

BUILD **YOUR BUSINESS**

FROM ORDINARY TO EXTRAORDINARY
5 STEPS TO HIGH PERFORMANCE



John P Dawson Carmel McDonald

What clients say about working with the authors to improve performance

Thank you for your guidance and coaching. The sessions...were excellent, challenging and deeply useful. You fundamentally changed my approach to 'coaching' our management team and provided some powerful tools and insight.

General Manager, Country Fire Authority

The Organisational Alignment Survey has given us fresh insights on issues critical to our business success, which we would not get from a Climate Survey.

Advertising Sales Director, HWT (Subsidiary of News Ltd)

A big thank you to you for your very professional service and delivery to my senior staff with regard to the Leadership Program. Each one of them found the experience to be very beneficial.

CEO, ANZIF

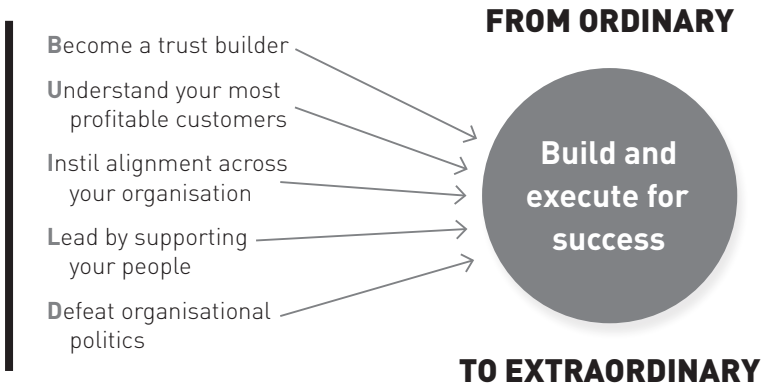
The Customer Experience Management methodology and the subsequent audit of the major touch points with our customers resulted in a list of specific action points designed to improve our product and service quality and the likelihood of customer recommendation. I would be more than happy to recommend Dawson McDonald.

Research Manager, AAA Tourism

Dawson McDonald has provided the City of Melbourne excellent business consulting services. Their top qualities are great results, expert with high integrity.

Councillor/Chair of Planning, City of Melbourne

BUILD MODEL



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FOREWORD

BUILD Your Business is fundamentally a book of the distilled knowledge and insight of the two authors and many other experts in the field of performance development over the last three decades. It is a book focused on the people performance side of any business. It is about the five key steps leaders need to focus on in order to build organizations that can compete effectively in today's rapidly-changing, competitive environment. It is about execution of strategy.

Rather than offer a litany of techniques and tools you will find in most management theses, here we find the essence of creating and maintaining a thriving organization. Here we find distilled wisdom in an easy-to-read format.

The book is evidence-based, filled with the appropriate amount of research findings and relevant case studies illustrating conclusions.

For busy executives, *BUILD Your Business* is a quick read providing a guide to rethinking your business...especially if you're not getting the people performance needed to deal with the ever-growing impact of change. After reading this book, you'll be able to look at your organization and its people with fresh eyes.

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For those that want to take each ‘what to do’ in this book to the next step of ‘how to do it’, the authors provide this information in each step, plus a list of resources.

If you’re interested in finding out what may be missing in your organization and achieving stellar performance, take two hours and read this book! It may be the best two hours you’ve spent on your business this year.

Jon Gornstein,
President
PERSONA Global, Inc.
Sausalito, California

THANKS TO OUR CLIENTS AND COLLEAGUES

We'd like to thank our many clients across Australia and the Region. They have trusted us with highly confidential information and have given us the privilege of working with them to improve their organisational, team and individual performance. Our thanks also go to the many senior executives and directors who took time to share with us the key things that frustrate them in getting their organisations and people to achieve high performance. This was an enormous help in our research for this book.

In over twenty years of consulting to public and private sector organisations (from SMEs to large corporates) in Australia, New Zealand and Asia, we've used a wide variety of methodologies and metrics. Some of these we have developed as a result of seeing the same situations repeated in different organisations.

Others have been derived from the International Society for Performance Improvement and our international partners Persona Global. We'd particularly like to acknowledge and thank several experts who, through their involvement in Persona Global, have shared their wisdom and expertise with us:

- Mr Jon Gornstein, President of Persona Global

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- Mr Shaun Smith, Owner of Smith+Co
- Mr Rick Brandon, Founder of Brandon Partners

Our sincere thanks also go to these senior executives who generously reviewed our manuscript and gave us valuable suggestions:

- Mr Mike Eve, Immediate Past Chairman of Heirtrace Limited now Accurate Data Services Limited, UK
- Mr Peter Gome, CEO of the Football Federation Victoria, Australia
- Mr David Chan, Regional Head of Affinity and SME Asia, Willis.

