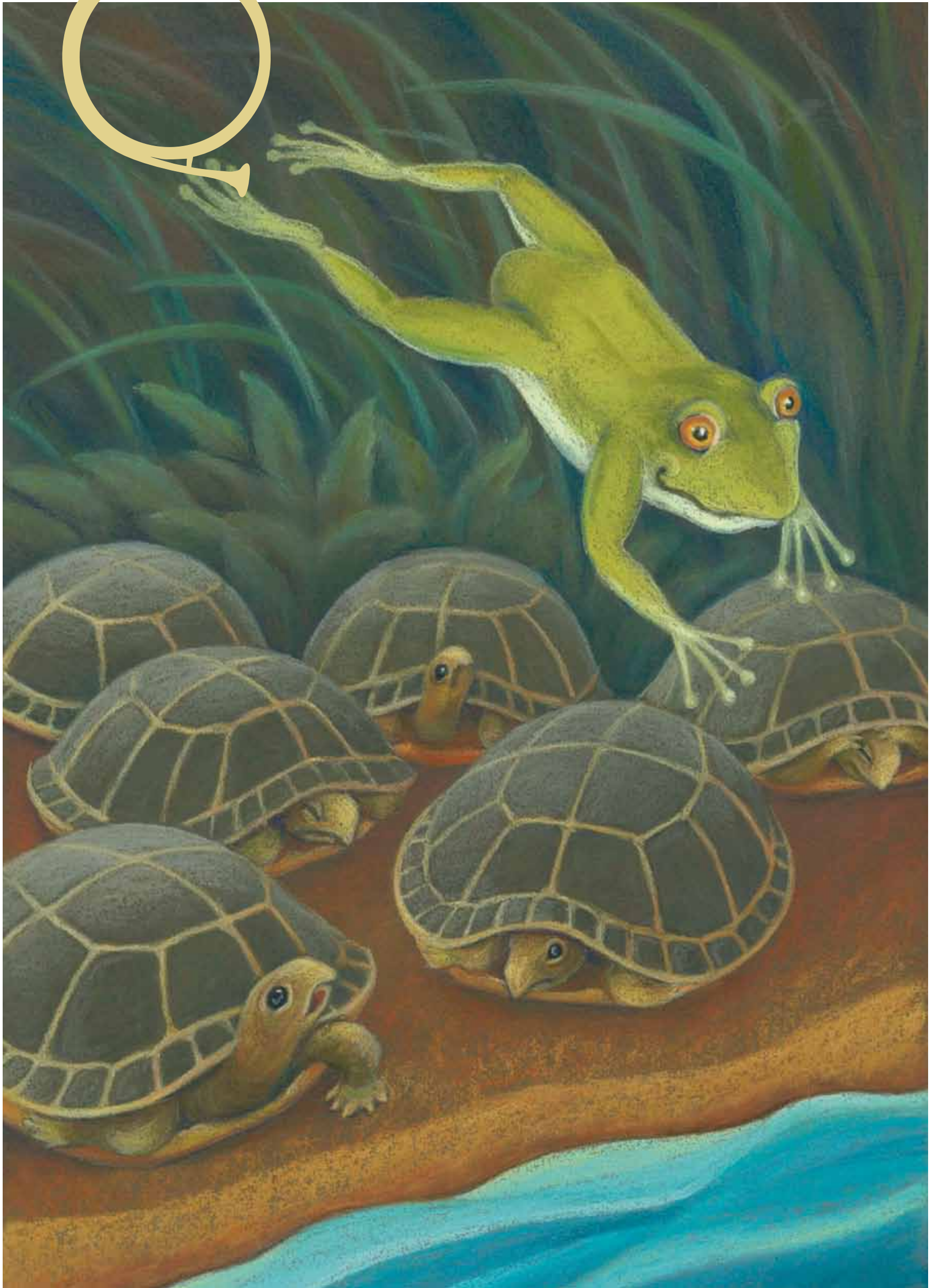
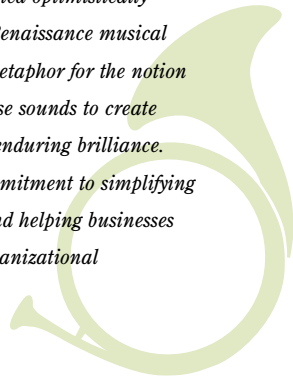


