

5 Tips to Developing "Business Traction"

(Expanded from the OC Register Business Monday article on April 17, 2006)

"**Business Traction**" is the ability of a business to effortlessly pull itself with power and purpose past its goals and objectives. In other words, the business is firing on all cylinders and just seems to be clicking along. Time, money and programs yield a return much greater than the investment.

I find that more companies, executives and employees are working harder with longer hours than ever before but the results are not commensurate with their efforts. Why is that?

With growth and changing market expectations, demands are being placed upon businesses that are exceeding the capabilities or capacities of the business.

Did you know?:

- 30% probability that a company in an industry's top revenue quartile will not be there in five years. — *McKinsey, January 2006*
- By the year 2020, The World Economic Forum predicts that China will become the second largest global economy and quadruple the country's GDP to \$4 trillion. — *Fast Company, March 2006*
- "The business environment in which most strategy and management approaches of the twentieth century evolved is increasingly disappearing." — *Blue Ocean Strategy, W. Chan Kim and Renee Mauborgne*
- 75% of the largest 500 companies are not confident that their talent is sufficient. — *BusinessWeek, Oct 10, 2005*
- For companies whose competitive differentiation to the marketplace is still effective, innovation in execution can help boost productivity. — *How Great Companies Innovate at Every Phase of Their Evolution, Geoffrey Moore*
- "The knowledge economy is giving way to the Creative economy. To prosper, companies have to constantly change the game in their industries by creating products and services that satisfy needs customers don't know they have yet." — *BusinessWeek, Dec 19, 2005*

V: 949.690.6033

F: 949.766.3575

E: helenm@strategicmgmtresources.com

WWW.STRATEGICMGMTRESOURCES.COM

10 symptoms of not having “*Business Traction*”?:

1. The top line is growing but it is not flowing to the bottom line.
2. Cash flow tends to be an issue.
3. Not sure if what we are measuring will move us to our strategic vision.
4. Not sure which decision and investment takes priority.
5. How to effectively balance the long term and the short term?
6. Talented and capable people, yet they all seem to be doing their own thing and don't seem to work together. They aren't a team. And we have retention and recruitment issues to boot!
7. Employees don't finish what you have asked of them to do and when they do finish it isn't what you wanted.
8. Not everyone shares a common understanding of who we are, what we are about and what we are looking to achieve, much less how they can contribute!
9. Can't shake the sense that things are out of control. Life has become one unpleasant surprise after another.
10. Why does it all seem to roll to me?

5 Tips to Developing your “*Business Traction*”?:

1. **Be Future-Oriented.** Have a clear Vision (what the company will be and do in the future), a Mission (the purpose) and a set of core Values (a behavioral framework and accepted norms). These will impact your culture and ultimately your brand identity.
2. **Measure it.** Develop a dashboard of critical metrics to rapidly make strategic decisions. Be able to anticipate and predict that the business is not functioning as healthy as it should. Using a good accounting package analyze and measure product line performance and profitability as compared to the market and the competition..

5 Tips (continued)

3. **People.** No matter how good the written plans, unless your people are behind you, it is a losing game. Start with a good performance management system and link compensation to the goals, objectives, markets, mission and vision of the company.
4. **Alignment.** The global strategy, tactics and the people plans all need to integrate while at the same time the business divisions and plans need to link back to the Vision and Mission of the organization. Good technology and solid business processes are the mechanisms to bring it all together. Keep all the wheels turning together at the same pace and in the same direction.
5. **Prune.** When necessary, make the people, processes, technology and product line changes that do not align with the vision, mission and values of the organization.

Ready or not, we live in an increasingly changing world.

The Question is, "Are you ready?"

**Each action and decision will either take us
one step closer to our vision and managing our future
or
one step away.**

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