Accelerating Performance

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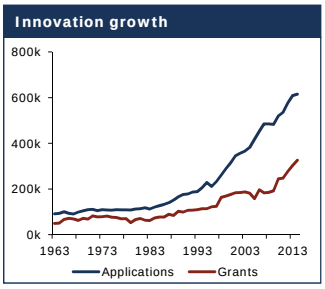
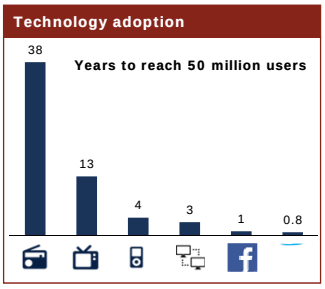
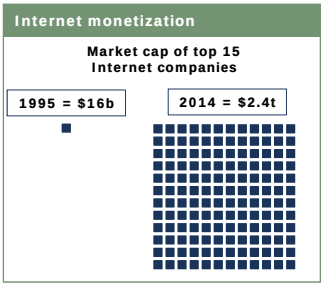
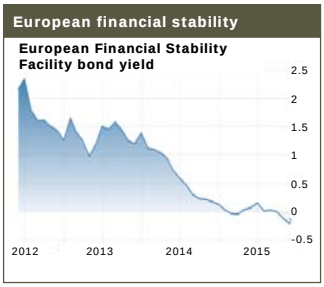
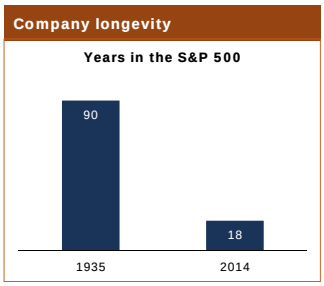
Change is happening fast…











...and at multiple levels

World

- By 2025, 46 of the global top 200 cities will be in China
- Nanotechnology will increase computing capabilities, allowing for brain-like devices
- Off-line will be a thing of the past; increasingly people are wearing and using devices that are constantly connected
- In 2020, 4 out of 10 college graduates across the globe will be either Chinese or Indian
- Over the next two decades, 45% of today's American jobs could be done by computers and robots

Industry

- Increased societal push for greener operations across the whole supply chain
- Atomization of industries driven by technologies like 3d printing that change production economics
- Service-related industries will continue to grow compared to manufacturing employment in the developed economies
- The sharing economy will continue to disrupt traditional industries at a higher pace and with a bigger reach

Company

- Need for immediate business-critical information drives investment in data infra-structure, making all data available, and possibly information overload
- Demographics and career structures for employees are changing, forcing companies to totally revamp how they approach talent and career management

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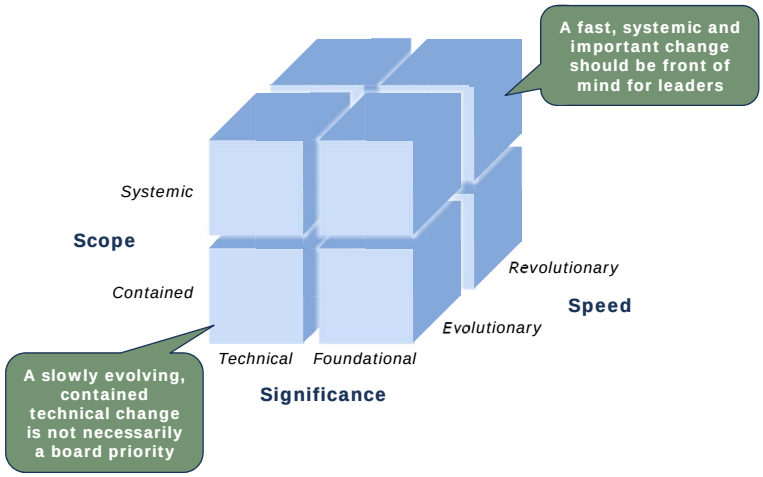
But not all change is relevant or significant to every organization

Leaders need to determine not just the speed of change, but also its scope and significance to the organization and its stakeholders, to prioritize what they will spend their time on



"You have to separate the noise level and the normal stuff that goes on from fundamental shifts that are taking place, and then be able to determine how quickly those shifts are going to manifest or disrupt what you're doing"

