High Performance Organizations Today:

A three-part series of articles reviewing the current state of the art
Part III: How can you make them work for you?

HPO
GLOBAL ALLIANCE

HIGH PERFORMANCE ORGANIZATIONS TODAY

Part III: How can you make them work for you?

Leaders want a unique implementation plan that guides them successfully through the risks and unknowns. The plan must respect the history, culture, and competencies that are in place today.

HPOs' "SECRET INGREDIENT"

The mountain metaphor described in Part II provides the big picture of the HPO journey. The nine specific design principles need to be aligned to produce the five validated HPO factors that deliver superior bottom line results. Now comes the "secret ingredient," that part of the recipe that often is missing or outlined hastily in the rush to "get on with it."

The secret ingredient is implementation. The HPO factors and the nine design principles can guide you to new heights. However, there are many different ways to apply these principles. Your choices in designing the specific processes, structures, rewards mechanisms and people development approaches must be a good fit for your current state and then carefully blended into an HPO implementation plan.

We have seen a number of alternative HPO implementation strategies that have worked well, depending on the company's history, culture, market situation, and leadership. The graphic below illustrates some typical strategies:

1. **Educate Leaders on HPO principles:** this is the common starting point because all leaders need to understand the big picture of HPOs and the specific changes they will be asked to lead in the future.

2. **Start small and expand carefully:** focus on the operational core tasks and work with leaders to continuously improve the operation. Typically this strategy would begin with a pilot
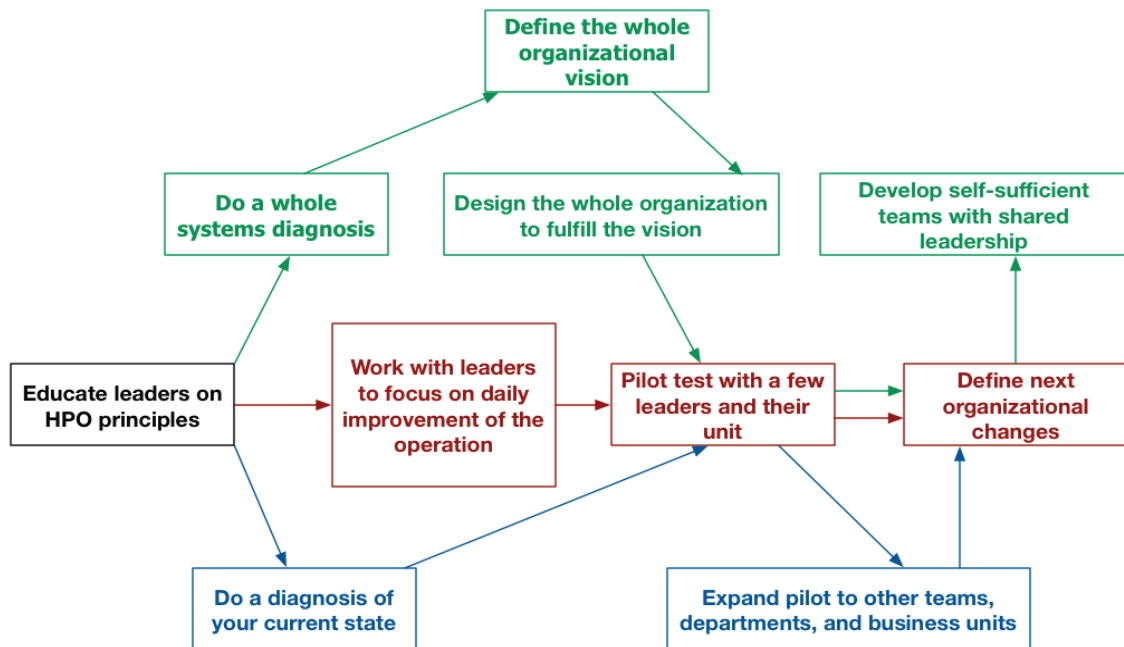
unit and its leaders. As successes are achieved, next steps could be defined to expand to other units, functions, and teams.

3. **Define the whole organizational vision and develop it step by step:** start with the big picture (diagnose the whole system's current state and define the future vision). Then design the organizational template to fulfill the vision. Conduct pilot tests, and expand until the model becomes reality throughout the organization.

   One example of an HPO organizational template is the self-sufficient team that shares traditional leadership functions among team members. When such teams are operating successfully, the managers are able to devote more time to "boundary" issues between the team and other stakeholders, such as supply chain efficiencies, quality and cost improvements, and technical innovations.

4. **Develop an organizational template:** diagnose the current state, design some organizational improvements, conduct pilot tests, and expand as progress permits.

The strategic path isn't always a straight line as the model might imply. You may need to backtrack and repeat some steps, you may be able to move faster than antcipated, or you may chart a course that weaves in and out of the major tracks as your situation requires. The main point is there is not one best strategy for implementing your HPO design. Best practices for others may not work well for you. What works well for you may not always align with academic wisdom.

Implementation Phases

The action plan to deliver your strategy should be stretching, but realistic. It is wise to follow the advice of General Georges Doriot, who said, *"Choose a mediocre plan well implemented over a superb plan poorly implemented."*

It will probably require some different phases to accomplish everything you need to do to become a true HPO. Everything doesn't have to happen at once, so decide which changes should take priority immediately, mid term and longer term.

The graphic below is one example of such a phased plan.

