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Navigating the downturn

*How to do more with less
in turbulent times*

By Richard Marks

In times of massive business and economic uncertainty, the natural response for business and technology leaders is to “hunker down”, cut spending, and ride out the storm, but historically that approach has been extremely ineffective.

Companies that have profited from prior downturns are taking advantage of opportunities in this crisis and are preparing themselves for the coming market upturn.

These leaders intuitively recognize that it is possible to do more with less, but not by doing the same things they have always done. In this paper we will explore the three key “levers” to enable you and your organization to “do more with less”, profitably. These include:

1. *Revisiting strategy*
2. *Improving key processes*
3. *Accelerating execution*

Revisiting Strategy: Direction is more important than speed

Perhaps there is no greater area of improvement that a leader can make in tough times than to clarify, align, and communicate their strategic direction to their team or organization. Although there are tremendous pressures to act fast, to “do something, anything”, wise leaders know that direction is more important than speed. If you are off-course, by even a slight amount, you can miss your target, or even run aground.

What is meant by strategic direction? This is your organization’s purpose (vision and/or mission), values, and brand promise. We are not talking about the clichéd “Mission Statements” that many organizations write by filling in blank forms or running to pro-forma off sites. Rather, what is the significant purpose of your business or your initiative? Why does it exist *from the customer’s perspective*? How does your strategic direction fit into the bigger organization picture? How does it align with organizational needs and objectives?

It also involves going back to basics and getting clear on your value proposition. What are your strengths? What makes you unique?

This is critical because people will follow a leader with a powerful vision. If done right, this can tap into the emotional connection, or passion, of you, your people, and your customers. Passion, coupled with a common purpose, will give your people the incentive to pitch in and help with the setbacks and uncertainties that inevitably arise, and build brand loyalty with your customers.

In Silicon Valley, John Chambers, CEO of Cisco Systems, Inc. has been through many downturns, and Cisco has always come out of them stronger than before. Chambers is quoted as using the following advice when he faces an economic challenge, “Focus on what we can influence, and not over or under react to things we can not. It’s a question of living in the world as it is, not the way we want it to be. Make a determination: How long is this going to last and how deep is it going to be? Then prepare yourself for it to be longer and deeper than you think. And then build flexibility to adjust quickly if you need to.”

The fashion industry is also rethinking itself to meet the demands of customers who want both innovative design and great value. A recent Wall Street Article described how Peter Som, an up-and-coming young designer, has pared-down the number of “looks” in his fall collection from 35 to 16. He also has lowered price points by at least 20%, partly by pushing his factories to give cheaper rates. Mr. Som understood that each garment in his current collection had to be strong enough to stand on its own, because retailers might just buy a single style instead of a whole outfit. “With a small collection, each piece has to make sense. You’re in a sea of merchandise, so you have to think ‘How is this going to stand out?’”

What to do if you have not clearly identified your initiatives or organizations “significant purpose?”

Answer some of these strategic questions:

1. Why does your organization or project team exist, from your customer or client’s perspective? What is your core promise and uniqueness, which will stand out over time?
2. What is your vision for your industry or market niche over the next 5 years? What is your differentiated strategy within that vision?
3. What would you like to celebrate next year? In the next three years?
4. How can you align your individual purpose with your project team’s and organization’s purpose?

To be of practical value, it helps to distill these answers into a significant purpose statement, which should be brief so that it can be remembered, communicated, and instill confidence.

These are not necessarily easy questions to answer. Ironically, the best way to answer these may be by “doing less”. Many people find that answers to these pop into their head during a shower, during a workout, or after meditation. One technique that often works is to ask these questions right before going to bed and see what answers, if any, come up the next morning.

A powerful vision or significant purpose also provides a “North Star” to guide decision making and prioritization during the challenging times, which creates the next “lever” for meeting today’s challenges.