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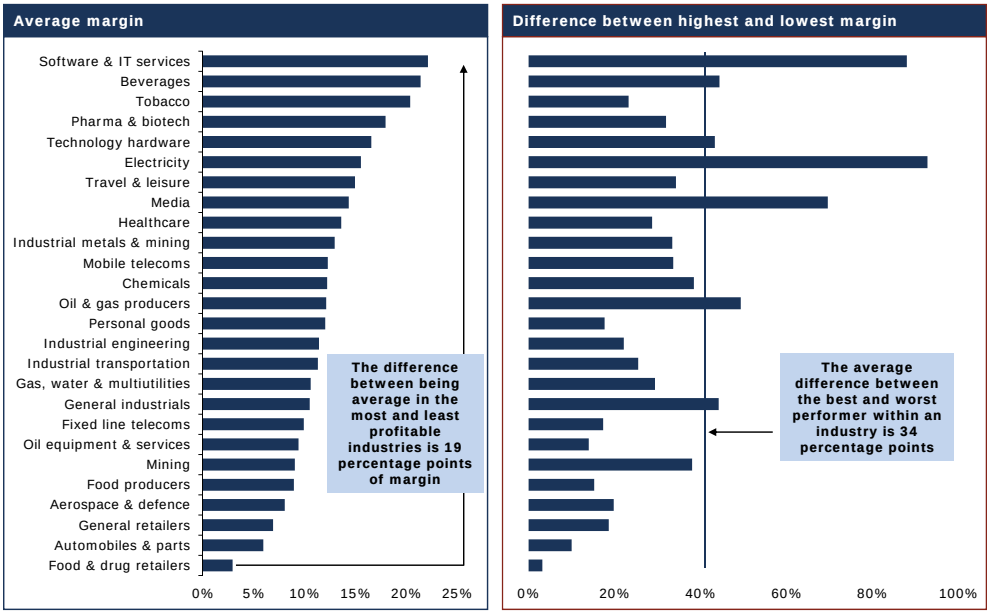
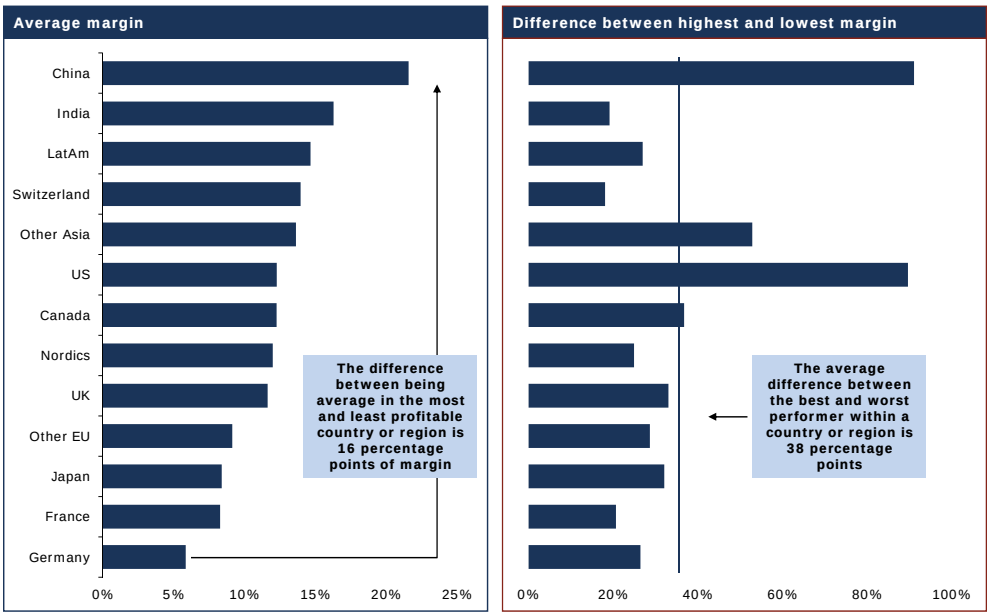
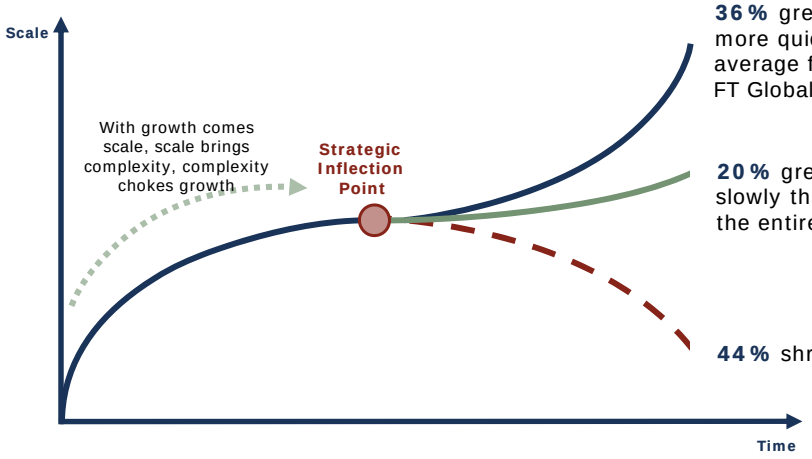
Chose your profit pool, and then out-accelerate the competition



