



Champions - the Key to Effectiveness

By Hal Johnson

Exactly what is a *Champion*? The original meaning of the word comes to us from English history; in the Feudal Era, knights were expected to be champions of both prowess in combat and of causes, the latter most commonly being either patriotic, romantic or religious in nature. In sports, a champion is the athlete or team in first place at the end of a season of organized competition. The common application we draw from these two perspectives is: champions enable exceptional results.

There is one particular "champion's perspective" I want to share with you this month. Let's start with the Balanced Scorecard (BSC). This most valuable strategy concept has been around now for about 20 years. Robert Kaplan and David Norton, based on research they did with KPMG at Harvard, gave us an incredibly valuable strategy system. They were instrumental in creating a tool to focus on strategy and performance in four critical perspectives: people, internal business processes, customer and finance.

We have been helping clients integrate the BSC Perspectives into their strategic planning processes now for over 12 years. To complete a robust Strategic Plan, we recommend a People Plan (learning & developing), an Internal Business Processes Plan (continuous improvement & quality), a Marketing Plan (getting & keeping customers) and a Financial Plan (achieving budget with high predictability).

Further, we recommend each plan have a *champion*. It's pretty straightforward for three of the BSC Perspectives. The HR executive champions the People Plan, the Chief Marketing executive champions the Marketing Plan (customer) and the Controller or CFO champions the Financial Plan (budget). But where is the Internal Business Processes champion? And, I am not talking about IT.

Unfortunately in most organizations, this important function has not been institutionalized like the other three perspectives. As a result it gets serious neglect.

One of my all time favorite HBR articles is *Turning Great Strategy into Great Performance*, by Mankins and Steele

(Reprint R0507E). The authors report that most companies lose about 1/3 of their productivity through poor implementation of their strategies. Based on several decades of being a transition CEO and then for the last 12 years coaching CEO's and their teams, I generally agree. However, I would add that I believe most of that 1/3 productivity loss occurs in the *Internal Business Processes Perspective*.

A recurring theme in mid market companies is the business outgrows its people and systems. Training generally lags behind growth. But the greatest neglect is in the Internal Business Processes Perspective. Generally, processes are invisible and receive little attention until there is a major problem. Yet, well championed processes can be one of your greatest contributors to productivity.

Here are four key steps for an effective process strategy:

1. Appoint a champion to develop and manage a plan to achieve high efficiency from your key business processes.
2. Process map / document your key systems and processes (start with the 20% that enable 80% of your results).
3. For each key process, appoint a champion (without a champion, a process/system will die).
4. Each process should have a goal and regularly (i.e. quarterly) reviewed with its users to assure its goal is being met.

Having a champion for each of the four BSC Perspectives is an important strategy for building long term, sustained effectiveness. If you would like more information on how the BSC can contribute to your productivity, *shoot me an email and I will send you a 20 page Best Practice Summary* on this important leadership tool. Here's to the champions who lead us to great performance.

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