

the
navalent



Spring 2016

quarterly

DISTINCT

*When, why, and how leaders
and orgs can stand out*



brands

*how you can win
without competing*

strategy

*how it drives
distinct behavior*

interviews

*with Chick-fil-A and
David Burkus*

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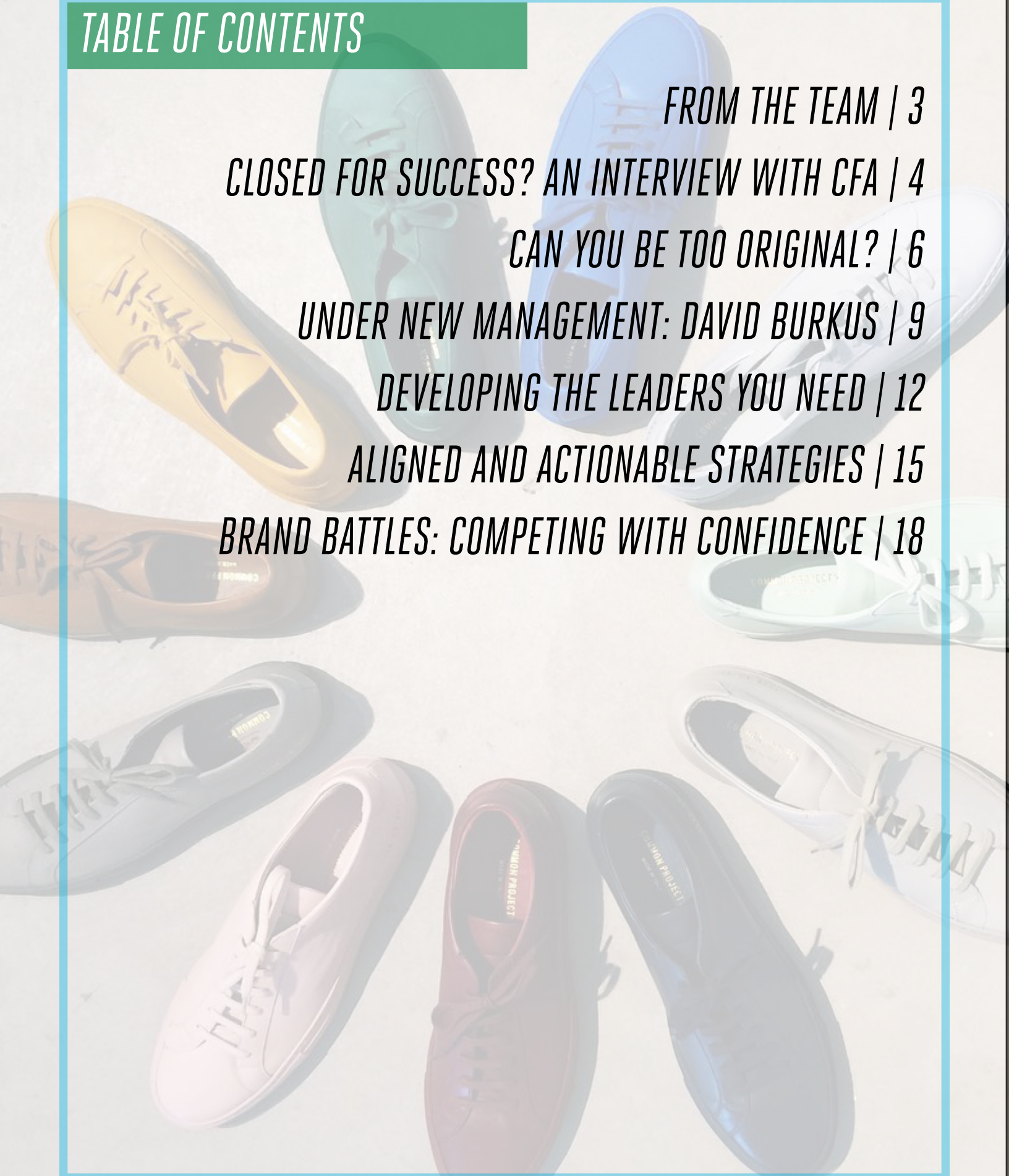
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In and around organizations, the world can feel crowded. It can feel as though you are a guppy roaming the Atlantic. So how do we stand out amidst the crowded and noisy world? How do organizations stand out among the many options their customers have to choose from?

We all know that unless we're different, we can never expect to get the price we want for our product. We know that unless we show customers what makes us different, there is little reason for them to buy from us. We know that if we don't differentiate ourselves in our current role, we will be overlooked for the promotion. We know that if we want to succeed among the 28 million businesses or be one of the three interviews that come from the 118 job applications, we must begin the hard work of defining how we (our business, culture, skills, brand) are distinct. And most fundamentally, we instinctively know if we don't uncover those unique fingerprints only we can leave on the world, setting apart our distinguished contribution, we'll never feel deeply satisfied.

How do you ensure that your next product or process is distinct?

How do you ensure that your strategy is distinct from your competitors?

How do you distinguish yourself to your current or potential employer?

How do you create a team culture that is differentiated?

How do you create distinct capabilities within your organization?

And how do you excavate your life's story to define your signature contribution to the world?

These are all questions we ask and have heard our clients ask. And yet the answers to finding distinction cannot be found in easy formulas or 4 life-coaching sessions. Yes, there are practical steps one must take. There is hard work for organizations to do. But there is no silver bullet.