The same pattern holds across countries and regions too



The paradox of growth stops companies growing at scale



Of FT Global 500 companies

36% grew revenue more quickly than the average for the entire FT Global 500

20% grew, but more slowly than the average for the entire FT Global 500

44% shrank revenue

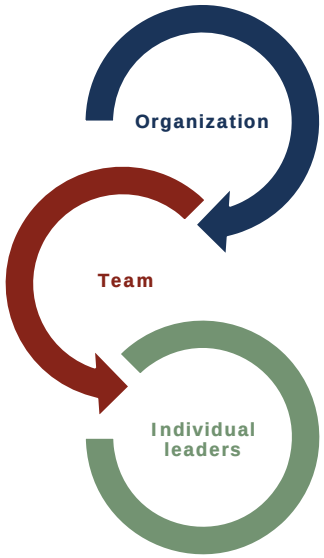
Acceleration is when you can Mobilize, Execute and Transform with Agility

$$M \times E \times T \times A = Acceleration$$

Mobilize	*… inspire aligned action based on a compelling purpose and a simple set of strategic priorities*
Execute	*… fully harness and streamline resources to consistently deliver excellence in the core business*
Transform	*… experiment and innovate to create new growth engines and to reinvent existing businesses ahead of the market*
Agility	*… spot opportunities and threats, adapt and pivot at a faster pace than competitors to create competitive advantage*

Acceleration helps companies, teams and leaders win

- Organizations are the **enablers of acceleration**. Research conducted at MIT suggests **that accelerating firms grow revenue 37% faster and generate 30% higher profits than derailing ones**
- Teams are the **engines of acceleration**. Accelerating teams move faster and **deliver 22.8% better performance** than derailing teams. **Top teams are the 'rate limiting factor'**. No matter what the acceleration capacity of the organization, it can't move faster than the top team moves
- The single biggest **driver of acceleration** is the quality of leadership. Star performers are up to **four times** more productive than their peers



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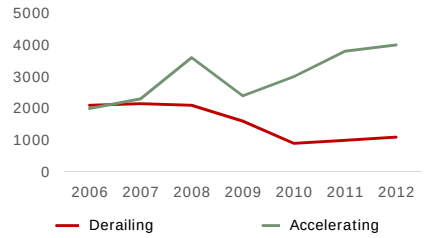
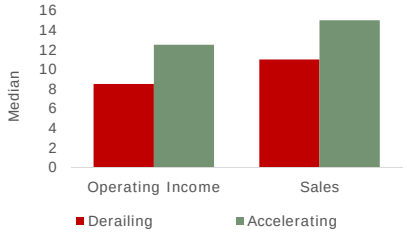
Accelerating companies outperform

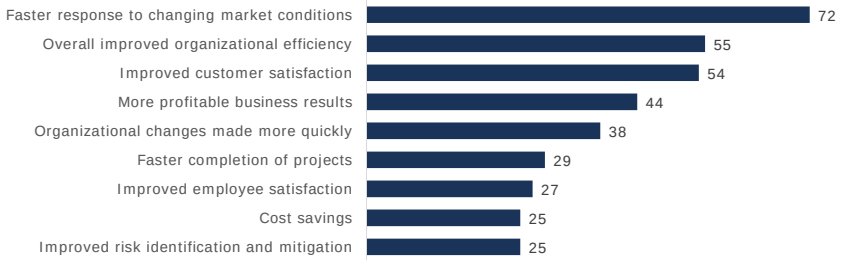
Market capitalization in billions



3-Year Average Growth Rate and Company Acceleration



% of respondents citing this benefit



Source: Compustat, BCG value center, BCG Analysis; Achieving Strategic Speed, Forum 2009; Organizational Agility, PMI, 2012.

