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There is now clear evidence that companies are emerging from the recession – some of our clients are doing extremely well. It is not just the hi-tech companies which are achieving high growth and profitability. Companies from virtually every sector appear in the league tables of the most successful companies (for example The Sunday Times Profit Track 100). The average annual profit growth for these companies over three years was 71%.

What are you looking to do with your business? Do you seek high sales growth? Do you need to increase profits? Do you want to build an organisation which is more adaptable to change and therefore better able to weather future storms?

It has now been well researched that the key drivers of organisational performance are Leadership, Customer Focus, Employee Engagement and Innovation. This paper gives a brief introduction to each of these four topics. These drivers do not change over time. They apply equally in an upturn (as we are seeing now), in a downturn (as we have seen) or in a spin!

1. What is Leadership?

Put simply, leadership is about:

- Achieving the task
- Building and maintaining the team
- Developing the individuals

Put even more simply, leadership is about serving the organisation and the people in it. When Nelson Mandela died, most commentators called him the leader of his nation and the servant of his people.

This is demonstrated in the following ways:

- Creating the conditions for others to succeed
- Helping people to achieve a shared vision, not telling people what to do
- Involving people, encouraging and motivating them, gaining their commitment and helping them to use their talents fully
- Inspiring people with infectious enthusiasm, showing a strong sense of direction
- Giving your people the credit for your achievements and successes, accepting responsibility for any failings your people make
- Taking time to listen and really understand your people
- Demonstrating integrity at all times
- Making things happen, being decisive
- Being visible, "walking about".

2. What do we mean by Customer Focus?

Customer focus is about:

- The commitment of everyone in the organisation to its customers
- Regular monitoring of customer satisfaction, loyalty and retention, and sharing results and actions with customers and employees
- Comprehensive knowledge of relevant markets and competitors
- Alignment of all business processes to achieve the highest levels of customer satisfaction, loyalty and retention
- Real understanding of customers' needs and requirements
- Having the utmost respect for customers even when things are difficult

- Being honest and straight forward in all dealings with customers.

3. What is Employee Engagement?

Employees are engaged when they are:

- Committed to the organisation and its values
- Passionate about their work and about making things better
- Aware of the full business context
- Respectful of, and helpful to, colleagues
- Willing to "go the extra mile" for customers – "there are no traffic jams on the extra mile"
- Enthusiastic about developing their careers with the organisation
- Flexible, willing to embrace change and seek continuous improvement
- Willing to learn about new ways of doing things.

Employee engagement requires a two-way relationship between employee and employer, with respect on both sides.

4. What is Innovation?

Innovation is:

- Doing things differently
- Developing new and/or improved products/services
- Introducing more effective processes and equipment
- Applying new principles in management practices
- Seeking both incremental and major step changes in the way things are done
- Exploiting new technology, introducing new materials and components
- Introducing green technologies which reduce waste and use consumables more effectively.

We major on these four drivers of organisational performance in our strategy development work with clients. Future papers will go into more detail about what you can do to get these drivers to work for your organisation.

Our one page strategy approach involves developing individual strategies for the key processes in the business – these four drivers plus operational excellence and the essential supporting information and systems.

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