Ironically, the world has so tried to standardize ways to distinguish oneself that it's become a near commodity. Just google "personal branding" and the sheer number of books, articles and consulting coaches will numb your mind. The process for how you and your organization must distinguish yourself is as distinct as you are. There is no one-size-fits-all when it comes to creating and sustaining distinction. Distinction takes years of contextual, sustained investment.

Needless to say, because of this we will not be writing "10 steps to your distinction." Rather, in the posts that follow we will do our best to challenge all of us to really define our distinctions, oddities, and uniqueness in a way that set us apart from the crowd so we can serve our unique purpose, gratify our deepest longings to matter, and feel immensely proud of all that makes us "us" individually and organizationally.

CLOSED FOR SUCCESS?

How Chick-fil-A maintains its distinct identity in the midst of rapid growth

By Mindy Millward



What if I told you that choosing to not make money was a key reason for a company's success?

This NQ is focusing on what makes organizations and leaders distinct, and there are few things in today's economy that will make lead to distinction than choosing to leave money on the table. But in some ways, that is exactly what Chick-fil-A, the family-owned and operated fast food chain, has done since its inception.

Numerous businesses schools have run the analysis to show that the chain who is closed on Sundays (a hallmark of the organization) is forfeiting significant profits. But for Chick-fil-A, this choice rests hand in hand with its purpose "to glorify God by being a faithful steward of all that is entrusted to us. To have a positive influence on all who come in contact with Chick-fil-A." They are closed on Sundays because Truett Cathy, their founder, believed it was the right thing to do, not the financial thing to do. CFA says that the choice to close one day a week gives their leadership, home office, and Operators an opportunity to be with families and to worship. In the stores it also gives their equipment and assets time to rest, and it grants their customers time to get excited about Monday at Chick-fil-A restaurants.

However you think about this decision, it is great example of how organizations can operationalize the distinctness of who they are and how they serve. It is an example of internalizing values, not merely publicizing them.

As Chick-fil-A has grown they've committed to remaining distinct. There are three layers to Chick-fil-A's distinctness as a brand and a business. This purpose statement is the first. As you speak with any employee in their home office in Atlanta, or with an operator out in the field, they truly want to have a positive influence in the world. The second is that at almost \$7B, they are still family-owned and led and the intent is to stay this way. This creates a foundation for many of the decisions they make about what they do with their brand and what they won't. The third critical component is that CFA puts their operator at the center of everything they do. The emphasis on "local ownership of a meaningful brand" is fundamental to how the organization serves the communities in which it operates. These layers of distinctiveness have been in place since Truett Cathy founded the organization. But they have perhaps never been more tested than in recent years as the organization has experienced phenomenal growth in an industry with significant pressures to perform.

So how does CFA retain their distinctness and what does it mean for those trying to do the same? In a recent interview with Andy Lorenzen, CFA's head of Talent Development, we posed the question "how does the organization work to retain its distinctness in an environment of 'sameness' and regression to the norm?"

Selection, selection, selection: For Chick-fil-A, maintaining it's identity during growth has not been easy

AT THE CORE OF OUR TALENT PROCES IS A FOCUS ON CHARACTER, CHEMISTRY, AND COMPETENCE


but it has been clear. “The key to staying true to our hallmarks, is how Chick-fil-A selects and hires employees. At the core of the process is a focus on character, chemistry, and competence” says Lorenzen. “In terms of character, CFA looks for a track record of someone’s decision making and whether those decisions are consistent with the decision making of our best. In terms of chemistry, we are looking for an ability to build and maintain relationships. Do they have deep relationships and nurture them over the course of time? CFA has some of the longest supply and vendor relationships in industry and this is a consequence of having been a positive influence over many years. We also have good judgment about when a relationship needs to end and we do it in a way that is kind and generous. Lastly, as it relates to competence, we select people that have ability to learn and develop for a lifetime. Our employees often don’t know much about Chick-fil-A at the beginning. We expect they continually learn and layer that over the course of time.”

A Listening Ear: The organization’s success can also be attributed to finding people that are both hungry and humble at the same time. They find people hungry to have a positive influence and do good work, but who have an others first mentality. This can be seen through the many stories in the news of Chick-fil-A operators who are involved with serving those in their neighborhoods (as one viral story of a Tennessee restaurant operator did



by feeding a homeless man who entered his store recently highlighted). CFA, perhaps better than any organization in their industry, is attune to the desires of customers nationally and locally. The Chick-fil-A Support Center (home office in Atlanta) also does an excellent job of remaining focused on the Operators and meeting their needs. Andy said they use the phrase “local ownership of a meaningful brand” to remind everyone that their brand is much more than a cow commercial or a national identity. It is about listening, understanding, and staying connected to the customer at the local level.

Willingness to change what can be changed: But perhaps the biggest key to retaining your distinctness, is truly understanding the non-negotiable versus those things that may seem immutable but are actually important to adjust as the world around you changes. For CFA the latter includes things like adjusting its menu, or moving from mall based stores to free standing units. As Andy describes it, a long-time leader at Chick-fil-A has said “people in the world focus a lot on making good decisions; we have focused at CFA on making our decisions good.”

You and your organization may not need to leave money on the table to retain your distinctness, but if Chick-fil-A is any example, perhaps we all should be willing to consider such things in in the light of our purpose if we are to remain true to our distinct values. 

CAN YOU BE TOO ORIGINAL?

Considering the dark side of our obsession
with individuality

By Ron Carucci



Search for “personal branding” or “self-distinction” and you will be overwhelmed with books, tips, and tools to define The Brand of You. There is a deluge of resources for how to promote your ideas, get noticed by bosses, exploit your unique strengths, identify your originality, and how to stick out online, at networking events, or during an interview process. While a glut of these resources are yawners, books like *Stand Out* and *Originals* offer practical and insightful thinking about the genuine importance of making sure you optimize the unique contributions only you can make...