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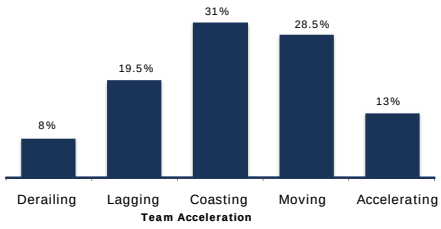
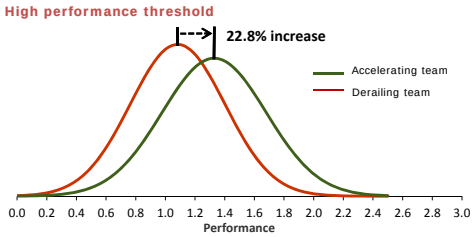
Accelerating teams deliver more value to the bottom line

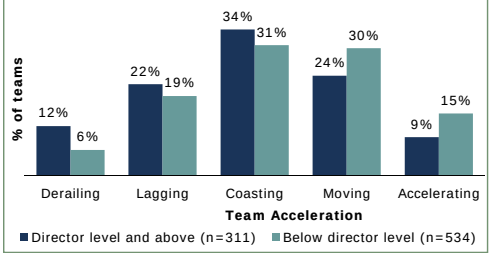
Most teams aren't accelerating…



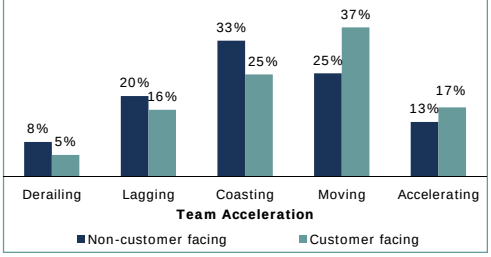
…but accelerating teams make a lot more money