# THE CLARION CALL



Getting a Jump  
on the Competition

*The clarion is a musical instrument of the Renaissance. Renaissance music brought people together, helped solidify communities, and reflected optimistically upon the future. In ensemble, Renaissance musical instruments were a powerful metaphor for the notion of community, combining diverse sounds to create focused, harmonic melodies of enduring brilliance. The clarion symbolizes our commitment to simplifying organizational management and helping businesses build dynamic, sustainable, organizational communities for the future.*



*Kristi Marchbanks, Wendy Helmkamp  
Partners, The Clarion Group*

*For most of our clients, the past two years have been a time of focusing inward, retrenching, and adjusting to new realities. At this point, however, many clients have stabilized and have found their “new normal.” Better still, they are telling us that they are beginning to see positive signs. As we look toward coming out of the recession, we see a unique opportunity. Companies that make good strategic choices now can catapult themselves ahead of competitors who are still in hunkered-down mode.*

*A number of our clients have told us that they now have the resources and the confidence to commit to one new growth initiative, but that’s all, and they’d “better get it right.” Uncovering that one particular opportunity – achieving that leapfrog insight – has become their critical focus.*

*At The Clarion Group, we have developed a framework for helping our clients spotlight opportunities, pinpoint gaps and identify roadblocks that slow their progress. Working in partnership, we help them with aligning their organizational strategy, structure and behavior in order to capitalize on the opportunities that better position them to leap ahead of their competition.*

*In this issue of the Clarion Call, we’d like to share this framework, which starts with three simple questions: What will you do? How will you do it? And how will you know you’re accomplishing it?*

*We’ll show how the framework helped one company (see Case Study A) analyze its current situation, find new opportunities, and realign its structure and workforce to enable it to move successfully in a new direction.*

*As always, we welcome your comments.*

## Spotlight Strategic Opportunities

The Adversity Paradox – how some companies succeed in the worst of times – once again tantalizes today’s executives. The challenge is, of course, how to become one of those paradoxically successful companies that can find new growth while others stagnate.

The first question often asked: Is it even possible to reposition, grow, and achieve financial rewards in this economic climate? Certainly it is possible. However, it is the unusual business that is naturally positioned to do so.

Instead, the successful performers have worked to position themselves for the future:

- They have developed a successful strategy to carry them forward
- They have uncovered the gaps and roadblocks that could stand in their way
- They have a practical plan for surmounting those obstacles
- They have devoted time to understanding the complexities of running their business in a shifting marketplace
- They have a senior leader and executive team that are aligned and riveted on the critical imperatives that will get the organization through the challenges.

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*Over the long term... “work harder” leaves the company with an exhausted workforce that doesn’t have the time or inclination to innovate*

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### Doing Things Right and Doing the Right Things

The recent contracting business environment has caused businesses to retrench to their core offerings, shedding all “non-essential” activities. The business focus has been nearly 100% on doing things right. For most organizations that means optimizing, being efficient, and always getting the most bang for the buck. This is the natural, “work harder” response which traditionally gets organizations through

short-term difficulties.

Over the long term, however, “work harder” leaves the company with an exhausted workforce that doesn’t have the time or inclination to innovate. In fact, change is often resisted; the do-it-right organization typically suppresses new ideas. As a result, do-it-right organizations inevitably become less competitive. There’s another insidious side effect: the overworked organization gets the reputation of being a sweat shop, and it’s that much harder to recruit talent and build for the future.

Focusing so vigorously on doing things right makes organizations forget the other side of the coin: Are they doing the right things? To ensure that the organization is positioned to take advantage of the next great opportunity, executives must come out of their shells and focus on identifying the right things, and then build the nimble organization needed to reach those goals. This includes identifying gaps and roadblocks that could prevent them from leaping forward, such as people problems, financial issues, or manufacturing or marketing challenges. For example: what problem are they solving? Why do they want to solve it? How can they solve this problem better than anyone else? What skills or tasks must they excel at in order to deliver? What structure and processes are needed to get employees on board?