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But is there a cost to our obsession with being originals and outliers? Does there come a point where such obsessive focus on “me” and how different I need to be from “you” goes too far?

Perhaps we are swinging the pendulum back from decades of focus on collaboration and teamwork. A recent study found that “the distribution of collaborative work is often extremely lopsided. In most cases, 20-35% of value added collaborations come from only 3-5% of employees.” This leaves employees little time for the tasks they are individually responsible for and can result in burn out. In a similar study cited in the same HBR article, University of Iowa’s Ning Li found “A single ‘extra-miler’ – an employee who frequently contributes beyond the scope of his or her role-can drive team performance more than all the other members combined.”

*“IS THERE A COST TO
OUR OBSESSION WITH
BEING ORIGINALS AND
OUTLIERS?”*

Clearly we’ve not learned to optimize what it means to combine our efforts with others that get us the true promise of teamwork – the synergy of 1+1=3. But does that mean, especially in an increasingly competitive talent world where distinguishing our contributions is how we advance, we have to regress to hyper-individuality? A balance is needed, and it’s apparent we’ve not found it. Even Google, in its search for what makes the perfect team, discovered that exceptionally bright individuals did not make for a strong team.

Striking a cosmic balance between “me” and “we”

shouldn’t come at the cost of either. So as we pursue the noble work of setting ourselves apart from others, celebrating our signature distinctions and hoping others notice, here are things to watch out for. Ask these questions to ensure your “me” doesn’t trample on someone else’s, or worse, cripple the “we” between you.

1. To amplify your uniqueness, are you having to diminish someone else’s? It’s wonderful to be able to name what makes us distinct human beings with gifts that bear our one-of-a-kind fingerprint. But when we do so in comparison to others, we tread on a slippery slope. When asked by their leader during a process of selecting a leader for a choice project, “Tell me how you are different than Jennifer with regard to how you would lead this team,” Angela almost took the bait. Assuming her leader wanted her to extol her own merits and how she was more qualified than Angela, she flipped the question on its head. Instead, she pointed out strengths that Angela had she didn’t. Sadly, it cost her the assignment. But it didn’t cost her sense of integrity. She and Angela were friends. To the hiring manager, it was a sign of low confidence, and though she was likely more qualified, she was happy for her friend. She said to me, “Sure I wanted the assignment, but I wasn’t going to bad mouth my friend to get it.” Be wary of making comparisons to others in order to further separate out your distinctions. If they are truly distinguishing, they shouldn’t need to be held up in comparison to others.


2. Are you being honest about your differences? Plenty of research reveals that we have over-inflated senses of our abilities. In situations where we are being evaluated, or feeling judged, we further overcompensate for our insecurity by magnifying the truth of what we are good at, what we’ve accomplished, and why we’re better. No opportunity to stand out is worth exaggerating the truth. And what is also true is that your exaggeration is setting yourself up to fail when you are later discovered not to be all you cracked yourself up to be. When discussing or displaying your dis-

tinctions for others benefit or evaluation, temper your language. Own the limitations of even your greatest strengths. The honesty, and accompanying humility, won't get lost on those you are addressing.

3. Is your personal brand at risk of pigeon-holing you later? Wanting to establish yourself as an expert or “go to” person on a particular subject or capability is all well and good, but consider the longer term consequences of actually succeeding. Are you sure you are going to want to be known for this at the expense of being seen in other ways? One client of ours was so renowned in her organization for her amazing data analytics capability that people far outside her own department were calling her for input on everything from employee survey data to consumer insights to financial trends. She later lamented, “For awhile it felt great to be pursued and seen as an expert. And I like being good at something others need. But it’s not the only thing I’m good at.” Most of us do not enjoy being one trick ponies. What if she desired to leap into a team management position? Or transition to a customer facing role? The “personal brand” that helped her stand out may later became an impediment to doing so.

4. Have you become self-absorbed with your uniqueness? It’s possible to expend so much effort on differentiating yourself that eventually your distinction is all you see. How much time do you spend thinking about how others are perceiving you? Has the way you distin-

guish from everyone else becomes the overbuilt lens through which you see the world? If you are honest, and you find the importance of your standing out in the crowd has consumed more attention than it should, be aware that others could well be noticing your self-absorption about your desire to stick out more than they are noticing the distinguishing features you worked so hard to hone. Balance your focus on you with investment in key relationships in which you are helping others distinguish themselves. Intentionally spend time affirming others for their uniqueness and accentuate your attention on enjoying those.

Finally, don't lose the enjoyment of being ordinary. While it's nice to stand out from others, it can be equally as enjoyable to blend in too. Don't lose sight of the joy of belonging to a community of relationships where everyone feeling equal is honored. That isn't to say you must hide your distinctions or neglect your originality. But always leading with them may do less to make you distinct and more to make you feel alone. By all means, discover, develop, and distinguish for the world those things that make you “You.” Enjoy the beauty and worth of being a unique individual. But don't do so at the expense of the distinction of others, or at the enjoyment of being part of “we.” “Me” and “we” are an important balance to strike, and both do much better when one doesn't outshine the other. 



UNDER NEW MANAGEMENT

Radical Practices Thriving Companies Use to Set Themselves Apart: An Interview with David Burkus



In the face of a century of well-entrenched management science perfected in an industrial age, turning the Titanic of management toward practices better suited for a knowledge and creative economy has come slowly for many veteran businesses.