THE BIG QUESTION:

**How can we get our organisations and
people to achieve high performance for
better business results?**

Breaking the 4-minute mile

When Roger Bannister became the first person to break the four-minute mile, he was an outstanding example of how to achieve high performance in sport.

He ignored the naysayers and experts who said it had never been done before, that many others had tried and failed and that this was beyond human capability. He was crystal clear about the goal he wanted to achieve and made it his priority. He worked out what he needed to improve to reach the goal and he measured his progress. He was supported by teammates who helped him sustain his commitment.

And on Thursday May 6, 1954, he ran a mile in three minutes and 59.4 seconds.

MODERN-DAY PERFORMANCE PRESSURES

There has never been a more important time for organisations to break their own four-minute mile. We want to help you achieve this level of high performance in your organisation,

so that all your people, services and processes link seamlessly to deliver the experience that your most profitable customers expect.

As we write, organisations are facing constant pressure to reduce costs and increase revenue – something that is only achievable with increased performance across the board. Economic growth in Australia is weak and many major international economies are still recovering from the Global Financial Crisis. Most consumers are more interested in paying down household debt than in buying new goods and services. As a result, business confidence in Australia is ‘well below the long-run average’.¹

In this economic climate, organisations find it difficult to increase revenue so cutting costs is seen as a good way to improve the bottom line, as it’s easier for management to control than revenue. However, improving the performance of the organisation and its people is the most effective way to both contain costs and lift results.

Meanwhile, customers today are far more demanding than they were even twenty years ago and increasingly expect an instant, satisfying response and a world-class customer experience from every organisation they choose to interact with. The industrial model, first made hugely successful by Henry Ford, where goods and services were produced in fairly standardised forms and ‘pushed’ through powerful marketing programs is either dead or dying. Today, the Internet has given

consumers access to a vast range of information and choice, which means they are far less ready to accept poor products or service.

Research into customer behaviour has shown that, following a poor customer experience, eighty-nine per cent of customers begin doing business with a competitor, while fifty per cent of consumers give a brand only one week to respond to a question before they stop doing business with them.²

Fifty per cent of consumers give a brand only one week to respond.

Are you confident that every question put to a member of your staff by a customer is answered satisfactorily within a week?

Meanwhile, social media exposes organisations to reputation damage for unsatisfactory performance as never before. A study by Dimensional Research³ across customers of mid-sized companies found that forty-five per cent of customers who had a bad experience made broad use of social media to spread this information.

In one example, Qantas introduced a policy that all musical instruments, except for violins and violas, must be checked in as cargo-hold luggage. An award-winning saxophonist had his instrument damaged as a result. He started a protest page on Facebook, gathering huge support from other musicians. Qantas quickly changed their policy.⁴

In a second example, Vodafone Hutchison Australia, a telco, was experiencing serious network problems in 2010 and 2011. One customer who couldn't get satisfactory service started a website named *Vodafail.com* which recorded complaints from thousands of customers and got huge publicity. As a result, between 2010 and 2015, Vodafone's total subscriber numbers dropped from 7.5 million to 5.3 million.⁵

In March 2015, they stated, *'Vodafone Hutchison Australia has vowed to become Australia's favourite telco by the end of 2015 – a target that if achieved would mark a final end to its 'Vodafail' troubles of 2011.'*⁵ Customer experience plus social media is a powerful brew.

Finally, there is a longer-term factor which will maintain the pressure for improvement. Populations are ageing and birth-rates declining, especially in developed countries. As fewer workers will be available in future, it will be essential for their productivity to increase.

Free trade agreements are proliferating, cutting long-standing barriers to the free flow of goods and services between countries. Sophisticated technology makes it easier than ever to outsource labour to lower-cost countries. Additionally, machine learning and artificial intelligence continue to contribute strongly to productivity growth. If people in Western economies want to maintain their lifestyles, they must compete with these alternatives by achieving high performance so that the cost of employing them and the value they create remains competitive. This is just simple economics.

THE 6 MOST COMMON FRUSTRATIONS TO HIGH PERFORMANCE

While high performance is increasingly important, it is still difficult to achieve. In the course of our research for this book, we asked board directors, CEOs, other C-suite executives and operational managers for their response to this question:

What are the key things that frustrate executives in getting their organisations and people to achieve high performance?

As you'd expect, there were many differing responses, especially between board directors and operational managers. But there were common threads, which we have grouped into the six most common frustrations.

First, organisations suffer from **poor communication**. This includes a lack of clarity around priorities, goals and objectives and often a lack of congruence between what leaders say and what they do. By saying one thing and doing another, they break any trust they've built with their staff, suppliers and customers.