### Making the “Magic” Happen

Magic happens when leaders successfully merge the company capabilities and market opportunities and realities into a viable vision of the future. However, in our experience, that apparent magic is born of careful analysis of capabilities and opportunities, coupled with creative thinking and a laser-like focus on priorities. To help

clients illuminate strategic gaps and opportunities in both the present and future, we use a simple, but impactful, three-prong analysis. The following chart lays this out graphically.

We call this analysis the Strategic Spotlight Framework. The displayed framework and the lines of inquiry behind each block serve as a guide, encouraging leaders to ask the hard questions about the company, its capabilities, the competition, the economic arena, and the customers.

## Strategic Spotlight Framework



The Strategic Spotlight Analysis takes a careful look at three things:

- WHAT the company is attempting to do (vision into strategy)
- HOW the company is translating the strategy
- HOW WELL the company is doing at reaching its strategy goals

These three focus areas (what, how, how well) are explored from three viewpoints: customer niches, company economics, and organization structure and employees.

Here are some real-life illustrations of the power released when an executive team works with the Strategic Spotlight Analysis.

### Case Study A: "We're Stuck in the Middle"

Company X, a \$350 million corporation doing business across the US, had been in business for six years and had significant growth in the market niches it had chosen to serve. Not surprisingly, the competition noticed the success and started competing for the same business. Company X's growth began to flatten.

The executive team was concerned about being "stuck in the middle," not as specialized as the local boutique firms, and not as diverse as the large multi-nationals. They were looking to unblock the company and return to an above-the-industry-average growth rate but they were unclear where to begin.

They asked The Clarion Group to help them identify and analyze areas of challenge and opportunity. Using the

What, How, and How Well approach highlighted in the Strategic Spotlight Framework chart, we helped them identify the few, imperative, high-impact issues the company should focus on, and then worked with them to build a plan to leverage the opportunity while mitigating the risk.

#### Diverse Visions Create Confusion

The first thing the analysis showed was that the company's vision, which had been relevant and necessary for the young, emerging company, was too specific and limiting for the organization at its current, larger size.

In the absence of a meaningful corporate vision, each segment of the organization had filled the void in its own way. Not surprisingly, as these division-level visions diverged, the service level began to deteriorate, and competing priorities led to inefficiencies. Company X's market advantage was quickly disappearing.

As loyal employees saw the effects of the disconnects, they worked ever harder to pull the pieces together to make things transparent to the customer. But that didn't solve the real problem. In fact it made the problem worse. Employees were feeling the strain, and their attitudes began to shift from "Best place to work" to "Is it really worth it?"

In a nutshell:

- The HOW had taken over all available time.
- The HOW WELL was not improving.
- The WHAT was forgotten.

#### Taking the Leap.

The executive reaction to the analysis was a collective gasp of horror at the distress and dysfunction throughout the organization. They quickly owned the problems and set about to fix them. They identified three areas of focus and they set a very aggressive timetable for improvement:

**Build the business.** They would identify areas of innovation that would fuel the future growth. Additionally, they committed to building the organization capability to do the work, that is, training employees and developing necessary systems and structures.

**Ignite possibility.** The top team would work to inspire the organization to achieve the greater purpose of the business. They would create a new, sustainable "north star" to guide the entire organization.

**Proceed with clarity and transparency.** Admitting that alignment – or lack thereof – was the original Achilles heel of the organization, management agreed that creating clarity of objective and transparency of activity was the way to rebuild trust and alignment throughout the organization.

Having implemented most of the necessary changes, Company X is well on its way toward new growth, stability and a competitive advantage.

Applications of the Strategic Spotlight identified roadblocks to moving forward in several other companies.

*Continued on back page*

# Spotlight Strategic Opportunities continued from page 3

## Case Study B: “We’re getting our butt kicked”

Company Y had a 5-year-old strategy that had been well implemented. All their metrics indicated that they were doing well, except, in the words of their CEO, “We’re getting our butt kicked in the marketplace.”