It's worse at the top…

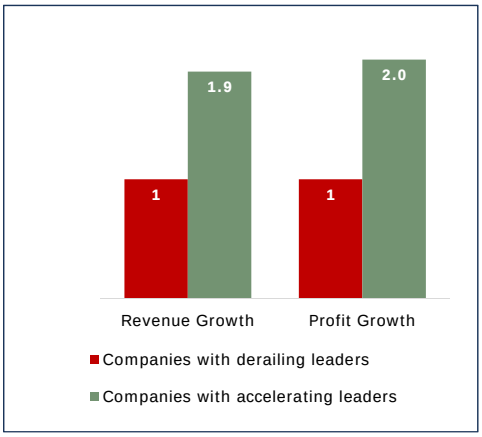


….but better close to customers

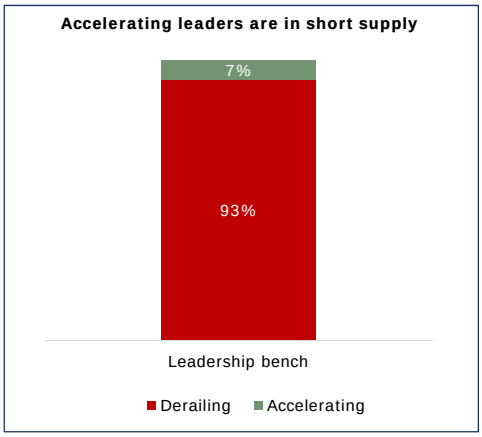


Source: Heidrick & Struggles – TAQ research

Accelerating leaders help their organizations succeed



Accelerating leaders are in short supply

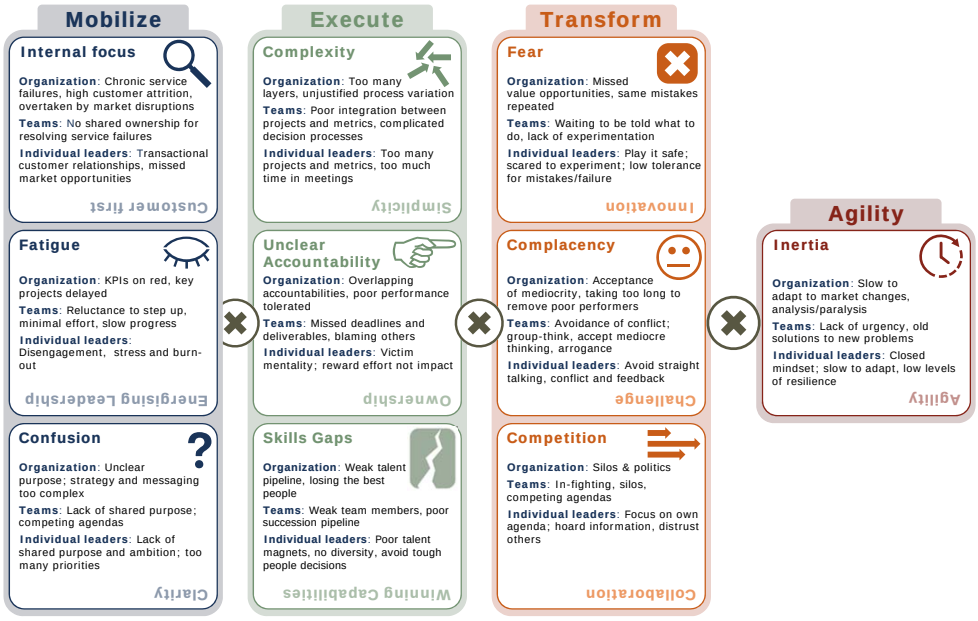


Accelerating leaders defined as those that can combine and balance four qualities (META):

1	The ability to **M**obilize a network of internal / external stakeholders around a common purpose, ambition and strategy	2	Efficiently **E**xecute on the strategic priorities	3	Lead **T**ransformational change	4	With **A**gility

Source: The Rise of the Network Leader, CEB 2014.

Drag factors – the speed bumps that reduce acceleration



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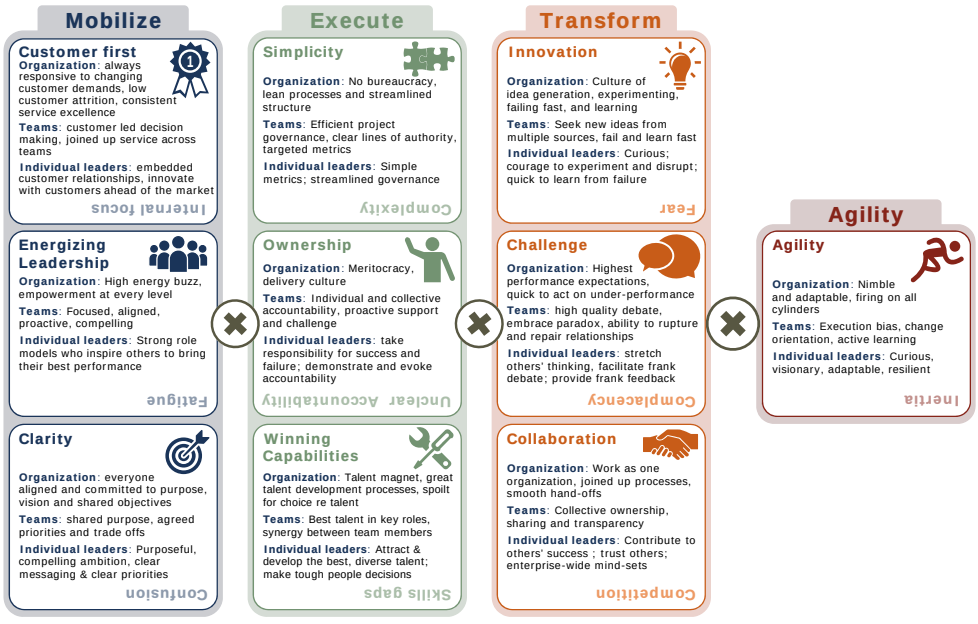
Drive factors – what you need to do to accelerate



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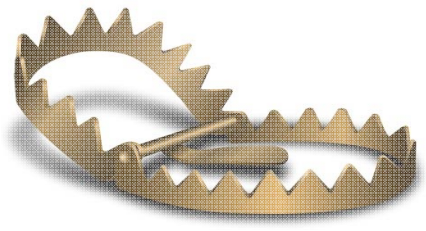
What companies do to accelerate