Second, there's a **lack of understanding about the organisation's most profitable customers** – who they are and what they expect. This makes it hard to win new customers and to stop the leakage of existing customers, which then makes it tough to meet profit and growth targets.

Third, at least eighty per cent of **performance problems are beyond the control of individuals and workgroups**. These problems are a result of management decisions and process and system gaps where departments, teams and individuals struggle to achieve high performance.⁶ However, rather than treating the root causes of these process and system gaps, leaders focus on the symptoms of the problem, which makes innovation and change difficult, and damages productivity and the customer experience.

Fourth, leaders are often promoted with **inadequate leadership skills**, and don't receive the coaching required to fill this competency gap. This exacerbates the lack of clarity around priorities, goals and objectives, and results in a lack of accountability within the team; poor performance feedback and coaching; and a tendency to blame others for failure instead of looking inward.

Next, **organisational politics** damage collaboration and spread non-productive competition. Politics skew the allocation of resources, derail change programs, increase risks, reinforce organisational silos and cause conflict and a lack of trust in leaders. However, our research shows that only four per cent of executives are very good at managing the issues caused by organisational politics.⁷

Finally, many organisations experience **fear of and resistance to change and/or poor implementation of change**,

which makes it very difficult to transform a low-performance culture into a high-performance one. Executives and managers can fear loss of status and power; some staff members will have had a poor experience in previous change initiatives; and leaders are not open to staff feedback about change projects. In some organisations, constant pressure on the CEO or board for results leads to ‘short termism’ where new initiatives are rolled out before the previous iteration is embedded, and performance ultimately changes very little, if at all.

In modern organisations where everyone is challenged to do more with less, any one of these frustrations makes life tough for a leader. Any one of these can stop you achieving your goals with serious consequences for your team, department and organisation.

Fortunately, there is a system for overcoming these frustrations.

5 STEPS TO BUILD YOUR BUSINESS

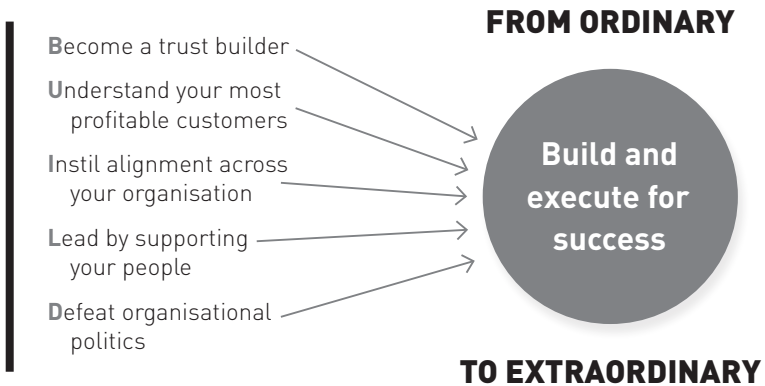
BUILD Your Business is not a book about strategy, finance, HR policies or leadership theories. We’re not setting out to explain how to develop a vision, strategy or plan for your business. There are plenty of books on those subjects, but knowing how to develop a vision, strategy or plan doesn’t, of itself, deliver business results.

What we want to share with you is how to get your organisation, teams and individuals to achieve high performance that will allow you to execute your strategy successfully. This is a book organised into 5 Steps full of practical advice for leaders who want to help their organisations and people break through barriers to achieve high performance and deliver increased staff performance, customer loyalty and business results.

These 5 Steps are the same steps we have applied successfully in organisations we have led and those we have consulted to, and they provide a framework you can use to BUILD high performance in your organisation and people. Whether you're an owner or leader, in an SME, corporate brand, not for profit or public sector these Steps will work for you

We have distilled this from our experience in running consulting interventions for the past twenty years. This has given us the chance to experience firsthand how hundreds of private and public sector organisations really work, from the C-suite to the front line. The opportunity to work with all these organisations has also allowed us to see what works and what doesn't in achieving performance improvement. These 5 Steps are the result of this experience.

So what are the 5 Steps?



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Step 1: Become a trust builder

Whenever we have a choice, we prefer to deal with people we trust. As a result, leaders who can build and sustain trust achieve better business results. In this Step, you'll learn that your communication style is the foundational piece of building trust, and you'll learn how to communicate in a way that builds trust, influences and persuades.

Step 2: Understand your most profitable customers

Your customers are the fuel of your business, however, most businesses make the mistake of neglecting the most important ones. The customers you most need to understand deeply are those who are the most profitable for your organisation. They

produce the best net income and the best referrals to help you grow. This step will show you how to understand them.

Step 3: Instil alignment across your organisation

Once you understand your customers, you have the information you need to provide a world-class customer experience. However, this is only possible if your vision, mission, competitive strategies, people, systems and processes are aligned. It is only once you create this alignment that you will be able to deliver what your most profitable customers expect.

