



A Post Coronavirus Pain Pill Solution Whitepaper
by *Employee Performance Strategies, LLC*

“Every battle is won before it is fought.”

-Sun Tzu



Crisis Pendulum

Danger or Opportunity?

The Chinese word for *Crisis* is composed of two characters signifying *Danger* and *Opportunity*. The Coronavirus (COVID-19) pandemic of 2020 has forced us into a new and unknown future; the *New Normal*. What will you choose: *Danger* or *Opportunity*? What is your post *Coronavirus Countermove*? The time to *Reboot* and *Prepare* your organization is now!

“Never waste a crisis.”
-Sir Winston Churchill

Like you, I too am a small businessowner. And like you, I too have experienced the *Danger* side of the *Crisis Pendulum*: lost sales, financial instability, uncertainty, need to reestablish my business footing, new employee, and customer safety first conscious mindsets; *Uncertainty, Anxiety, Stress*. But perhaps the *Opportunity* side of *Crisis Pendulum*, is better: an opportunity to outflank and outmaneuver your competition who may be caught flatfooted, in a retrenchment, cost reduction mode, and slow to respond. When the competition retreats, that is the precise time to double-down; an opportunity to gain ground and leapfrog; an opportunity to *Attack*!

“When others are fearful, be greedy. This is the time to act.”
-Warren Buffet

There is no going back to the pre-Coronavirus economy and “business as usual” because those days are clearly over. Thinking otherwise would be a mistake. It’s a new world for consumers, businesses, and brands. The *New Reality* is in front of us. We need to: *Stabilize, Analyze, and Focus*. Before we rush into the *New Normal*, we should first slow down and re-evaluate. We are compelled to change, improve, and find more creative ways to operate our organizations. We need to quit playing defense and start playing offense. But that requires **planning!**



“In times of great change, it is not the strongest or cleverest that survive, but the most adaptable to change.”

-Charles Darwin

The Coronavirus has consumers and employees *Out of Balance*. The Amygdala is the part of the brain that controls and overrides our behaviors, rational or irrational, so it can do its job, which is one thing and one thing only – to keep us safe. The Amygdala employs *Somatic Markers* which are emotional reactions that support decision making designed to keep us safe. The Coronavirus has produced a whole new menu of Somatic Markers for your customers and employees. The Coronavirus has forced *Transformational Changes* within industry structures because it has altered the psyche of consumers and employees forever. The slogan *Safety First* has taken on new meaning. For example:

Customers:

<i>Coronavirus Impact:</i>	<i>Business Implications:</i>
1. Work from home	Lower fuel gallons and store sales
2. Home deliveries	Lower store sales
3. Virtual meetings vs face-to-face	Lower fuel gallons and store sales
4. Avoid crowded brick & mortar locations	Lower fuel gallons and store sales
5. Only patronize responsible retailers	Increased costs: sneeze-guards, masks, gloves, sanitizers
6. Touching sanitation awareness	Increased diligence: forecourt, door handles, pin pad

Employees:

<i>Coronavirus Impact:</i>	<i>Business Implications:</i>
1. Workplace safety-risk	Increased costs: sneeze guards, masks, gloves, sanitizers
2. Recruiting & Retention	Safe workplace may be the new #1 employee benefit
3. Feeling safe & comfortable	New leadership/coaching skills

The Coronavirus will eventually fade away, but the frightening reality is that the emotional impact of the virus is likely to remain, infusing itself into our employees and customers subconscious. Psychologists argue that the most stressful situations we encounter in life are divorce, the death of someone we love, and moving from one home to another. Well, now we can add a fourth experience to the statistics: The *Pandemic*.



This ***Organizational Effectiveness***, Coronavirus Pain Pill (not a vitamin) Whitepaper will help you *Stabilize* your organization by *Regrouping, Reengaging, Refocusing, and Repositioning* your organization to seize the *New Normal*.

Additionally, this Whitepaper is designed to raise questions; to get you to think deeply about the fundamentals of your organization, fundamentals such as: competitive forces, how you compete, the underlying drivers of profitability, and your ROIC: Return On Invested Capital. In summary...your ***Organizational Effectiveness!***





Strategy

Strategy is about *winning*. To play merely to participate is self-defeating – it's a recipe for mediocrity. Winning is what matters and is the ultimate criterion of a successful strategy. Leaders who choose to *Play* vs *Win* wind up settling for average industry results at best.

Great organizations *Choose* to win rather than simply compete. Strategy is a way to win and nothing less; a battleplan for winning. Strategy refers to the ways in which an organization's competitive advantage will be achieved. These include the activities the organization undertakes to gain a sustainable advantage over the competition. A lack of strategy has a clear and obvious result: it will kill you! Maybe not right away, but eventually organizations without winning strategies die. The essence of strategy requires you to make tradeoffs – to choose what not to do. Therefore, the essence of execution is truly not doing it. Your choices should be based on *Strategic Fit* with your: business model, system of activities, competencies, and capabilities that you can confidently, and consistently deliver to your targeted customers.