Mobilize	Execute	Transform	Agility
Customer first a) Immerse yourself in the customer experience b) Co-innovate with customers c) Gear measurement systems to start with customers and follow with finance	**Simplicity** a) Digitize b) Reduce layers c) Let simple , consistent and scalable be your watchwords	**Innovation** a) Protect the space to innovate b) Invest with courage c) Emphasize speed to adoption	
Energizing Leadership a) Role model urgency b) Stop 'sucking up' accountability c) Use purpose as your fuel	**Ownership** a) Develop a culture of commitment b) Introduce resource fluidity c) Think like an activist	**Challenge** a) Speak truth to power b) Harness the power of doubt c) Keep your people healthy	**Agility** a) Build a foresight driven organization b) Make your organization a learning machine c) HQ to add pace to the businesses
Clarity a) Articulate an audacious objective b) Repeat the narrative c) List your priorities on one hand	**Winning Capabilities** a) Be a talent magnet b) Become distinguished for your investment in people c) Think of business units as guests, not family	**Collaboration** a) Build winning teams b) Be one firm c) Celebrate talent net exporters	

Beware the Acceleration Trap

Falling into the acceleration trap can harm performance, productivity, and retention

- A constant, frenetic pace saps employee motivation and scatters the company's focus, which can confuse customers and threaten the brand
- Exhaustion and resignation can begin to blanket the company, and the best employees defect



Acceleration does not mean doing everything more quickly

- Do not make furious pace the new normal
- Only increase the number and speed of activities, raise performance goals, shorten innovation cycles, and introduce new management technologies or organizational systems when it is needed

Source: "The Acceleration Trap", Bruch and Menges, *HBR*, April 2010 issue

Accelerating Performance … four META capabilities

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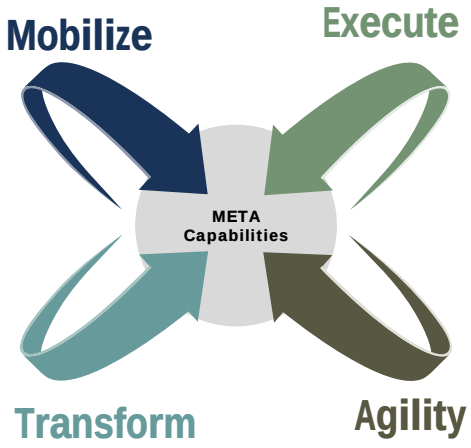
Four META Capabilities are Required to Accelerate

Ripple Intelligence:
Connecting the dots and joining things in order to take purposeful action



Resource Fluidity:
Constantly optimizing the matching of resources to opportunities

Level 4 Flow:
Finding value-creating solutions to apparent trade-offs and paradoxes

Liquid Leadership:
Leading in a networked, fluid manner, rather than using hierarchical command and control

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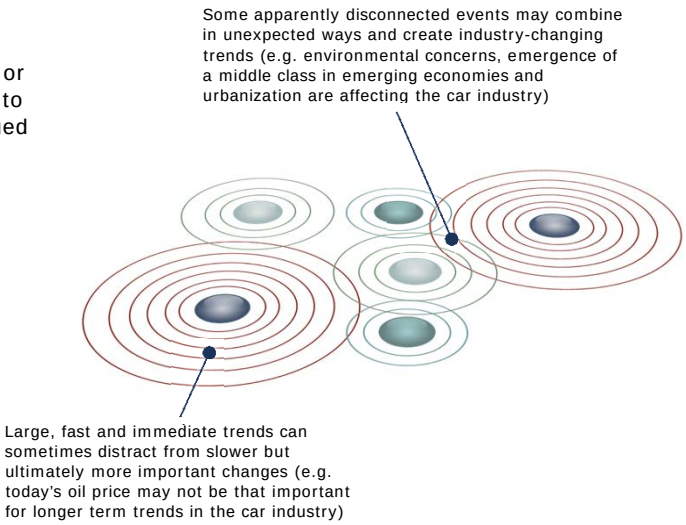
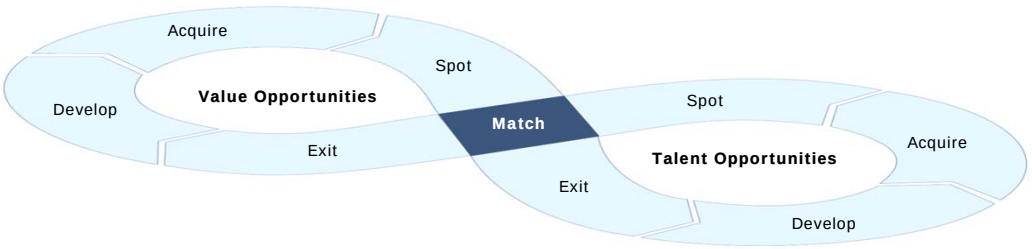
Mobilize - Ripple intelligence