Step 4: Lead by supporting your people

Strategy, vision, goals and accountability are all important. But if you want high performance, you'll be constantly looking for ways to support your people. In this step, you'll learn the seven behaviours of successful leaders, and how to implement them in your organisation.

Step 5: Defeat organisational politics

Organisational politics destroy collaboration and cooperation, making it impossible to create alignment and deliver a consistent customer experience. In this step, you'll learn how to defeat politics and create genuine partnerships between business units within your organisation.

Now – Execute, Execute, Execute

Acting on the first 5 Steps will build the foundations for success. However, success will only happen if you *execute*. The final piece of the puzzle will show you how to execute change in a way that gets everyone committed to delivering and sustaining a high-performance organisation.

We've assembled these 5 Steps in this order because applying them this way will make your unit or organisation one that can survive and thrive in the global competition of the twenty-first century.

THE BENEFITS OF BUILD

We get a huge buzz out of helping organisations and their people improve performance. We know from experience that if you fully implement these 5 Steps, your organisation can reap an enormous performance dividend.

By applying these 5 Steps you can:

- Overcome the frustrations that block high performance.
- Deliver your customer experience seamlessly and consistently.
- Increase customer loyalty and generate more referrals.
- Create an organisation capable of adapting quickly to changing circumstances.
- Shift business results from ordinary to extraordinary.

How do we know this?

We've been working together for twenty years, consulting to high-profile brands (from SMEs to large corporates) and government organisations in Australia, New Zealand and Asia. These organisations have included: biotech organisations, manufacturers, tertiary education institutions, hospitality and tourism organisations, government bodies, telecom companies, trade associations, legal practices, banks, insurers, the Australian Defence Force and emergency services. Within these organisations, we have worked with boards, CEOs, senior executives, line managers and staff to help solve problems that were blocking the achievement of their goals.

Since 2005, we have been recognised as experts in our field by the International Society for Performance Improvement (ISPI), which has accredited us both as Certified Performance Technologists (CPTs). Dawson McDonald Consulting is the only business in Australia to have two CPTs on its team.

ISPI is a not-for-profit association dedicated to improving productivity and competence in the workplace. It represents thousands of performance improvement professionals in forty-six countries. Globally, only some 1,300 have achieved accreditation as CPTs.

We are also members of the international consulting and coaching partnership Persona Global, which provides us with consulting and coaching methodologies widely used by Fortune 500 companies in over seventy-five countries.

In 20 years of consulting, we've tested a variety of methodologies and we've found that those from Persona Global are produced by internationally-recognised experts and ***deliver practical business results.***

In the real world, we begin all consulting assignments by listening carefully to what result our client needs to achieve; then we look for the root cause of the performance problem and design an intervention to achieve the required result. This is not possible in a book, so we are sharing our experience and some of the methodologies we use.

At Dawson McDonald Consulting, we're known for helping organisations and their people achieve high performance, which increases business results and customer loyalty.

In this book, our aim is to help you do the same.

Replicating high performance

One of the things we've discovered through our consulting experience is that high performance can be replicated. What looks like a remarkable achievement by first movers soon becomes commonplace. Since Bannister broke through his barrier and beat the four-minute mile, 1,305 other athletes have achieved the same, with the record now at just over three minutes and forty-three seconds. Once you know the formula, your organisation can also reach high performance in its field, just as Bannister did in his.

What is your priority?

Your organisation, your people and your customers will get the most benefit if you implement all 5 Steps. However, once you've read our book you might decide that the area where you most need to improve performance is dealt with by just one of the 5 Steps. If so, definitely start with that.

In our final chapter, Your journey to BUILD – Where to from here, we've provided a simple test to help you reflect on what might be priorities for action in your organisation.

If you're unsure, our recommendation is to begin by implementing Steps 1, 2 and 3.

Step 1: Become a trust builder

Make sure that everyone on your leadership team is a really good trust builder. This will improve teamwork and make it much easier to lead and implement effective change. The essential trust-building skills outlined in Step 1 can be acquired quite quickly and, if utilised, will deliver almost immediate results.

Step 2: Understand your most profitable customers

Understanding and delivering what your most profitable customers expect is the fast track to growth and success. Establishing what these customers expect can be done in a matter of weeks.

Step 3: Instil alignment across your organisation

Get your organisation fully aligned so that all your resources work seamlessly together to deliver the Customer Experience. If your organisation is not already well-aligned, this will take longer than Steps 1 and 2, but the benefits far outweigh the effort.

Wherever you choose to start, remember to follow the process for successful change that we have shared in the chapter, **Now – Execute, Execute, Execute.**