

THE SIX FUNDAMENTALS OF FLAWLESS EXECUTION

By Lewis E. Frees, Ph.D.

Whether you are preparing your company for acquisition, evolving your product line, reinventing yourself, growing your company or simply weathering out the current economic storm, at the end of the day, your success depends on how well you execute. There are six fundamentals that make the difference between continuous missteps, re-dos and breakdowns and the ability to deftly recognize, seize and execute on opportunities before your competitors realize what it is happening.

In a company, quality execution requires a palpable shift in the way people think, individually and together ... their collective intelligence. Here is the way the people at Cisco Systems describe their shift.

"The Boards and councils have been able to innovate with tremendous speed, Fifteen minutes and one week to get a business plan that used to take six months!" John Chambers, CEO

"Fiscal 2008 saw a tenfold increase in new projects. At the same time, operating expenses have been trimmed from about 38%, at the height of the tech boom, to between 35-36% today. We're shaving from 2-3% of profit off every dollar of revenue we get in." ¹ Ron Ricci, VP for Corporate Positioning

"Cisco operates as a distributed idea-engine where leadership emerges organically, unfettered by a central command. We want a culture where it is unacceptable not to share what you know. As a result, Cisco has become a laboratory of connectedness and productivity." John Chambers CEO

Every organization can fashion its own version of Cisco's culture of flawless execution. They have achieved what I call an optimization point ... in which a shift occurs in the quality of collective intelligence from simply good enough to inspired. This shift is a game changer for any measure of success.

On any subject the quality of collective intelligence resides somewhere on a scale from failed to inspired, as illustrated in Figure 1 below: **Utilization of Collective Intelligence.**

¹ Ellen McGirt, *Cisco Gets Radical: How CEO John Chambers Is Turning the Tech Giant Into a Socialist Enterprise*, Fast Company, December 08/January 09, pp 88 ff.

Utilization of Collective Intelligence

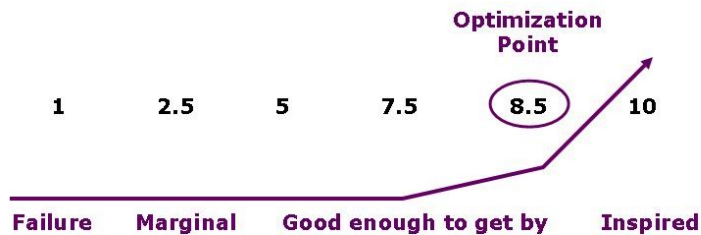


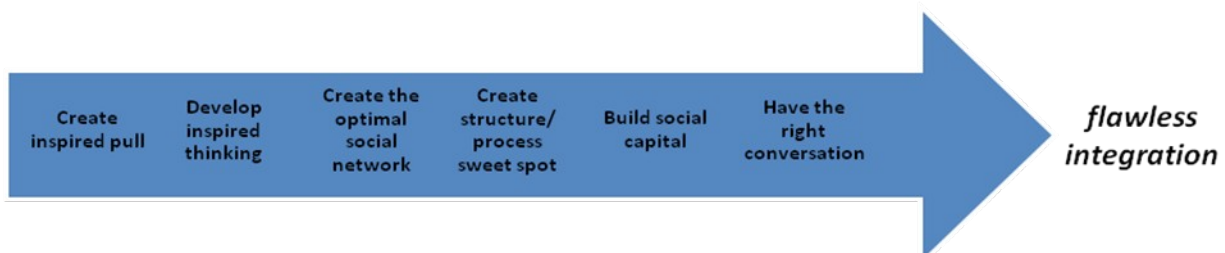
Figure 1

8.5 is an optimization point at which speed accelerates, cost deflates and innovation surges. Mastery of the following six fundamentals enables any company to chart the path past “good enough” ... to flawless execution:

1. **Create pull**
2. **Shift the way people think**
3. **Create the right mix**
4. **Hit the process/structure sweet spot**
5. **Build social capital**
6. **Have the right conversations.**

These fundamentals provide a pathway as illustrated in **Figure 2** below: **Steps in the Pathway**

Steps on the Pathway



Fundamental 1: Create Pull by Making the Right Things Matter

When I use the word pull, I am not referring to whether you have an "in" with the right people. I am referring to the natural attraction that is created by anything that matters or is significant to us: the greater the significance, the greater the pull. If you do not get this step right it will degrade everything else you do.