I sat down with noted author David Burkus, a self-proclaimed writing nerd, to discuss the radical ideas in his new book, *Under New Management*. The highly engaging, entertaining, and at times provocative read offers some basic shifts in managerial behavior already in place in thriving organizations. He says, “I recognize that for many veteran corporate managers, the things in this book will sound ridiculous, but they do actually work and are backed by social science. These things seem crazy because our understanding of how to manage people are based on how to run factories and industries, not how you lead people to ideas and decisions. I wrote this book to start a very different conversation and so we can all get better at managing in ways that match our current reality.”

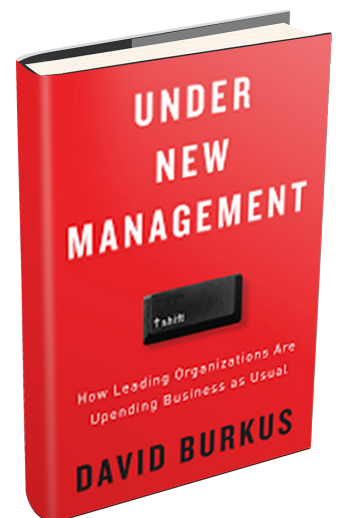
Of the many eyebrow-raising ideas David offers in his book, here are three we explored in our conversation that I found particularly fascinating. They overhaul two vital moments in the lifecycle of people working in organizations – how they start, and how they finish.

Hire as a Team

The selection and onboarding processes for employees have gotten heaps of attention – mostly for their abysmal results despite the money spent. “Both companies and prospective employees are assuming great risks

that we don’t mitigate well enough to make sure both make the right decision.” Burkus points out that conventional management wisdom, even in recent years, has believed that performance is largely an individual matter, and that knowledge workers have portable skills. “It turns out, it’s not so easy to separate individual performance from team performance, and it’s even harder to spot the potential for performance in an individual candidate.”

Citing Whole Foods’ deeply held practice of team hiring, Burkus describes the importance of why selection by a team, who then take ownership of the success of chosen candidates, yields far faster assimilation than when hiring decisions are made by a series of disconnected individuals. “Being given the authority to welcome or to veto a new team member helps everyone on the team take ownership for their performance. Since the majority of hires are welcomed onto the team, rejecting a hire is an important moment for the existing team.” The 60-day intensive series of interviews for every associate, including a trial stint on the floor, is a distinguishing feature of Whole Foods’ legendary team culture where performance and compensation data are transparently shared



with everyone. “Even their mission statement is titled ‘The Declaration of Interdependence,’ which signals the primary focus of the organization is team performance.” You can’t argue with the results. Whole Foods’ stock has increased nearly 3,000 percent as it has scaled to more than 60,000 employees. Its team-based hiring has played a vital role in that growth, ensuring the company’s deeply unique DNA effectively transmits even through merger and acquisition growth.

Pay People to Quit from the Start

At some point, most of us have read about the fabled “offer” every employee at Zappos receives sometime within their first few weeks of employment: “We’ll give you \$4,000 to quit.” Who in their right mind would do such a thing? Burkus spoke with Zappos leader Tony Hsieh, who said, “If they want the money more than they love the culture of our organization, they probably weren’t the right fit for us anyway.” Only 2-3% of all employees who get the offer actually take it. As is the case with Whole Foods, much of the reason behind why so few take the “easy money” is the rigorous selection process people undergo when being considered for employment at Zappos. “Paying people to quit screens out people who probably would have ended up quitting anyway.” Citing the sunk-cost bias of sticking with even bad decisions once we’ve made them, Burkus says, “It takes a lot of time and effort to find a job, and after you’ve done the work, gotten halfway through your training, and realize it’s not the right job for you, your sunk cost bias puts a lot of pressure on you to ignore what you’ve realized and just continue on.” The other benefit of the quitting bonus is the psychological impact on those who don’t actually take it. The “cognitive dissonance” created by getting an offer to quit can “increase the full engagement of those who decide to stay.” They wake up thinking, “I must really love this company if I turned down all that money to leave it.” When Amazon acquired Zappos, they adopted the practice but upped the ante. Fulfillment center employees get the offer annually, and each year the amount goes up. Jeff Bezos, Amazon founder and CEO says, “We want people to take a moment and think about what they really want. In the long run, staying in a job you don’t really want isn’t good for employees or employers.” Burkus notes, “In a way, it’s like Amazon is asking employees to give the organization a performance appraisal once a year.”

Celebrate Departures

Too often, departures from organizations, regardless of whose decision it was, induce awkward feelings of estrangement and loss. Sometimes people who quit are treated as disloyal “persona non grata,” lepers whose names aren’t to be mentioned again. The shortsightedness of companies who don’t understand how critical it is to effectively manage, even celebrate, when an employee’s tenure comes to an end are missing a critical opportunity. Of course, this doesn’t apply when an employee is terminated for reprehensible causes, but the majority of separations don’t occur that way. Celebrating the fact that people are moving on to something else is a milestone that should be done intentionally for the health of the community, and more so, for the performance of the organization. McKinsey & Co. is renowned for its alumni network, exporting talent to all corners of industry and government. “They even make a point of telling people in the recruiting process that being from McKinsey is as great as being at McKinsey.” Company alumni networks are an increasingly important aspect of managing


both reputation and industry connection. “Companies that maintain alumni networks are in a better position to leverage a principle sociologists call embeddedness. Every industry is a network of connections, and research shows a company’s relationships to other entities in the network directly affects that company’s financial strength.” LinkedIn, Microsoft, and Proctor

"STAYING IN A JOB YOU DON'T REALLY WANT ISN'T GOOD FOR EMPLOYEES OR EMPLOYERS"



& Gamble also have robust alumni networks, hosting annual events, major learning conferences, “fellows” networks, and other relationship-strengthening features that sustain important ties and celebrate past tenures of employees that have moved on. By sustaining ties to employees that move on, companies turn the otherwise clumsy and inelegant moment of an employee’s departure into a celebrated transition that sustains important connections despite changes in employment.