A Strategic Spotlight analysis revealed a roadblock (in the Business Strategy cell of the Framework): the strategy hadn’t morphed to deal with a new competitive environment. The old standards and metrics were all being met, but they were no longer appropriate for the current business environment, let alone for the future.

## Case Study C: “Our customers are delighted ... but our sales are down”

Company Z had done an excellent job of analyzing its customers’ needs and had bent over backwards to be sure its offerings met and exceeded every customer desire. But sales got worse, not better. An analysis showed, unfortunately, a roadblock (in the Business Model cell of the Framework): Company Z had built such a beautiful customer experience that the customers couldn’t afford it!

## The Moral of the Stories

There are three things that we and our clients have learned:

- 1) It’s just plain hard to see the forest for the trees. From inside the organization, it’s very difficult to step back far enough to see the whole picture. Practical, pressing problems abound in every company. The top team has to leave most of those to staff; the top team has to focus on the forest, that is, the strategy and the future.

- 2) It’s easier to evaluate where an organization is and where it can go when the organization engages in a deliberate stepping-back process, using a framework to guide the analysis. “The future” is just too broad a topic to tackle without some structure to help the process. Our recommended three-part approach:
  - Develop a clear strategy. Spotlight the areas that have the most potential. Select the few imperative issues that will make the most impact. This gives a prioritized, sharply-focused way to proceed. (That’s the WHAT.)
  - Identify what you have to do. Identify the steps, development, or changes that are necessary to implement the strategy, and align the team around it. Keep your teams nimble enough to run the current business while at the same time making required changes. (That’s the HOW.)
  - Continually analyze success. Keep looking at the competitive situation to see how you are doing and how you could improve overall results. Develop the data and metrics that will enable everyone to know if things are still on track. (That’s the HOW WELL.)
- 3) Finally, it’s critical to take a holistic look at the strategy with all the people who own it. All participants must be motivated to spring toward the future, and must be aligned on the same goals. That is the differentiator that lets you effectively work through your organization to move the business forward.

There is great power in engaging people in the process of identifying both opportunities to step into and roadblocks to leap over on the road to continued business success.



## How to Leap Ahead

*Here are three intriguing questions we’ve heard from our clients. We suspect many other readers are also pondering the same issues.*

### We had a great strategy that failed due to poor execution. What happened?

Companies often try to make progress with the old “divide and conquer” approach. Unfortunately, if the “divide” is applied to corporate strategy and the operationalizing of that strategy, substandard results may be the outcome. Strategy and its execution must be inter-related activities. “Divide and conquer” can lead to misalignment. Different levels and different divisions of the organization can then begin working toward different goals. That is the most common reason for lost productivity and failure to achieve strategic objectives.

*Companies and their employees need a “North Star” with which everyone aligns.*

### We seem to have lost our urgency. What can we do?

Many teams are experiencing fatigue after months of economic stress, industry turmoil, and organizational change. As things calm, it is tempting to fall back to the old way of doing things. It is also common for senior people to “work their list of tasks” rather than to critically consider the high impact actions that can move things forward.

*A systemic and systematic review can refocus the team on the most impactful actions, creating a renewed sense of urgency.*

### I sense that the organization could do more. How can I ignite that fire?

The uncomfortable sense that the organization is not performing as well as it could be is something we often hear from our clients. To try to boost performance, they say, they’ve pulled all the business levers they have—and still, performance is stalled. The Strategic Spotlight Framework often helps organizations frame their issues in a different way.

*A new perspective identifies additional ideas that energize the team and can lead to improved performance.*



*The Clarion Group works co-creatively with leaders to help find integrated solutions to support organizational transformation and address complex challenges in the areas of Leadership, Business Strategy, Structure, and Culture.*

*If you would like to share this issue of The Clarion Call with your friends or colleagues, please direct them to [www.theclariogroup.com](http://www.theclariogroup.com) where you can view an html version or download a PDF.*

*You may contact us directly in our West Hartford office at 860.232.3667 or our Seattle office at 425.822.1222.*

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