Pull is what makes customers want to buy your product and investors want to buy your company. It is not enough to simply say "I want to double the size of my company and then sell it in a few years." What are the characteristics beyond your P&L that make you different? What would make it irresistible? A purchaser is buying your people since they are part of what creates value in your company. What is it about the culture of your company that makes it stand out? Execution is not flawless if it is aimed at the wrong target.

Pull also energizes internal performance. When what you want is powerfully significant to your people it ignites a desire to execute flawlessly. It energizes them to pay attention to detail ... and to follow through ... and to keep their commitments to you and to each other. Pull is what draws out 2nd effort ... and a passion for getting it right. Notice how everyone rallies in the face of a crisis. It can grab every waking thought. You reshuffle schedules, call people out of meetings and work together with sharpened focus.

That means that your destination has to be significant to everyone in your company ... not just to you. And in order to get to execution that is flawless it has to be aligned with everything else that matters to them ... for example, not just *keeping* their job but *taking great satisfaction in how they do it*. You don't get to flawless execution by push or pressure. You get there by grabbing the hearts of people. They have to *own* the drive to achieve.

In order to grab their hearts the source of pull has to connect people to their best instincts. Anything less and you get breakdowns and critical details that fall through the cracks. You may get compliance and sufficient follow through to get by ... but you won't get flawless execution. When John Chambers talked about a "distributed idea engine," he was talking about what happens when you make your destination matter to everyone ... not just to you. You do that by triggering people's best instincts which is why fundamental # 3 is so critical.

Fundamental 2: The Power of Inspired Thinking

**"All meaningful and lasting change starts first in your imagination and then works its way out. Imagination is more important than knowledge." ~
Albert Einstein**

The foundational distinction between businesses that achieve the optimization point of collective intelligence and those who reside somewhere on a scale between failed and good enough is the way they think. People who operate at the optimization point refuse to get stuck in fears, limitations and sticky negative thinking even when it is aimed at them. They

are brilliant at pivoting their own thinking whether it is about their own performance, other people or even processes.

Some see hurdles and think about how hard it will be to get over them. People who think at the optimization point see what it is like to *be* over them. As a result, what others may believe to be impossible, they *know* to be possible ... and it is contagious.

At the optimization point other people are appreciated rather than being objects of critique and competition. But don't confuse thinking at the optimization with wearing rose-colored glasses. This kind of thinking emerges from a well-honed ability to sense and appreciate the very attributes that others most value about themselves ... to see unacknowledged qualities and potential in others. This way of thinking bleeds through both their verbal and non verbal communication.

People who think at the optimization point always look for ways to expand the boundaries of their own ideas. They prize their ability to inch toward new understanding, by letting their ideas evolve in the presence of diverse thinking and dissent. Where conventional thinkers view disparate ideas as threats, people who think at the optimization point see them as opportunities. This brings us to the 4th fundamental; surrounding yourself with the optimal mix of people.

Fundamental 3: Creating the Optimal Mix of People to Push the Boundaries of Understanding

A social network is the web of potential contributors to an intellectual outcome or product. At their best, they are the engine of nimble, innovative out of the box thinking. This is what John Chambers is talking about when he refers to Cisco as "*a laboratory of connectedness and productivity.*" They invite and leverage a quality of diverse thought that breaks old forms and produces new understanding. Social networks apply to every element of execution.

The challenge is to connect people in a way that enables your company to truly leverage the diversity of experience and knowledge that you have at your disposal across boundaries and disciplines. The objective is to proliferate "wholes" that are indeed greater than the sum of the parts during every stage of execution.

