. Urgency and flexibility play a big part in the evolution of the operating landscape within a business. Therefore, equipping your business with the right talent and business functions to deliver future strategy is crucial. Let's explore how you can achieve this within your company.

You need a tech-savvy team

Skill sets in the workplace are changing rapidly in response to new technologies, with leaders focusing on new agile methods to fully utilise the benefits of AI, robotics, and other industry advancements.

As Crimson Education suggests, 'Future jobs will involve knowledge, creation and innovation. Machines will be freeing you up to explore, experiment and find interesting solutions to complex problems, like pollution'.

For employees to succeed in this new environment, they must be able to work in conjunction with these technologies and respond well to uncertainty. Only then will their work benefit a business.

Develop facilitators

It is critical for leaders to focus on the communication and collaboration between departments if they want this agile method of working to be a success.

According to McKinsey & Company, it's important to 'consider how to create the conditions in which an ecosystem can be largely self-managing, where individuals and tools can learn, and problems can be avoided before they manifest'.

You urgently need to ensure that the flow of communication between all levels of the business is highly effective and works towards a reality in which every team is committed to the same universal goals. In most cases, this means cutting out the intermediaries, providing the right platforms for communication, and re-evaluating business processes.

Invest in high-functioning managers

High-functioning managers are a great asset to any business and will be able to help you make the necessary changes needed to propel your business forward. But what does a high-functioning manager look like?

It is important to remember that leadership can come from anyone, not just from the traditional positions of formal authority. Effective leaders will be able to quickly adapt to changes in strategy and will ensure that their team can do the same. These individuals will also have a strong emphasis on personal development and will be able to think outside of the box. Finally, they will have some sort of industry experience that they can bring to the role and utilise to improve and encourage their team.

Delegate tasks and responsibility

After finding the right managers for your team, you must start to delegate responsibility and specific tasks. Not only will this show trust in your high-performance managers and help them with their personal development, but this will also give you the chance to focus on more pressing matters.

As Wanda Thibodeaux explains, delegating can also lead to better decision-making: 'Whenever you hand decisions off to someone else, you're essentially choosing to reserve your brain power for the choices still left on your plate. And by trusting others to make some calls on your behalf, you up the odds that the calls you make yourself will be better and have bigger payoffs'.

Although delegating responsibility takes planning and a certain level of communication and trust, it is a great way to strike a better work–life balance as you continue to focus on improving performance and bringing your business goals to fruition.

Cultivate a rich and vibrant culture

According to Michael Schneider, 'Nearly 70 per cent of CEOs now recognise culture as one of the greatest sources of competitive advantage. Whereas company processes, technology, and strategy can be copied, an organisation's DNA cannot be reproduced'. Consequently, any business in the 2020s that is looking to unleash their relative advantage should have a strong focus on developing a shared purpose within their organisation.

However, there is a significant shift from operating in previous machine modes to acting as a living organism in a well-networked and empowered environment. Because of this, if you are implementing changes, everything and everyone needs to move forward with you. This way, you will be far more prepared for any uncertainty. If you fail to achieve this, your company's projects, initiatives and progress will stall, and your business strategy will become obsolete.

The way to create a shared purpose

The more interconnected your business is, the higher it's overall performance will be. And while enabling technologies can help with this, it's essential that you also present your team with a clear vision. By striving to communicate a meaningful and well-thought-out strategy, employees can better understand the direction the company is moving in, as well as why new goals, technology and processes are being put into place.

Clear time frames, training and transparency can further support this strategy. Upskilling will promote growth and security within your business, as well as providing a clear path for employees to follow – a less intimidating proposition compared to the uncertainty of sudden changes that have no reason behind them.

To confidently execute these two points, you must work to understand the voices and opinions of your employees. No two people are the same, which means that every employee will have a different way of working and will find inspiration from various resources.

To quote McKinsey & Company again, 'Smart organisations hit every note and mean it. That calls for walking the talk in, amongst other areas, race and gender diversity, social impact, and diversity of political expression. Some employees are most inspired by personal development (and, it must be said, monetary compensation); others find passion in objectives geared more toward their working team'.

By identifying what motivates an individual, you will be able to channel their energies to a higher purpose, allowing everyone to grow and develop, rather than just a small group of people.

This strategy could also include investments to make the team you have employed more effective. Investments may consist of pay dividends to help a team rapidly adopt and implement change, another prerequisite for businesses that will navigate the 2020s.

Forward together

After assessing what trends are relevant to your company and how this will affect your employees, it is time to give the required resourcing, focus and attention needed to implement technology and new processes to successfully drive your organisation to the top of your industry.

While this task can appear daunting, especially when managing the daily running of a business, you, as a leader, must be able to embrace the magnitude of change, be clear on the vision you want to make a reality, and decide where and how to start.

If you are struggling to find this confidence and lead the way to a more prosperous future, use this quote from Jeff Bezos (who rode the wave of the 2000 change) as some inspiration: 'Most decisions should probably be made with somewhere around 70% of the information you wish you had. If you wait for 90%, in most cases, you're probably being slow. If you're good at course correcting, being wrong may be less costly than you think, whereas being slow is going to be expensive for sure'.