Improving key processes: Go slow to go fast

A second key factor to doing more with less is tuning up key processes within your organization. While it is important to enhance your industry-specific business processes as well, we will focus on key processes common to all organizations here:

1. Decision making
2. Prioritization
3. Governance and accountability

Many organizations do not have formal approaches to these, preferring to allow them to happen “organically”. Paradoxically, taking the time to develop clearly defined, structured business

processes for these three will save a tremendous amount of time later on. Innovation thrives within structure and boundaries.

Allstate Insurance has spent a great deal of time rethinking and prioritizing their IT projects against their vision of reinventing protection and retirement for their customers. Their CIO told the Wall Street Journal that she looks at each of their projects and asks, “Is the end result something that customers are telling us they need in a product, or in our price, or a service?” If they cannot match it up against one of those three things, they think hard whether that is something they want to do. They also overlay and map dependencies on about 3,000 projects, because if a project that they wanted to fund is dependent on one that they recently killed, they can’t do it.

For internal process improvement, Allstate uses ITIL (Information Technology Infrastructure Library), a standardized set of best practices for running IT departments.

What can you do to improve your internal processes?

1. Adopt a formal process for decision making, and use it consistently throughout your organization
2. Focus on your top 3 priorities for the coming year and align them with your organizations vision using a formal prioritization process
3. Revisit your organization’s structure to ensure effectiveness, and adjust where needed
4. Establish accountability by mapping team members to strategic milestones or tasks by using simple RACI matrices for key initiatives, identifying who is **R**esponsible, **A**ccountable, **C**onsults, or **I**nforms

Accelerate Execution: Done is better than perfect

Parkinson’s Law states that “Work expands so as to fill the time available for its completion.”

Doing more with less does not succeed by just piling more work on the remaining staff; it requires prioritization and doing things differently. However, there must be a cultural expectation to execute quickly and not wait. These times don’t allow the luxury of perfectionism, or its cousin, procrastination.

In order to accelerate execution, try the following:

1. Go for quick wins
2. Do “just enough”
3. Emphasize that getting things done is better than getting them perfect

This means that once you’ve aligned your strategy to your execution, you must chunk down your top priorities into strategic, actionable milestones, and develop project plans from each of those. Identify those activities that will give you quick wins, that are relatively easy to do and that will have a high impact. Those are the ones to tackle first.

When you complete those, make sure to communicate the results across the organization. That will initiate a culture of success, and will attract others who want to help you and/or be on your team.

Another approach involves lowering some standards, where appropriate, to get things done faster. This does not mean doing things poorly, it means asking yourself, “What is the minimum I need to do to get a specific result?” Emphasize that *done* is better than *perfect*.

Setting short deadlines for tasks can also help improve speed of execution. Agile software development methodologies emphasize short development cycles, often every two weeks, to get team members used to that culture of execution.

Finally, create a culture where it is OK to make mistakes occasionally, because that means that your people are acting and taking risks.

Conclusion

The three points for doing more with less are revisiting your strategy, improving key processes, and accelerating execution. Begin by revisiting your strategic direction which is the foundation for process improvement and execution. “When your vision is clear, your strategy and tactics become self-evident.”

Invite your peers and team members to join in on the success ladder. Then, when you feel confident that you have strategic clarity based on current economic realities, begin applying next two "levers" of improving processes and accelerating execution.

By following these three success “levers”, you and your organization should not only survive these challenging times, but should be positioned to thrive through the next market upturn.

Richard Marks is the CEO of Richard Marks Consulting, a global consulting firm which enables business and technology leaders to navigate uncertainty and grow their organizations. He has over twenty five years experience in the IT and life sciences field, helping companies as diverse as Cisco Systems, Inc., Hewlett-Packard, Pacific Gas & Electric, and Genetic ID improve their performance. In addition to advising business leaders, Mr. Marks is a speaker and writer. He can be reached at rm@richardmarks.com, or www.richardmarks.com. He professes to play Bocce ball in his spare time, but rarely makes it out to the courts.

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