

LEADERSHIP INSIGHTS

For Winning Leaders and Companies



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Chairman and CEO

The Execution Opportunity Closing The Gap Between Your Vision And Reality

Vision. You have one. Each of the leaders I speak with can converse eloquently about theirs.

Strategy is a bit tougher, yet 90% or more of the leaders I speak with have a clear understanding of what it will take to win in their competitive arena. Most have already invested a great deal of time, IQ and resources into their strategy's formulation.

Execution, however, is the "Gordian knot" that clouds the future of most leaders and their companies. Without execution little else matters; yet, most companies have only limited success at improving their rate-of-achievement, and execution is the element most responsible for their company's

"Strategies most often fail because they aren't executed well."

Larry Bossidy on Execution

market-value today.

What's behind this lack of execution capability? Here are insights into what we most frequently find:

"85% of everything in business is systemic:" This is a tough one for most leaders. Deming originally wrote of this in the 50's and we consistently see the difficulty it creates within organizations today. Webster defines

systemic as: "of or affecting the entire organism." Today we find very few work-processes that go from start to finish within the control of a single function or department, let alone a single company stakeholder. With 85% of what we do crossing multiple organization boundaries, it is no wonder that businesses find improvement so difficult. If we probe a bit deeper into the *devil-that's-in-the-details* we witness the greater difficulty of the reallocation of resources. When cross-functional change is successful it most assuredly will modify where the work will be done. It will affect functional and depart-

mental roles and responsibilities, budgeting, staff, system and financial priorities and allocations. All these are healthy to the improvement process, but also represent potential political hot potatoes within the current environment. The good news is that systemic change initiatives typically generate sizable benefits in the 20% to 30% range, and empower the organization to proceed at a higher level of competitiveness.

The "End Game" is not clearly defined: Without a significant reason for improvement, organizations tend to diminish in capability over time. Current management systems often reinforce this behavior. Budgets

the organization hits the inevitable trouble spots in its evolving improvements. This is a lot to ask of a leader, but it is a ready differentiation between the great and not-so-great.

Your business demands and Sarbanes-Oxley compliance both require more timely and complete execution.

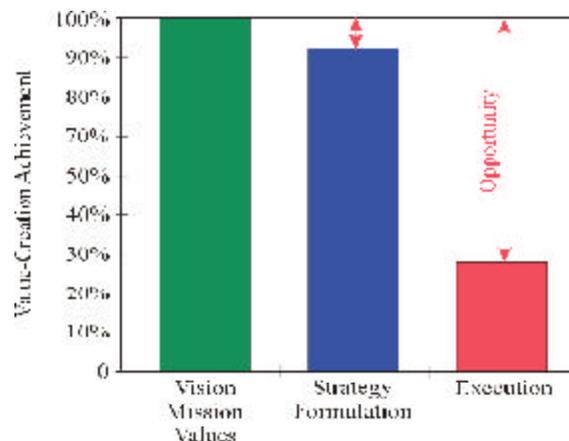
Business issues are not actively understood: As we work with well-managed companies, we never find a shortage of opportunities for step-change improvement. Why is this? In most cases, senior leadership lacks insight into the basic day-to-day problems the business is experiencing and lacks a method of moving their business

through these issues to the higher performance threshold beyond. One might offer that top leadership cannot afford to be distracted with this level of detail. Others would offer that subordinates are slow to disclose the problems that exist and in fact sugarcoat what is reported to senior leadership (who would not rather tell their superior a story of a great positive breakthrough rather than the gory details of systemic problems within the organization). Whatever the reason, with less than full knowledge of the business issues before them, leaders are often less effective than they would be if

the issues were more actively understood.

Building your team: As simple as this sounds, most organizations have non-functioning team members whose performance is not being appropriately addressed. This carries a strong message to all others across the organization: *poor performance is acceptable here.* In a world where your "strength of execution" is becoming increasingly valuable, poor performance becomes a cost far more significant than in the past. A great team does not guarantee great execution, but you'll never achieve great execution from a team that lacks greatness.

Execution: It's Where The Opportunity Is



for next year are built on the previous year; targets for growth and earnings are built from past performance; returns on capital and assets mimic those of previous times. It takes a knowledgeable and insightful leader to break through this paradigm to set the expectation for greater success. It further demands that the leader provide assistance to the organization should he/she expect it to go beyond where it has gone before. It takes a patient and empathetic leader to consistently push forward as the "emotional-cycle-of-change" is experienced, to continue to focus on the end-game and not give in as

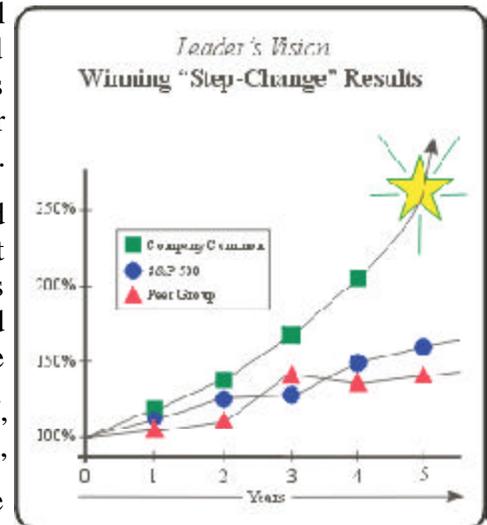
William W. Rutherford and Associates

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William W. Rutherford and Associates helps successful leaders of well-managed companies achieve a “step-change” improvement in their competitive position. Many factors make “winning” increasingly difficult in the world ahead: global competition, maturing products and services, rapidly changing customers and suppliers, and the growing impact of technology. Company performance options that we only began to consider yesterday are becoming a basic requirement for tomorrow’s success.

The Leader’s Challenge: Leaders know those areas critical to their success and want to do what is required to significantly improve their organization’s performance and effect cultural change. Past efforts to design and implement strategies to realize this vision have often been less successful than expected. Internal organizational issues, personal agendas and inadequate skills and capabilities have been problematic. Stakeholder’s lack of varied industry and “outside-their-function” experience further contribute to the challenge of making meaningful “step-change” progress.

Our “Step-Change” Approach: We start with the leader’s required *improvement* and build a specific approach to achieve it. Leaders tell us that with our assistance they make faster, more significant progress in today’s increasingly competitive world. “Step-change results and improved competitive position are a must” is a frequent comment. “We need a new, more robust approach” and “we need to double-the-value of our core business” is another. Yet other leaders say that we have “energized their organizations for achievement” and “substantially reduced the time required to successfully attain these results” and “created the environment for accelerated growth and learning.” Effective “step-change” improvement initiatives are a lasting and rewarding leadership decision.



*Measurable and Sustainable Results
For Best In The World Companies*

William W. Rutherford and Associates provides leaders with:

- Step-change results improvement.
- The attainment of significant measurable and sustainable goals.
- Strategic and operational achievements leading to core-business performance breakthroughs.
- Organizational learning, tools, skills, measures and the confidence to accelerate future gains in competitiveness.
- A lasting legacy of success for their businesses and stakeholders.

William W. Rutherford and Associates works together with leaders to make otherwise unreasonable company, industry and market demands achievable. Experience has shown that both tangible and intangible step-change benefits are needed to accomplish the new level of business performance needed to “win” in this environment.

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Helping Leaders Step-Change Improve Their Company’s Performance