Question Time

It's likely you're not certain about what sort of culture your organisation has, so ask yourself these questions, or even turn them into questions for your people:

1. Does everyone identify with the purpose and values I have in this business?

2. Do people want to come to work?

3. Do they willingly put in extra time when needed?

4. Do people feel they can make suggestions and criticise the way we do things without being punished, or do they keep to themselves?

5. Do your people talk about how your company can beat your competitors and show initiative in terms of creating competitive advantage?

What have you got to lose?

Culture sounds abstract, but it has very practical consequences. So if you don't have an objective read on your culture, you need to get help with understanding it. You will only gain insight, so what have you got to lose?

Chapter 12

Maintaining momentum

Despite our best efforts, it can be easy to get distracted and lose momentum on ideas and initiatives that are worth pursuing. Keeping a focus on your important, non-urgent plans, is a challenge, but the evidence is such a focus is central to achieving objectives.

Whether it be the allure of technology, the fear of failure or the responsibilities that come with day-to-day life, work can slowly begin to build up, and projects are often left to one side as we try to play catch up.

However, maintaining momentum is easier than you might think. By using the right tools and putting the relevant steps in place to help manage your time and work effort, you can put yourself back in control and sustain momentum.

In this section, I will take you through five steps that can help you to stay disciplined and build your advantage.

Make the goal crystal clear

It is impossible to achieve a goal if you don't know what you want to accomplish and how you are going to do it. Therefore, it is important that the goal is clearly defined. SMART goals are ideal for this.

This technique allows you to define the foundations of each goal that you want to achieve, as well as providing something to refer back to in order to measure progress and the overall success of the final product.

Once you have defined your goal, write it down and put it in a place where you can see it daily.

According to Dr Gail Matthews, a psychology professor at Dominican University in California, those who write down their goals on a regular basis are far more likely to achieve them. In fact, her research has shown that you become 42% more likely to achieve your goals and dreams by simply putting them in writing.

You should also set reminders, so you are aware of your progress. Most importantly, believe in yourself. You set your own limitations and you are the only one who can overcome them.

Answer the 'Why?' question

Before you progress any further, you should make sure that you are able to identify a clear intent or purpose for setting a goal.

Perhaps you want to achieve a healthier lifestyle, progress your career, or even spend more time with your family. Either way, it should be clear why you are chasing a goal and why it must be achieved.

If the 'Why' is not clear, question whether this is the goal you really want to chase. Answering this question is critical, so make sure that you take your time and think this through thoroughly.

Burn the boats

The idiom 'burn the boats' refers to armies in military campaigns destroying their escape route once they are in enemy territory. However, in a business/everyday sense, it simply means to eliminate the choice of reverting to old habits and behaviours.

If you want to maintain momentum, act as quickly as possible on a task, making it impossible to retreat or escape from the responsibility of completing your goals.

When defining your goals, think of any possible scenarios that would make you take a step back from a task or project. Then eliminate these influences so that you are fully prepared for the task ahead.

Find fellow travellers

It's often said that teamwork makes the dream work.

Influencer Edmond Lau confirms this in an article with *Inc*, stating that 'Working effectively as part of a team is incredibly important for output quality, morale, and retention' and that 'working alone makes it harder to get early and continual design feedback, thereby decreasing output quality'.

If you are working towards a goal, it could be highly beneficial to create or join a group where like-minded people are working on the same or similar goals or have achieved the goal recently.

Work, train and associate with them. Challenge, motivate and encourage each other. Frequently engaging in conversations is an excellent way to keep your goal in mind and maintain focus.

Find someone to hold you accountable

Finding someone to hold you accountable and to push you further towards your goal is a crucial part of staying motivated.

Confidence is critical to success, but it can be difficult to build our own self-confidence.

Look for a person who can provide an outside view, someone who can motivate but also guide you with tips and techniques that will allow you to successfully achieve your goals in a more efficient way.

By defining goals and setting clear intentions, you will become more disciplined, sustain momentum and achieve more successful results.

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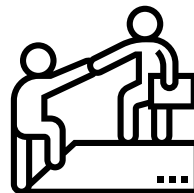
Question Time

Here are some questions that will help you to keep the momentum going:

1. Can you write your goals and business strategy on the back of a drink coaster?

2. Can everyone else in the business do the same?

3. How easily can you answer the 'Why?' question? Is it shared?

4. Have you burnt your boats? If not, why not?

5. If you don't have someone to hold you accountable, you need to identify them now. Who will that be?

What have you got to lose?

The very small, but potent step, of asking someone to hold you accountable, could transform the way you lead. You have nothing to lose.

About the author

Shivendra Kumar is a master of business theory. But more than that, he is a master of practical implementation, having earned his stripes developing and managing business improvement programs with some of Australia's leading engineering firms, including Downer and Siemens.

His track record is one of solid, measurable productivity improvements, process innovation and revenue gain.

Shivendra has also coached many executives and project teams, in the real-world application of best-practice methods, ensuring his insights and know-how are passed on to others.

In keeping with the theme of taking ideas from theory to practice, Shivendra is also the author of the recent eBook, *From Paper to Profit*, which is a practical guide to corporate strategy implementation.

Underpinning his extensive industry experience are qualifications in engineering, and a PhD focused on rapid product cost improvement techniques. It is hard to think of anyone better equipped than Shivendra to provide this simple but elegant guide to business improvement techniques specifically written for contractors in the engineering and construction industry.

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