Of the practices he offers, Burkus notes, “Only 30%

of the fuel in a car engine is used, the rest is wasted. So sure, ‘it works,’ but is it optimal? Management’s old ways only capture 30% of employee engagement, and people want to bring more than that to work. While they once worked, we know they aren’t optimal. If we are willing to experiment, we can leave old ways for new ways and maybe we can move the needle from 30% to something much better.” 



DEVELOPING THE LEADERS YOU NEED

By Josh Epperson

Moving a business from A to B requires leadership. Launching a new product. Leadership. Moving from an individualist to collaborative culture. Leadership. Devising or executing a new strategy. Leadership. Hopefully there's nothing earth shattering for you in that thought.

Regardless of the change that you want for you or your organization, it's success hinges on your leadership. That much is obvious. But what kind of leadership your desired change needs may be less clear.

Effective A to B leadership requires two things: 1) knowing your distinct context, and 2) knowing and playing your distinct role in that context.

Knowing what makes your context distinct is often easier than knowing your role in it, because you've most

likely lived your context. Here are few questions you should be able to answer about the distinct realities of your transformation.

- What value does the transformation intend to accomplish?
- Whose involvement is essential to create that value?
- Has this type of change been attempted before? Why? Why not? How successful was it?
- Who will be impacted? How?
- How will you know it is successful?

Answers to these questions allow you to understand your context and define your distinct role (and others) in ensuring a successful outcome. For instance, leading a BU from A to B on a precedent-setting journey requires much different leadership than one you've attempted unsuccessfully multiple times before.

Publically <i>argue the case for change</i> and directly confront opposition.	Activist	Ally Builder	Privately <i>customize the case for change</i> leverage their network to overcome opposition.
Convene select groups to <i>highlight key elements of the case for change</i> and educate opposition.	Teacher	Facilitator	Create structure and contexts for allies and opponents to <i>support the case for change</i> .

Similarly, the scope and scale of the transformation and thus those impacted, will determine the necessary involvement and buy-in required for success, which in turn has implications for your leadership. Make sure you have answers to the above questions before distinguishing your leadership for this transformation. Once you understand the distinct context, you can begin to define the distinct leadership requirements. There are four roles leaders assume to effectively distinguish their leadership while leading transformation:

Activists work to “argue their case for change” publicly in front of groups and confront nay-sayers. They articulate the vision for the future and passionately rally troops in large forums such as Town Halls or enterprise communications.

Ally Builders focus on on one-on-one conversations and intentionally plan how to influence key players. They listen for what’s important to those involved and “customize their case for change” in private settings. They mobilize this growing network and leverage them toward those who oppose the change.

Teachers convene leaders to create understanding behind the drivers and concepts for the change. They “highlight key elements of the case for change” such as the ROI and elements, like technologies that support and ensure desired outcomes.

Facilitators create structure and context to support the case for change. They design meetings that help surface change implications and obstacles and create communication plans that bring extended leadership into the process. They bring the right people in the right groups, at the right time to create the greatest impact. They create a context for healthy conflict and safe debate.

When distinguishing your role, you may find that your role is a combination of multiple roles. As the strategic significance and complexity of your role increases so does the need to modulate your leadership. It’s not about being dishonest or insincere; different contexts require different leadership and part of being effective is showing up with the leadership those contexts require. Standing center stage at a company Town Hall is a very public and declarative context. Whereas, leadership of a cross-functional team convened to support and bring the transformation to life is a much more open and interactive forum requiring the right type of structure to be effective. At one moment you’re publicly declaring the case for change and being intolerant of opposition and at the next, you’re creating a forum where conflict and dissent is acceptable. Both are required of the context. Both require a leader to adapt. Leaders must learn to distinguish their leadership – their voice and actions – based on the requirements of the context. As you lead business initiatives that re-

quire moving from A to B, you can plan for your leadership to be optimally effective.

Pull out a piece of paper and make three columns (or use the template below). In the left hand column identify each unique setting where your leadership through others will make a difference in the transformation you aspire to. In the middle column, for each of those settings, identify the role (or combination of roles), that will help ensure the value you intend to create with those leaders. In the right hand column, identify 2-3 role-specific actions you can take right now.

Business Initiative			
<i>Where my leadership is required to help move us from A to B</i>	Activist	Ally Builder	<i>Actions by role that I can take now to help us get there</i>
	Teacher	Facilitator	
<i>E.g. Innovation Council</i>	<i>Ally Builder + Facilitator</i>		<ul style="list-style-type: none"> <i>Redo agenda to allow for sufficient time to debate our hot-button product issues</i> <i>1:1 mtg with Jim to discuss how his one-liners in our mtgs discourage honest dialogue and candor</i> <i>Identify/charge a Council point person to share mtg outcomes with Director of Engineering</i>

Be assured, for your business to remain competitive, it must move from A to B. In fact, multiple moves from A to B will be required on a regular basis. The more movement you have and the quicker you have to get there the more you must distinguish the contribution of an organizations leaders. Distinguishing your leadership to uniquely address the moves where you can have the greatest and most effective impact will help decrease complexity and speed results during the journey.

