



## **Culture in an Execution Environment**

How do you define your culture? Do you see it as an outcome of having an execution environment, or do you see an execution environment as an outcome of your culture? Exactly how are culture and an execution environment related?

Execution is a defining characteristic of any leading company such as GE, or Apple. They may have good strategies, but what really stands out is that they do what needs to be done. And it's done better and completed on time. Companies that lack execution may well have good strategies, but all too often important targets are missed. They fail to execute.

At SpotlightBC, our consulting places a laser focus on execution, and with good reason. A recent survey reported in Harvard Business Review found that two-thirds to three-quarters of large organizations struggle with achieving executional excellence, and large and small organizations experiences repetitive problems for which lack of execution is the root cause. Nonetheless, business leaders and managers tend to take execution for granted. Too often they think of execution as a result. They often treat execution as something that happens in lower tiers of the organization.

An experience I had is enlightening about how an execution environment affects culture. I took over leadership of a professional services firm that had originally been family owned, and that had transitioned to joint employee and family ownership. Prior to my involvement, this firm had gone through the ten million dollar barrier twice and collapsed both times. Originally this firm had been a pioneer in its marketplace and had little competition, but there was substantial and increasing competition by the time I arrived, and the firm's revenues and profits had declined for six consecutive years. A loose, family run culture had nevertheless grown in good times to around a hundred people, but the complete lack of an execution environment was stopping the organization from addressing changes occurring in its markets. Immediately upon being hired, I was pushed to change the loose, unfocused culture by edict. Instead, I did what leaders do in an execution environment. I became engaged in the daily operations, came to understand what needed to be done to be successful in the current, more competitive environment, and instituted a set of actions that required the company's leaders to do the specific



things that needed to be done. I made them accountable for getting those things done. I also defined a concrete, understandable, and attractive financial reward that required them individually and the company as a whole (so that each leader would help their fellow leaders) to reach a certain, defined level of performance. The company more than doubled its revenues in three years, and its productivity changed from barely profitable to being at the industry norm for high performance in each of those three years, and beyond.

I never took any action specifically directed at the culture, but the culture changed dramatically, from one in which no one felt accountability for overcoming the problems that existed, to a culture in which people at all layers of the organization took charge of getting the things done that needed to get done. The culture became more professional, group leaders took charge of recruiting and spooling-up new staff members, and gossip and complaining virtually ended because people were busy and focused on the important things – the things that needed to get done. I knew this would happen, and had stated it to those pushing me to change the culture by edict. This result would never have been achieved no matter how many edicts I issued, no matter how many people I chewed-out, and no matter how many threats I made. Edicts, chewing-out people, and threats are not components of an execution environment. Instead, engagement by the business leaders, including the top one, identification and focus on what needs to be done, accountability defined solely by what needs to be done, constructive and brutally objective performance assessment and coaching, or corrective staffing actions, done promptly when needed are components of an execution culture.

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### ***Spotlight Business Consulting***

*Spotlight Business Consulting (SpotlightBC) was formed with a mission to provide businesses with consulting that is informed by a focus on execution. What distinguishes businesses with superior performance is the way they execute and overcome ambiguity and insufficient information and insight. Rather than simply apply our extensive experience, we are unique in offering you a contemporary, information-driven consulting process, every aspect of which is informed by a focus on execution.*