

Facing the New Reality

Eight questions that gutsy leaders can ask to uncover the truth about their organisations and competition.

By
Drs. KEVIN and
JACKIE FREIBERG

Competitiveness demands commitment to truth and willingness to confront brutal facts. Unfortunately, most of us have biased perceptions of how the world works and how companies perform. In the absence of candid feedback, it is convenient to assume that reality is similar to our preconceived ideas. But, ignorance and denial can be costly. That's why gutsy leaders seek to uncover the truth by asking tough questions:

What do you like or dislike about working for this company?

When Mike Abrashoff became captain of the USS

Benfold, a \$1 billion guided missile destroyer, he asked this question to all 310 sailors. Once the crew realised that he was seriously interested in their opinions, the ideas started to flow. Over the next two years he used the answers to make Benfold the most combat-ready ship in the US Navy. Soon, Benfold had the highest retention rates, the best gunnery scores and the most efficient operations. It won the Spokane award given to the best ship in the Pacific fleet.

What are the 10 dumbest things we do in this organisation?

Every organisation does dumb things. These things create waste, redundancy and inefficiency that slow it down in a world that rewards speed. Jimmy Blanchard, former CEO of the highly successful, multi-billion dollar Synovus Financial Corporation, was famous for hosting a quarterly meeting with top leaders of the Synovus system, where he would ask: "Let's talk about the dumb things we do around here – starting with me – so we don't do them anymore." The prob-

lem in most firms is that people don't want to focus on the negative. They're afraid that it will turn into a blame game and cast a dark cloud over employee morale. Synovus says: "Let's be honest, let's get it out in the open so we can learn from our mistakes!"

If you were in charge, what would you do differently?

Where you stand determines what you see. Employees frequently get trapped in the "I'm not the CEO" mentality. It limits their creativity and causes them to feel powerless. Not only does this question force them out of that mould, it also raises issues you may not have considered. It is amazing what can be learned when you put people through the intellectual exercise of being in charge. Give them ownership; let them run their own show and the whole mindset changes. What emerges is a whole new set of ideas. The most innovative firms in the world tap into the intellectual capital of the entire workforce. Everyone has a voice. People are honoured when someone values them



Drs. Kevin and Jackie Freiberg are founding partners of the San Diego Consulting Group, a leadership, change, innovation and future trends consultancy. The Freibergs are the co-authors of several books, including *NUTS! Southwest Airlines' Crazy Recipe for Business and Personal Success*, and *NANOVATION: How a Little Car Can Teach the World to Think Big*.

enough to say: "Play CEO for a day and tell us what you come up with."

What are the specific preferences of our top 100 customers?

What information do we need to build a stronger relationship with our customers? Do we know as much about them as our competition does? What strategic decisions have we made based on their profiles and preferences?

Customer relationship management is less about technology and more about culture. It's the discipline of employees to capture data, turn it into knowledge and insight, and then leverage and apply it. Technology is simply the enabler. We're living in a time when customers want to know that the product and service experience is specifically designed for them. Nail down their preferences, give them an opportunity to teach YOU about THEM and you earn the right to continue to play the game.

Do we justify better performance among our competitors by higher wages or have they built a culture that values people more than we do?

It's easy to say: "Our competitors have an advantage because they pay more." That may be true, but research indicates it would have to be a lot more. Few people are willing to walk across the street for a minimal pay increase. However, they will walk for a more

exciting place to work that genuinely cares about them. Offer people an opportunity to solve problems that matter, to do things that are memorable and heroic, and you will get their attention. Gusty leaders see culture as one of their strongest competitive weapons. Perhaps the real answer to turn our culture into an extraordinary magnet for talent and a powerful catalyst for productivity.

Have we nervously written off competitors with lower prices as "out of their mind" or have they actually figured out a better way to drive costs down?

Are they foolish or simply better than we are at managing costs? By cutting prices are they using a short-term strategy that

could be their demise in the long-run. Or, have they created a culture of ownership and accountability that is more frugal? Are we looking for new ways to eliminate redundancy? Do we have a "start-up" mentality with regard to shopping for the best prices from suppliers? How long can we remain competitive if the reality is that our competitors have better technology, processes and people than we do?

Why is competition beating us with one product after another? Is it because "they spend more on R&D" or is it because politics, bureaucracy and fear immobilise us?

Medtronic, the leader in medical technology, has an annual goal. The com-

pany seeks to achieve 70 per cent of sales from products developed within the last two years. It's practically impossible to increase the speed of the product development cycle unless people have the freedom to experiment. Do our people believe they can test new ideas, try new things and frequently challenge the status quo without fear of reprisal? Have we created an environment that serves as an incubator for new ideas? Do we have a culture where everyone owns innovation?

What was the last NEXT practice we created?

Best practices are good for blocking and tackling, and for incremental improvements. But if the only strategy you have is to emulate someone else's best practice, the best you are ever going to be is a good #2. In a world where everyone and everything around you is constantly getting better; and where savvy customers are asking: What's new? What's next? You better be thinking about next practices. They come from the intersection of major trends. Next practices come from another industry's best practices tweaked and adapted for your industry. They come from being the customer, watching how they work around or modify existing products and services, and then giving them something they didn't know they need, but can't live without. ♦

