



Systems: The Key to Predictable Success

By Christopher Glassman

As managers and leaders, we are expected to deliver consistently successful results quarter after quarter. There is absolutely no tolerance for failure to execute. What is a manager to do? Develop and manage systems. That's right, systems, when properly designed and managed, provide the company with predictably successful results. Not computer software. Systems, here, refers to your business method, your process, your procedure, your modus operandi, basically how you perform all of the activities required to deliver your products or services to your customers. Your system, or series of systems, will ultimately determine if you are successful. That's why it is critical for managers to manage their systems daily to have a constant clear picture of their core business systems. How are your systems performing today?

An Organization is a System

Regardless if there is deliberate design or active management of the system, it's critical to realize that the organization will act as a system, possibly a broken system, but a system nonetheless. Organizations by nature behave as systems, with inputs, key steps, functions, and outputs. As organizations evolve and expand with increased product lines, acquisitions, joint ventures, and partnerships, they become more complex as "systems of systems". It is critical to have a clear understanding of each system in order for the organization to perform well. Without an organized effort to develop and manage your system, it is very difficult to see consistently successful results, even with great individual performers. Excellent performers can save the day from time to time but ultimately a bad system will always undermine great performers.

Understand your Systems

Far too often, we find business managers unaware of how their operational systems are affecting the end product to the customer. Operating in divisional silos separated by function, we see mid-level managers and staff ultra focused on their small piece of the product. Concerned only with their performance on their task, the divisional mindset supersedes delivery of the end product to the customer. When the quarterly financials are prepared and the numbers miss the mark, we tend to see a lot of finger

pointing and hear "Well, I did my job." In cases like this, the system is broken. The key to performance is understanding the underlying systems. The systems need to align the goals of the company with the goals of each function to deliver predictable success.

Adapt or Die

I recently heard a stat that the average life expectancy for a company in the S&P 500 has dropped from 75 years in 1937 to 15 years today. Why is the life expectancy of a company so low and why is it dropping? I surmise that organizations, for multiple reasons, have failed to adapt. As companies have become larger and more complex along with the marketplace evolution, companies have not been able to adjust and change quickly enough. They were victims of the cruel reality of the ever-changing marketplace. Business leaders who are incapable of adapting their systems, and who have the mindset of what has been successful in the past will guarantee success in the future will soon find themselves in the unemployment line. The only guarantee that we have is that there will be change. Therefore, as successful managers we must accept and embrace change within our organizational systems. One thing that we know for certain is that the organization that doesn't regularly recalibrate its systems to meet the customer and company requirements will surely die.

Conclusion

The key to predictable success is obtaining a thorough understanding of the organizations underlying systems and adapting them on a regular basis to continually meet the requirements of both the company and the customer.

If this is a topic you would like to read more about, email me and I will send you our white paper on this subject.

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