Business Strategy is the battleplan for a better future!

Your strategy needs to be distinctive to avoid commoditization. Sustainable strategies are based on differentiation, not sameness. You don't want to design and build a strategy that a competitor can copy in a heartbeat, or one that will prove ineffective against a simple defensive maneuver on a competitor's part. A strategy that only works if competitors continue to do exactly what they are already doing is a strategy that is dead on arrival. *Sameness is the Danger Zone*. *Differentiation* creates a *Competitive Advantage*, and competitive advantage provides the only protection an organization can have. Competing to be the best feeds on imitation. Competing to be unique thrives on innovation. How is your organization different from your competition? What can you do better than your competition?

“IN PREPARING FOR BATTLE I HAVE ALWAYS FOUND THAT PLANS ARE USELESS BUT PLANNING IS INDISPENSABLE.”

-DWIGHT D EISENHOWER, AMERICAN PRESIDENT & WWII GENERAL

Lack of strategic focus results in a free for all of activities. If everything is important, then nothing is important. Some things need to be emphasized or it all ends up as noise. The key is to *Focus* on the *Vital Few* vs the *Trivial Many*. Strategy provides *Clarity* and focus for collective action and decision-making. Only in rare cases has a Mission Statement led a company on a mission. Unlike strategy, a Mission Statement doesn't tell you what to do.

Most strategies are approved then poorly communicated. Along with lack of *Alignment*, poor communication results in an *Execution Performance-Gap*. Lower levels in the organization don't know what they need to do, when they need to do it by, or what resources will be required to deliver the performance senior management expects. Research by Michael Mankions and Richard Steele, suggests that companies on average deliver only 63% of the financial performance their strategies promise. Information needs to flow freely across organizational boundaries. Field and line employees need information in order to make informed decisions and take proper actions. Additionally, information needs to flow unfiltered from the field to HQ quickly when the competitive environment changes resulting in the need to review the strategy for a potential course correction or complete reboot. Organizations need to focus on closing the *Strategy-to-Performance-Gap* because it is extremely costly in terms of ROI, lost potential revenue and market share.

Playing by the market leader's rules is usually competitive suicide. You can't outperform the competition if you live by their tradeoffs. While it's important to understand your key competitor and their *Lose Bricks*, it's more important to understand yourself in terms of what you do best and how you deliver *What You Do Best* to your targeted customers. It's more about you than them!

Because customer needs and expectations are continually changing due to advancements in technology, your strategy needs to be *Chamaeleon-like*: quickly adaptable and responsive to consumer trends, market shifts and competitive response. It is because of the speed of technology that strategy lifecycles and expiration dates are becoming shorter. *Speed, Flexibility, and Focus* have never been more important!

Strategies should not be all things to all people - you must choose the target in which to develop and aim your strategy at. Segment your customers into groupings based on demographics, and buying power, then choose what *Customer Segment to Target*. What does your target customer want that they are willing to pay for? This is known as the *Customer Value Proposition (CVP)*. Does the *CVP* align with your *Profit Formula (PF)*? Is your *Business Model* setup to consistently deliver the *CVP-PF* in a way that differentiates your brand from your competitors? That is *the* question that you and your executive team need to think deeply about.



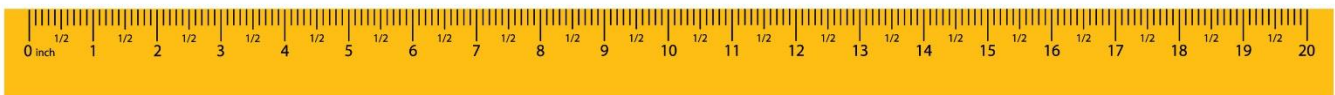
Alignment

Lack of *Alignment* is the #1 reason organizations don't perform at a higher level and produce greater results. Achieving alignment between an organization and its strategy is essential for success. Without alignment, even the world's best strategy will fail. Why? Because alignment is the link between strategy and execution. Organizational alignment occurs when an organization is aligned with the organization's strategy, so that the organization's business model, systems, activities, and talent, all support's its strategy. The tighter the alignment, the more effectively the strategy will be executed. The tighter the alignment, the better the performance.

System first, people second!

Organizational alignment takes on two forms: 1) *System*: policies, procedures, processes; how you do what you do, and, 2) *People*. Focus on your *System* first because your people's productivity is largely influenced by the *System* that they must work within. Does your organization's *System* facilitate or impede high-performance?

Ultimately, no strategy can be better than the people who must implement and execute it. Performance standards and expectations, right people, in the right jobs, trained to perform, held accountable, properly led, and recognized and rewarded for results. Rigorous execution, meticulous attention to detail, with structure and discipline. *Alignment!* Be sure of this – if you don't get the metrics right, none of the required behaviors are likely to follow. Your *Metrics* should reflect *Behaviors* that are *Measurable*. You can't improve what you can't measure.