Notice this observation by Chambers: Cisco is a "*distributed idea-engine where leadership emerges organically, unfettered by a central command.*" Inspired social networks are not just top down. They emerge anywhere they are relevant to flawless execution. The core question is: Do we nimbly and seamlessly access the optimal mix of people from anywhere at any time to leverage the potential thinking that is available? However, it doesn't stop there. In order to reach the optimization point you need to hit the sweet spot of process and structure.

Fundamental 4: Hitting the Structure and Process Sweet Spot

Both your processes and organizational design need to support you without getting in the way. This requires that they be spare and simple. How do you know that you are out of the sweet spot? Everything seems hard. There is high stress and struggle rather than high intensity that is fulfilling. Look for deadlines that slip and details that fall through the cracks. Notice rework and other non value-added activity. And of course, you will see outcomes that fail to inspire.

Structure and process are like a pathway guidance system. They keep you on track without getting in the way. In the presence of mastery of the other fundamentals they enable you to create flow. They are simple, spare and straightforward.

Fundamental 5: Building a Bank Account of Social Capital

Social capital refers to the bank account of trust, respect, rapport and appreciation in a relationship. It is called social capital because every interaction either withdraws or invests in the bank account of good will and appreciation, which is then carried into the next interaction.

Social capital creates a generative environment that encourages people to move out of intellectual comfort zones to see ways to continuously improve and refine execution. The broader and more diverse the thinking, the greater the bank account of social capital required.

The optimization point for social capital creates a measurable shift in two variables: speed and cost. Speed increases and cost goes down. In the presence of high social capital, interchange is fluid and open. It is unencumbered by competition, mistrust and lack of respect. High social capital therefore, not only measurably reduces cycle time but also enables fast decisions that hit the sweet spot. Social deficit, in contrast, fosters the type of caution that feeds analysis paralysis. Every interaction, every work project, every initiative, every communication, every strategic or tactical initiative is impacted positively by social capital or negatively by social deficit.

In an environment of high social capital people operate out of their best rather than worst instincts. They are interdependent as a matter of course. They don't have to waste creative energy finding excuses and placing blame or engaging in self promotion. Social capital provides the glue that holds together wide diversity of thinking as people jointly transform individual contributions into new common understanding. But it takes an inspired conversation to bring the entire bandwidth of potential ideas, wisdom and experience into play.

Fundamental 6: Conversations that Move You to the Optimization Point

Optimal conversations trigger the best thoughts and instincts of everyone in the conversations. They access and peel open ideas and insights that would easily be missed during conversations that are simply good enough.

Companies that reach the optimization point approach conversations from pull instead of push. The goal is to tease out ideas in a mutual process of discovery *rather* than pushing ideas in an attempt to convince. So conversations are naturally collaborative because they focus on exploring and understanding. People are comfortable with the wobble of ferment that occurs when a set of ideas has not yet popped into a new understanding.

Inspired conversations are kick-started by high social capital. They then reinforce and deepen the very rapport on which they thrive. In addition, they require inspired social networks ... just the right people who can nail contributions as the ideas evolve.

The Pathway

Mastery of the six fundamentals, enable you to create a culture in which people reach for flawless execution no matter what the task...no matter where they reside in the company...not because you *drive* them but because you inspire them and they inspire each other. Superb execution works from the inside out. ***There is no company ... not one ... that cannot achieve it.***

Lewis E. Frees, Ph.D. is president of Harmony, Inc. (<http://www.harmonyinc.com>) an organizational development consulting firm. Lew has been a practicing consultant, trainer and corporate coach for over twenty five years. He has written numerous articles on leadership, management and organizational change. This article is based on the book he is currently authoring: *Inspired Collective Intelligence: Leveraging the Best Thinking in Your Organization*. Among the services offered, include intellectual value stream mapping, social network mapping, pull analysis, 360° feedback surveys, and collaborative software application to support the implementation of the five competencies needed to create an inspired organization.