As things move along, remember that even the most thorough design work and careful planning will not always guarantee success as you implement changes. Some of your design assumptions will not be accurate and people will not always respond as you predict. Additionally, the marketplace may hurl unanticipated changes at you. These realities explain why you need to be constantly open to further change even as you roll out your new HPO design. The work of designing an HPO is never "finished." It is, in fact, a series of iterations to stay in alignment with your stakeholders' ever-changing needs.
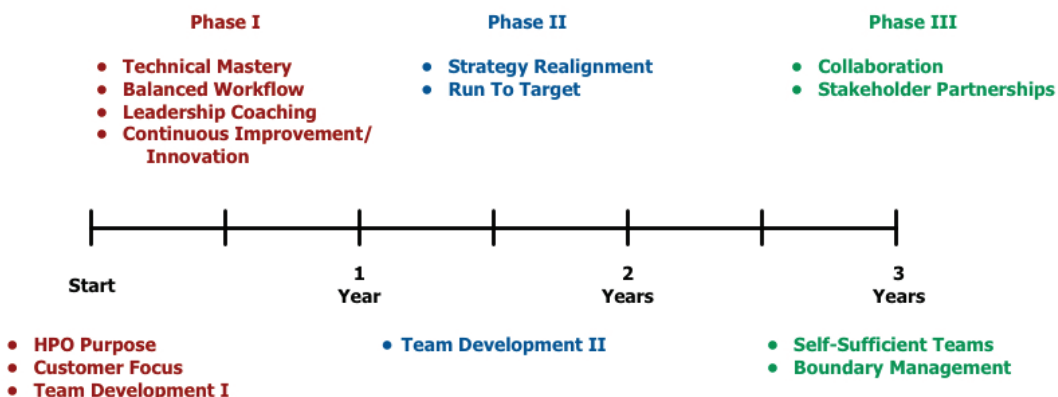
LEADERSHIP MAKES THE DIFFERENCE

"There are 99 people who believe in honesty for every honest person." (Mahatma Gandhi)

Similarly to Gandhi's sentiment, there are many managers who would like to have an HPO and many who understand what is required, but only few who are willing to pay the price to reach the mountain top.

True HPO leaders may be found at all levels in the organization, in different functions, and from diverse backgrounds. But they have one common virtue: an undying commitment to do whatever it takes to get to the top. They are like John in this real-life example:

John was an experienced production manager who was offered the opportunity to start up a new state-of-the-art manufacturing plant. For some time John had been studying similar organizations that had been applying HPO principles. He became convinced that his new plant was the perfect opportunity to

Phase I
- Technical Mastery
- Balanced Workflow
- Leadership Coaching
- Continuous Improvement/ Innovation

Phase II
- Strategy Realignment
- Run To Target

Phase III
- Collaboration
- Stakeholder Partnerships

| Start | 1 Year | 2 Years | 3 Years |

- HPO Purpose
- Customer Focus
- Team Development I

- Team Development II

- Self-Sufficient Teams
- Boundary Management

not only start up the latest technology, but also become a shining HPO.

John was as competitive as the next manager and he knew he had to deliver top results as well as an innovative organizational set up. His start up team came together while the plant was still under construction and they determined what the organizational principles should be. It was to be a team-based system made up of individuals who each (over time) would be experienced in several different roles in the operation. Their aim was to establish high performance and self-sufficiency at all levels.

As the project moved forward, John was caught in a firestorm of second-guessing. Technical managers were afraid the rotation system would dilute needed expertise. Managers questioned whether their teams could ever become truly self-sufficient. Team members became impatient and wanted to move faster toward the ideal state. John's hierarchy told him that he shouldn't try to do everything so fast, to take smaller steps to see if the organizational principles were really practical for his situation.

But John wouldn't back down. He was a daily role model of three key leadership elements: **(1) Vision** – the vision of a HPO plant, **(2) Commitment** – this led him to try even harder and seek others' ideas for overcoming the obstacles in their path, and **(3) Sacrifice** – he was willing to sacrifice his own personal comfort and reputation for his vision. He was able to attract some key believers for his vision.

The plant set company start-up records for every product it manufactured and maintained its results leadership for years afterward. At one point virtually every team in the plant was self-sufficient. In time, the plant was sought out by others to learn how to bring the HPO ideals from concept to operational reality.

Years after John had left the scene, hundreds of plant members and alumni could still recall what a special experience it was to work in such a plant and voiced their admiration for a very principled and competent leader who had used vision, commitment, and sacrifice to lead his team to the top.

One important footnote to John's success story: at the same time he was on his HPO journey, there were several peers in other plants who started down the same path, but grew faint along the way and never had the success that John had.

CONCLUSION

HPOs today can be aligned to deliver outstanding results even in the most difficult circumstances. But it is no magic formula or series of mechanical templates that will elevate an organization's performance. HPOs today require focus and discipline on some critical systemic actions.

Begin by internalizing the principles of the journey up the mountain. Essential to this journey are:

- Leaders who are deeply committed to a vision of HPOs and are willing to sacrifice much to reach the top
- A value-driven purpose that addresses the most critical stakeholder needs
- People who are committed to the value-driven purpose and who have the necessary competencies
- Processes that turn purpose into operational reality
- Systems that tie the parts into a high performing whole
- An HPO culture that is characterized by High Quality Management, High Quality Employees, Long-Term Orientation, Continuous Improvement/ Innovation, and Open & Action-Oriented Management.

As with any journey, you must carefully plan your itinerary. This translates into developing an implementation strategy and action plan that uniquely fit your situation and associates' competencies. You will want to monitor progress along the way and always stay alert and open to the need for additional changes in the future.

Developing HPOs is not an easy endeavor. The mountain is steep. The obstacles are many. It is easy to become fatigued. Some may be in favor of turning back.

That is why so few reach the summit of high performance.

Here's hoping that you become one of those few!