The ability to discern and connect disparate events, discover patterns, and anticipate distant threats or opportunities. The ability to chart a way forward imbued with purpose.



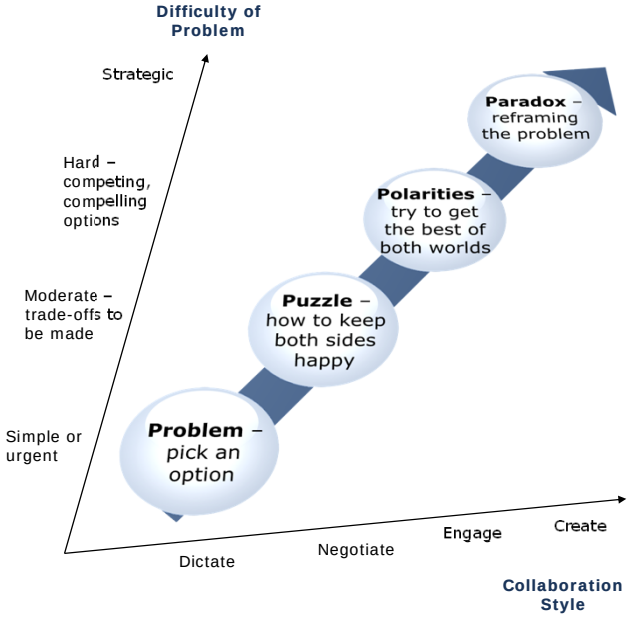
Execute – Resource Fluidity

Being able to simultaneously develop both the talent and opportunity lifecycles, and to match the right talent to the right opportunities in real time.



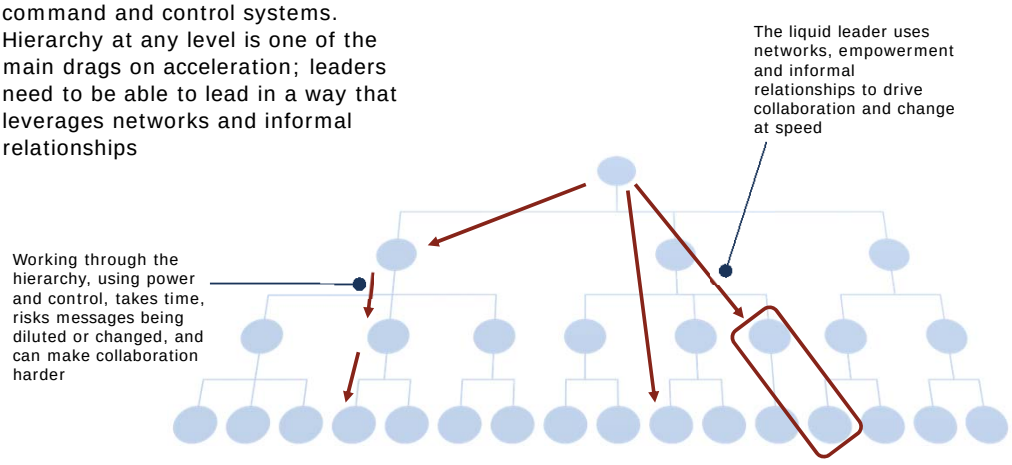
Transform – Level 4 Flow

Being able to embrace apparent paradoxes as a source of value, rather than trying to just manage trade-offs or avoiding the difficulty od the decision. The ability to find the 'strategic unlock' that reframes the problem.



Agility – Liquid Leadership

The ability to lead in a fluid manner, not being bound by hierarchical command and control systems. Hierarchy at any level is one of the main drags on acceleration; leaders need to be able to lead in a way that leverages networks and informal relationships



Q&A

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