



Company Performance The Balancing Act

Jon S. Halleen and Mark E. Spiers

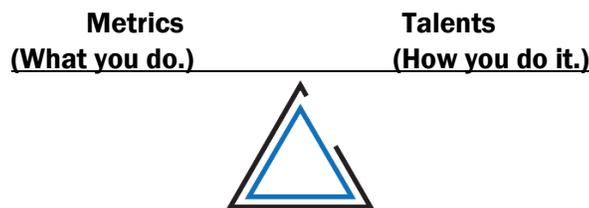
Whenever you think about evaluating company performance, most assessment tools focus on numbers. A common response is, “well, it is all about the numbers you know.” For example, a business owner would not seek a loan from a bank without a carefully assembled representation of sales, revenues, profit margin and a whole spectrum of other **Metrics**.

There are metrics of market share, competitive analysis, production, labor and the list goes on and on. There are even metrics of employee performance based on yearly reviews of objectives achieved, sales quotas met, tallying management and supervision time, and turnover.

Companies plan to achieve their metrics through strategic thinking, analysis, and organizational tactics. No argument can be made that would diminish the importance of planning your objectives, and then measuring your results. The marketplace demands it, and the market’s financial “rules” determine which companies get to stay in business.

At GAPWORX, we help business owners and managers understand the balancing act between metrics ... and the human behaviors that shape the measurements. We call human behaviors the **Talents**.

A balanced assessment would look something like this.



We call this the **GAPWORX Balance**.

We posit that the desired balance occurs as a relationship between what you do, and how you go about doing it. Another way to look at the balance is to substitute “strategy” on the left side, and “execution” on the right side.

Even more clearly, you have the “hard stuff” on the left, and the “soft stuff” on the right.

For example, any number of established airlines can get you from point A to point B, and you pay your dollars (metrics) to get you to your destination. But it is your perceptions of the crew, the timeliness, the comfort and conveniences and so on that comprise the experiences (talents) of the flight. You “balance” the success of the flight by how much it costs and how you felt about it. The “balance” helps you decide whether or not you want to use that airline again.

Another example would be a sales representative’s metrics. The company has a set of company metric requirements that the sales person must achieve in defined time frames – weekly, monthly, quarterly and annually – to meet typical company goals of revenue growth, profitability and the like. Sales management is charged to monitor and support the sales representative, and typically establishes a set of predictive

metric requirements – requirements that management believes will foretell the successful attainment of company metric requirements.

In this real world “sales” example, the generally assumed expectation of sales management and the company is that the sales representative has the requisite talents to not only accomplish the predictive requirements, and by doing so achieve the company’s metric requirements. Yet, performance varies.

The metric requirements are ONLY achieved when the sales representative has sufficient talents to communicate, solve problems and persuade in the selling process.

When you craft a strategic plan, you outline the ways your business plan will help you achieve your financial goals. That plan also defines “X” amount of human resources to work your plan. Human resources include the knowledge, capabilities, and specialized training for your employees, and sometimes including outside firms with specialized expertise to help do the work.

The preceding balancing act scenarios illustrate the delicate equilibrium between setting your goals and achieving them. For most small to mid-sized companies the imperative is clear. To get the job done ... the job must be done well.

At GAPWORX we believe that every business exists in an **Actual State** (today) and has a **Preferred State** (tomorrow). We believe that every business is also constrained by **performance-robbing gaps** that hinder company success. Typical performance-robbing gaps include occurrences of weak marketing, disengaged employees, sketchy processes, falling finances, inconsistent service quality, poor communication, and unhappy customers. Sometimes there is a toxic culture which makes it difficult for any employee to perform well.

Cultural Attributes

Employees are not “islands.” They act in concert with other employees in a positive or negative cultural setting. Good company cultures are highly correlated to good company performance; conversely, bad cultures with bad performance. With rare exceptions, companies must regularly work on the gaps in its culture to optimize success.

You try to figure out how to run a high-performing company – working every day to have the right employees in place, doing the right things, and at the right time.

This means having a clear vision expressing the **metrics** of your business plan. Look at your company’s collective pool of **talents**, the skills, education and training your employees will need to be successful. What kind of company culture is needed to support your working environment, one that is stimulating and productive? You know – to have the whole “engaged employee thing.” You have also heard that without your employees being on the same page to your “company’s mission, vision and purpose,” your customers won’t be taken care of very well either.

We believe companies need a customized Roadmap to quickly move to their Preferred State. A company needs to become aware of where it stands today, and where it wants to be tomorrow. There needs to be a realization of barriers and obstacles before it can take the right actions to achieve company success.

If you believe the strongest metrics for success are creating enough customers, and keeping enough of them (retention), then it really isn’t all that complex. Shortfalls in company performance and complications arise when not enough people are aligned to the mission, vision and purpose of the company.

Focus on the brand elements and metrics of **Product, Price, Place and Promotion (4Ps)**, and then balance your brand value by also paying attention to the talents of your **People** – to your employees and your culture. Your balanced brand value is achieved with **5Ps**.