ALIGNED AND ACTIONABLE

How a clear and distinct strategy can drive the behaviors you desire

By Eric Hansen

If you got the top 20 leaders of your company together in a room and asked “what’s our company’s strategy” you already know to fear how many different answers you’d receive.

We are often on the listening end of the 20 different explanations of a company’s strategy. During our organizational diagnosis interviews, leaders will reference a strategic plan but as we probe we learn one of two things: 1) there is actually some semblance of strategy, but not everyone understands or agrees with it, or more commonly 2) elements of a strategy exist but they are insufficiently specific to inform decision making, resource allocation, or drive daily business actions. Rather than a distinct position that enables the business to win, the following are poor strategy substitutes:

1. Mission and Vision Statements: These are components of a strategy, but they are inadequate by themselves. Mission and Vision are statements of aspiration, defining the higher purpose for the business; but, they offer no specific choices about their target consumer or how they will differentiate themselves to succeed.

2. Benchmarking Studies: These provide helpful comparative insights, but too often are focused only on generic industry capabilities. Unless the benchmarks are derived from substantive discussions about differentiated positioning and building out distinctive competitive muscles, the organization defaults into optimizing the status quo and ultimately settling for mediocrity.

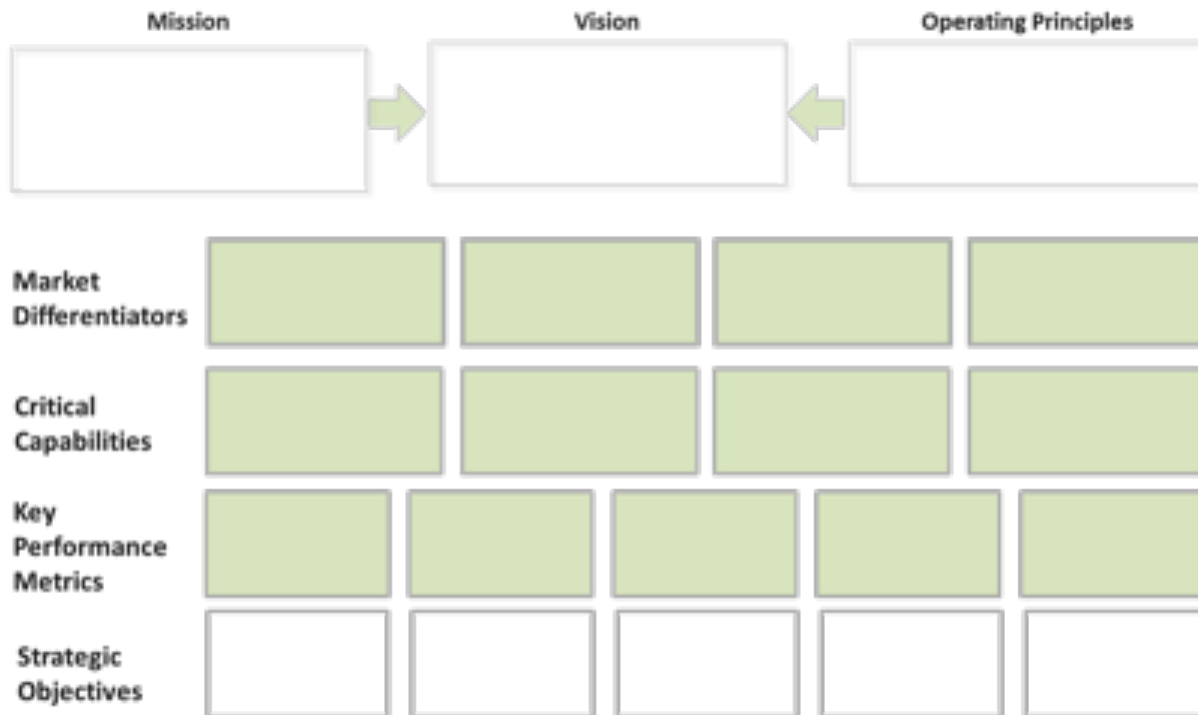
3. The Annual Operating Plan (AOP): Like Mission and Vision, financial targets and budgets are necessary but

also dangerously insufficient because they are derived from a backward glance, considering last year’s performance over emerging opportunities and expectations. They are insufficient because they largely ignore larger discussions about and potential positioning against emerging opportunities. Ultimately, such an approach downshifts the organization into low-cost provider mentality, and blind to broader competitive dynamics.

4. Token Innovation: While innovation is a vital part of a growth plan, we find too often that it serves as a hollow promise against the future. By default, the actual strategy is one of “stay the course” with the base business, while the “innovation” project serves as a mirage of a thoughtful distinct plan. Without a true innovation strategy, the probability of having the right capabilities in place to meet the requirements of delivering the innovation is limited. By default, the strategy remains status quo.

While each of the above has its place, defining a true strategy means creating a baseline for trade-off decisions. These trade-off decisions have consequences. To de-cide (like its sister word homicide) means to kill off options. It makes sense then that making the tough calls about where to invest disproportionately is emotional and can feel personal. Most teams avoid it altogether, or barter in backrooms, “satisficing” or settling for suboptimal performance. The result: no distinct competitive position or advantage at all. It makes





**THE "STRATEGY MAP" TOOL WE USE WITH CLIENTS*

sense that everyone would like to believe that their project, function, or role is most vital to the success of the business. However, real value is only defined by how directly it contributes to bringing the strategy to life. In other words, its not just enough to have a distinct strategy, it needs to create distinct decisions and actions.

