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Be Careful Not to Block Your Organization's Success



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At a recent leadership forum I attended, one of the panelists, a CEO of a Fortune 1000 company, said simply, "There are 10 major initiatives going in my company, and I have to stay on top of what every one of them is doing." He added, "If I don't, they will fall into the bureaucracy and get lost." How many times have we seen that happen to major initiatives?!

With 30 years of experience in assisting companies to bring about organizational change, we have observed many programs start with great promise—and then dissipate into ineffectiveness. Often, the initiative lapses into a "them-against-us" mentality that renders the effort ineffective. Rather than staying focused on helping the organization improve, the initiative begins to focus on self-preservation and blocks even good ideas that could bring true progress to the organization.

Sometimes even solid strategic decisions have unintended negative results. Jack Welch, when he was CEO of GE, realized that many good, new product ideas were summarily dismissed in his organization because he had mandated that GE should be number one or two in any market it entered. Sometimes well meaning standards that are adopted in organizations to streamline decision-making and avoid wasted resources can be counter-productive when new technologies emerge and appear to contradict those standards.

I can remember a conversation we had long ago with a company's head of productivity. He expressed concern about implementing computer terminals because if they went down, processing would stop and company productivity would suffer. Laugh if you must, but there are decisions being made in organizations today that are no less preposterous.

How do you prevent this from happening in your organization? A good starting point would be to measure the effectiveness of corporate services and other staff functions, just as you measure the results of your operations areas. It isn't just the cost of the functions, but also whether the efforts are achieving

their intended results.

For example, is your Six Sigma program reporting on quality or actually improving quality? Is the technology function actually supporting the business units it is intended to serve—or dictating to the business units what they can do, or not do, with technology? Interestingly, by 2005 even the federal government will require the measurement of all programs relative to their effectiveness in meeting intended objectives on a pass/fail basis. Your people already will know which staff functions are passing and which are failing in their support of the business units.

Everyone agrees that the performance bar is being raised every day in organizations. As another CEO said at that same leadership forum, "Organizations need to be responsive and adaptive, move fixed costs to variable costs, focus on those things that will differentiate them and ensure their business model is resilient."

It is important to ensure that the very functions created to facilitate the reaching of these objectives are doing just that—and not blocking progress in meeting those objectives. §