

Delivering the Day

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At any time, but most certainly now, "delivering the day" is the single most important thing in both private and public companies. These are not normal times and we cannot confidently assume that because everyone is downgrading their forecasts that we will end up the winners. We must plan aggressively and move decisively over the next couple of months to demonstrate our ability to manage the 2009 marketplace. At the same time, we need to remain adaptable to additional shifts that may occur. The investors in our companies need to have confidence that we will deliver the forecasted results reliably, even in a rapidly changing world.

It is clear that the markets will have little tolerance for uncertainty in individual business results when the overall economy is so volatile. Capital will quickly move from unstable to more stable companies. Over the next 12 months, executives will need to have an unrelenting drive for focus, execution, and positive results. We believe this will characterize the entire year of 2009, and perhaps beyond it. Whether we see investors looking for relatively safe places to put their money, or companies looking for partners to help stabilize their market forecasts, everyone will be looking for companies that can adapt to the current conditions.

In the words of Jack Welch, we must "face reality as it is, not as we would like it to be." Now is when leaders need to be brutally honest about their company's place in the market, their people, their skills to deliver, and their "will to compete" in this kind of fight.

In our client work with companies both large and small, we recommend a focus on the following core imperatives as you build your plan for 2009. It will ensure your success; and for public companies, it will instill greater confidence in your leadership. Our team has six recommendations to help you predictably "deliver the day".

Manage the Risk of Uncertainty

In the 2009 economy we should expect to more closely manage not only the rapidly changing dynamics, but also the market pressure from competitors, new technologies, and global markets. Importantly, our perspective must remain connected to the markets in which we operate in order to manage the risks. Companies that recognize the uncertainty establish alternate strategies. They are not naïve about their forecasts, and they have alternate plans already mapped out. Make no mistake about it, their plans remain focused on "delivering the day", but they recognize that there must be more than one way to reach their goals.

Establish Specific Goals

In accordance with having alternate strategies is setting clear and specific goals not simply at the top, but down through the organization. Each major contributor to the business plan must have a set of goals they own and deliver. Otherwise we fool ourselves with numbers that do not drive success or enhance the rest of the organization. Simply owning a piece of the puzzle is not enough; we all need to contribute to the creation of value in a positive way.

Engage the Commercial Team

There are two critical points of connection to your marketplace. One is the investors, and the other is your commercial team. The investors speak very clearly through stock prices and market indicators; the commercial teams may need more engagement. They are valuable, not simply because they directly generate your revenue, but because they can act as your market “early warning system”. Your commercial teams can deliver “quick market insights” to help anticipate change. We need to engage them to share more of what they see in the market, in a way the organization can take action.

Identify Your Real Strengths

Real honesty in terms of our organization’s strengths and weaknesses keeps us ahead of market reactions. When the market reacts poorly, it can be painful and costly. The ability for leadership to see itself in the context of other companies is vital in times of rapid change and uncertainty. We also need customer-centric comparisons to know where we excel and fall behind. A review and sober understanding of these strengths and weaknesses requires an outside-in view of our customers, competitors, products, and markets.

Build Your Cash Reserve

We must set and communicate the truth of our net financials. Too many times our sales strategies focus solely on revenue generation and the only person in the company tuned in to the true value creation equation (EBITDA) is the GM or CFO. In order to properly manage the business across functions or divisions, we need to create scorecards that manage both the top line and the bottom line at an operational level, and communicate them throughout the organization. When we can all see the truth, we manage to that truth, day-by-day, building the reserve through better management.

Balance the Long and the Short of It

If we believe we are here simply to keep the doors of the business open, that short term approach will cause us to close them prematurely. Instead we need to focus on succeeding in the long term. That requires us to do long term planning which has short term deliverables and impacts. Our experience shows us that clients, who view their strategies against their long and short term goals, not only deliver the day, but also build needed future capabilities.

Summary

There is no simple, one-strategy answer to “delivering the day”, especially in a tumultuous economy. A combination of best thinking will make your company strong and sustainable. Great execution is the hallmark of great strategy.