In his seminal HBR article, Michael Porter explained that, "A company can outperform rivals only if it can establish a difference that it can preserve." And, "the essence of strategy is [manifest] in the activities—choosing to perform activities differently or to perform different activities than rivals. Otherwise, a strategy is nothing more than a marketing slogan that will not withstand competition." Herein lies the fun and challenge of organizational leadership: translating a well-defined competitive position into an well-integrated configuration of people, process, and actions that will sustain success over the long-term.

In our practice we use the above strategy map tool* to take executives through a strategy clarification exercise that creates focus and links the strategy to specific actions:

The objective is two-fold: Articulation and Alignment. The tool is simple and straightforward, but it generates passionate debate, and ultimately results in an executive team's ability to uniformly and succinctly state and support its position.


We think about each piece of the tool this way:

- Clear Mission and Vision statements for the business are elements of a well-articulated strategy. A Mission answers the question, "Why does this business ultimately exist?" It defines the higher purpose or reason for being of the organization. For example, Patagonia® is much more than outdoor gear, it's in business to find and implement solutions to the environmental crisis. A vision statement is also future-based, but answers: "What will our business become?" Amazon wants to be the "...most customer centric company; to build a place where people can ... discover anything they might want to buy online." Such a statement forms the basis of a value proposition: who is served, how, and what their experience will be versus choosing competitors.
- Operating Principles define the foundational



values and behaviors that others should expect when dealing with each other. These principles also set expectations for how business will be conducted and what external parties can expect when they are in a relationship with you.

- Defining market differentiators pushes an executive team to concretely state the basis of the business' competitive prowess. Differentiators are meaningful only in relationship to a clearly defined set of competitors and are the evidence of clear positioning and form the foundational argument or "reasons to believe" that customers will choose this business model.
- Organizational capabilities are the direct translation of differentiators into their organizational form and are distinct from competencies. The former belong to organizations and the latter to individual people. Organizational capabilities result from the deliberate configuration of core work processes, roles and competencies, and the deployment of supporting technologies that, in combination, directly deliver the business' value proposition and create sustainable advantage. You cannot be world-class at everything, but you must have world-class, differentiated capabilities. For example, consider Amazon's logistics capability that sets it apart and directly satisfies the expectations of its Prime subscriber base.
- Key performance metrics are derived directly from the capabilities and provide the basis for the broader corporate scorecard. These focus on outcome metrics tied to leading indicators that enable executives to monitor the health of the critical competitive muscles of the business.
- Finally, we push executives to assess and define the set of 18-24 month strategic objectives that will be resourced in support of business growth. These usually focus on strengthening the core capabilities.

So the next time you bring your top leaders together, challenge them to articulate your strategy together. If they struggle, lead them through the exercise to get aligned. Allow them to vigorously debate, clarify, and decide. When you will do this, fear will be replaced by confidence, and most importantly, your leadership actions will more consistently and uniformly support your strategic intent and increase the probability for sustained success. 



BRAND BATTLES

3 reasons why competition will get your brand no where

By Jarrod Shappell

Every February there is an epic battle before our eyes. On Super Bowl Sunday juggernauts flex their muscles and show us why they are the better...brand?

Sure there are those that are tuning in to see Peyton's Bronco's battle Cam's Panthers and other great matchups, but these days Super Bowl commercials are almost as highly anticipated as the game itself. And they have the same competitive positioning. Pepsi versus Coke, Coors versus Budweiser, McDonald's versus Taco Bell, and Verizon versus everyone. Each year we watch as organizational competitors look to take each other down. And while the advertisements would have us believe that there is a brand victor, the truth is that in brand competition rarely is there a winner.

That's because market competition should be to "distinguish from" but it has morphed to mean "fight against".

The postures are dramatically different. Fighting “against” actually puts you in follower-mode- always considering your maneuvers in light of competition. Some of that, of course, is important. If your competitor is taking market share from you with fancy pricing footwork, you can’t ignore it. But out-maneuvering against a competitor is hardly a guaranteed way to distinguish yourself from that competitor.

In his book Zero to One, Billionaire investor and start-up guru Peter Thiel says “More than anything else, competition is an ideology – the ideology that pervades our society and distorts our thinking. We preach competition, internalize its necessity, and enact its commandments. As a result we trap ourselves within it – even though the more we compete the less we gain.”

Peter is correct in the pervasiveness of competition in our lives. From the earliest moments of life we are in competition with our siblings. The earliest days of school we are competing with classmates for rank. By the time we arrive in an organization we are competing to be a succession chosen nine boxer. But what if all of this competition against others has actually pulled us away from the work required to be distinctive, leaders, organizations, and brands from others? And what can organizations and leaders do to reject this competitive framework and truly identify our distinctions? Brands are far more than consumer preferences on shelves. We each have Brand – it’s our reputation. Our company has a Brand as an employer. Our team has a Brand as a career destination place...or not.



*Competition is focused on the enemy.
Distinction is focused on one's self.*

One of the greatest risks of brand competition is that you spend more time spying on the competition than being forward looking yourself. One example of this came in 1985 when Coke spent an estimated quarter of a million dollars to design a can of Coke that could be drank in space. NASA agreed to put the cans on the Challenger. Pepsi, wanting in on the mid-80s space craze, spent over an estimated \$14 million dollars in R&D as they attempted to take “one giant sip for mankind.” At the end of the day both cans were on the Challenger and both brands reported little growth as a result of the campaigns. Needless to say, had Pepsi, rather than copying Coca Cola, sought to find a different cultural phenomenon to hitch itself to, perhaps they could have seen some return on that \$14 million dollars of investment. The lesson? Brands must define their unique substance and find partnerships, campaigns, and mediums to tell a more substantive story. Competition breeds copying and following. Copying is the enemy of distinction. Following is not leading.

