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## **Winning strategies**

### **Success begins with a cool head and common sense**

#### **Tony Manning**

After he won the Monaco Grand Prix in 2001, Michael Schumacher was asked the secret of his astonishing success. “First,” he said, “you have to finish.”

It was an obvious yet profound observation. For indeed, that’s what a driver has to do to win any points at all, let alone to win a race. It doesn’t matter how finely tuned your car is, how fast you start, or how far ahead you are when you see the chequered flag. If you hit a wall or spin off the track, you’re history.

Nor does finishing – or even winning – just one race count for much. You have to do it again and again. Consistency matters.

It’s the same in business. One year of scintillating performance means little. The landscape is littered with “breakthrough” products and services that everyone wanted one day, and no one wanted the next. Companies that grab top spot in the performance rankings all too often sink from view shortly afterwards. Executive awards seem to be a lightning rod for trouble.

Why is this so? Surely, leaders who stand out can’t all just be *lucky*; they must know roughly what they’re doing. And their organizations, too, must have something going for them. Why, then, is it so hard to keep performing well?

The problem can’t be *lack of knowledge*. After all, a century or so of management thinking has given us a huge body understanding to apply to any firm. Academics and consulting firms produce a stream of new concepts. Business schools churn out graduates equipped with all the latest tools. Thousands of business books are published every year. The list of management journals gets longer and longer.

Could the problem be *stupidity*? Not likely (except, perhaps in a few cases). In fact, today’s executives are probably the smartest in history. For they are better educated, mentored, and managed than ever before.

Well, what about *resources*? Again, not a good argument. Ideas, money, and support are available in abundance for most reasonable ventures. The world is awash with factories. There are more than enough distribution channels for most things. There are more research scientists, designers, brand gurus, and other advisors than there’s business to go around.

If lack of knowledge, stupidity, and resources aren’t to blame, there’s one other obvious candidate: the *speed and magnitude of change*. That’s everyone’s favourite bogeyman. But it gets a lot of underserved flack. For as Michael Porter said in a recent article in the *Academy of Management Executive*, “The specifics of competition change every day, but I don’t believe that the fundamentals of competition change very much, if at all.”

By now, it’s quite clear what executives must do to deliver success. Pretty much everything is in place to make it happen. Yet companies come and go as fast as ever. Something is amiss.

A few minutes in an average management meeting reveals what it is. Just listen for answers to these four questions:

1. How will your company compete in the future?
2. What will your priorities be?
3. Where will your management team focus their time and attention?
4. How will you measure your performance?

Sometimes, executives shoot back with crisp, clear answers. You can tell that they've given a lot of thought to what they say. More often, though, they duck this way and that, and confuse themselves in hopeless contradictions.

These questions bedevil every firm. When they're not resolved, resources are wasted and results are bound to be disappointing. People keep busy with activities that do little to improve sales or profits, customers remain dissatisfied, competitors have a field day, and shareholders get skittish.

When executives are sure about their agendas, they don't "sweat the small stuff." They can easily explain what matters to their teams. They sound confident, so people are likely to buy what they say. And they can be consistent, because they're not constantly trying to remember what they banged on about yesterday.

On the other hand, when they're vague or uncertain, their communication – and their "salesmanship" – suffers. And that's a recipe for disaster.

Smart leaders know that "strategic conversation" is their most powerful business tool. They know that *what gets talked about in a firm is what gets managed and measured*. And they know that they have to be their own messengers. So they spend a great deal of time crafting their messages, and they put maximum effort into personally "spreading the word."

My experience with dozens of top companies over many years has convinced me that most firms are their own worst enemies when it comes to growth and profitability. Too many of their own people work as if in a fog. Mixed messages from the leaders cause well-meaning, loyal employees to flail about, tackling everything that passes their way, instead of focusing on the high-impact issues that really will make a difference.

The good news is that the antidote is easy – and free. And any company can apply it right away.

Begin with those four key questions. Think about them carefully, and involve as many people as you can in testing your answers. Then, start walking ... and talking.

Doing business in a complicated world is not easy. But you can easily make it harder than it need be. By ignoring or under-rating some very simple issues, you can ensure that complexity gets the upper hand, and that staying in the business race becomes a dice with death.

Professional sportsmen like Michael Schumacher know that success is seldom the product of one clever move. Rather, it's the accumulation of many small factors that makes the difference. Patience and perseverance are worth a fortune. Consistent execution is usually worth more than brilliant strategy.

## **Sidebar**

### **How to finish first**

1. Develop clear answers to the four key strategy questions
2. Fight complexity with simplicity
3. Craft your strategic conversation with care
4. Be consistent
5. Avoid mixed messages
6. Focus on high-leverage issues
7. Put the small building blocks in place
8. Be your own messenger
9. Walk your talk (do what you say)
10. Be patient ... persevere

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