*Competition broadcasts irrational fear.
Distinction signals a quiet confidence.*


When a brand invests time and money into a campaign and uses it to talk bad about its competitors instead of pointing out its own product or service strengths, it makes the brand look like it is unsure of its own strengths. A recent example of this can be seen in Samsung’s unending attack of the iPhone. When the iPhone 5 was revealed Samsung immediately launched a campaign with the message that “the next big thing is already here” and focused on all of the things that the iPhone can’t do. Why would Samsung disparage the hottest product in their market if they were not deeply threatened by it? Consumers can smell the insecurity. Rather than being swayed by your competitors every move, remain secure in your brand’s identity and strategy. Be confident in

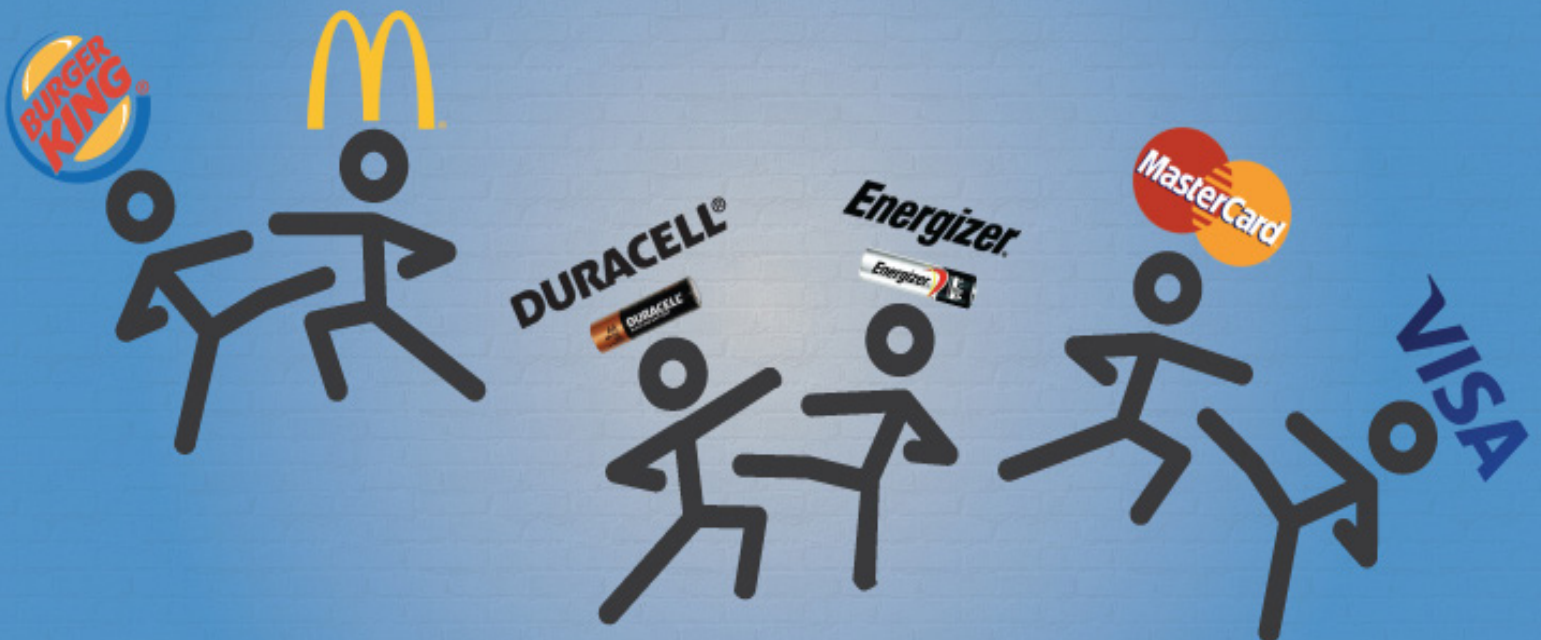
what your new products and service CAN do rather than focusing on what your competitors can't. That confidence will be rewarded. This can be applied to your personal brand as well. Imagine you are you are a senior manager who is in competition with peers for a GM position. Any hallway conversation that includes references to one of your under performing peers, reeks of your own lack of confidence in your credibility for the GM job. Remember that any blaming, cynicism, or finger pointing shouts of your insecurity and quickly becomes apparent to potential buyers, employers and co-workers.

*"WHEN YOU ATTACK OTHERS
YOU RISK OFFENDING YOUR
OWN CUSTOMER BASE"*

*Competition uses retaliation.
Distinction requires containing your own reactivity.*

In our culture, we have a preference for fair play. This is what ethicist Jonathan Haidt calls reciprocal altruism – we expect that others would be kind, even when it is at some cost to themselves, for kindness given in the future. So when brand competition is aired, consumers often respond negatively to what they perceive as an unfair and excessively mean-spirited attack. And when you attack others you risk offending your own customer base who may have (or currently does) buy products from them. So rather than reacting negatively, organizations must work to remain respectful of their competitors. Certainly if they are your competition they are doing something right! So rather than retaliating, communicate with reciprocal altruism by highlighting your distinctions rather than debating minor degrees of excellence in your similarities. Or consider a personal example, when you are interviewing for that next promotion and you know you're up against several colleagues, your posture toward them, and how you distinguish yourself from them in the process, will all signal important aspects of your brand.

So as next season begins and you watch the competition heat up on the field and during time outs, reflect on how you and your organization can remain distinct and avoid the exhausting, unhelpful cost of competition. 





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