The most effective methods for aligning people are: 1) *Strategic Principle (SP)*, 2) *Key Success Factors (KSF's)* and, 3) *Key Performance Indicators (KPI's)*.

➤ *Strategic Principle (SP):*

A memorable and actionable phrase that distills an organization's strategy into its unique essence in a single sentence. Is action-oriented, guides decision-making and enables people to act independently; drives individual performance.

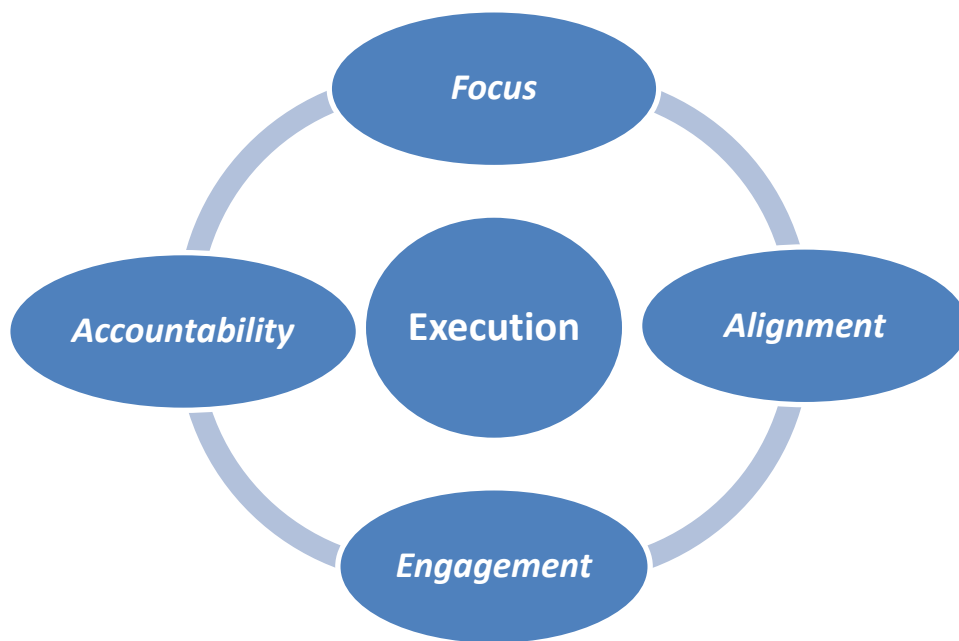
➤ *Key Success Factors (KSF's):*

Actions that enable people to successfully perform their responsibilities in implementing and executing the organization's strategy: knowledge, training and development, tools, feedback, and leadership.

➤ *Key Performance Indicators (KPI's):*

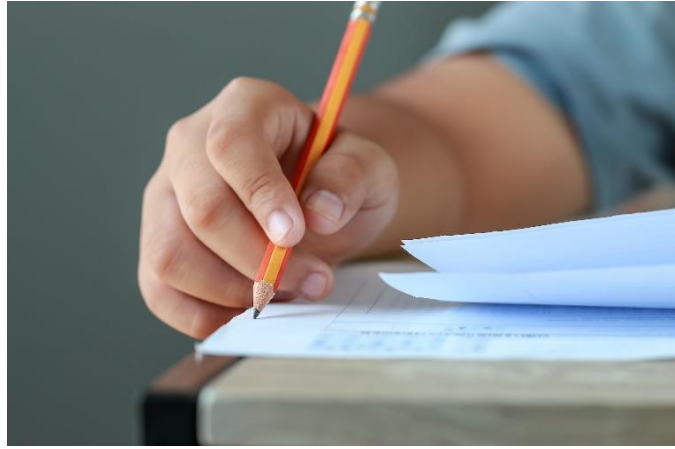
Let's people know if they're winning or losing, provides performance feedback which enables performance improvement.

Principles of Execution



“Strategy is a commodity; execution is an art.”

-Peter Drucker



Organizational Assessment

Organizational Assessment

Give yourself a 1 for each *Yes* and 0 for each *No*. A *Yes* means all the time not sometimes.

<i>Strategy:</i>	Y	N	Pts
1. My company has a written strategy?			
2. My strategy is based on differentiation vs sameness?			
3. My strategy has strategic fit to my business model, resources, competencies, and capabilities?			
4. My strategy execution is achieving the objectives of the strategy?			
5. My strategy is regularly reviewed, and adjustments are made when necessary?			
<i>Alignment:</i>			
6. I have the right people in the right job positions, properly trained to perform?			
7. All my employees can recite my strategy's intent?			
8. All my employees know what decisions to make and actions to take to achieve our strategic objectives?			
9. Accountability and consequences are directly linked to my employee's job performance?			
10. Employee compensation is tied to job performance results vs simply showing up for work?			
Total Points	NA	NA	
Divide your total points by 10 to determine your score:			%

Can you beat your competition with this score?

What if your competition has a higher score than you? Then what?

Will this score enable you to reach your organization's potential?

What would a higher score do for your ROI & EBITDA?

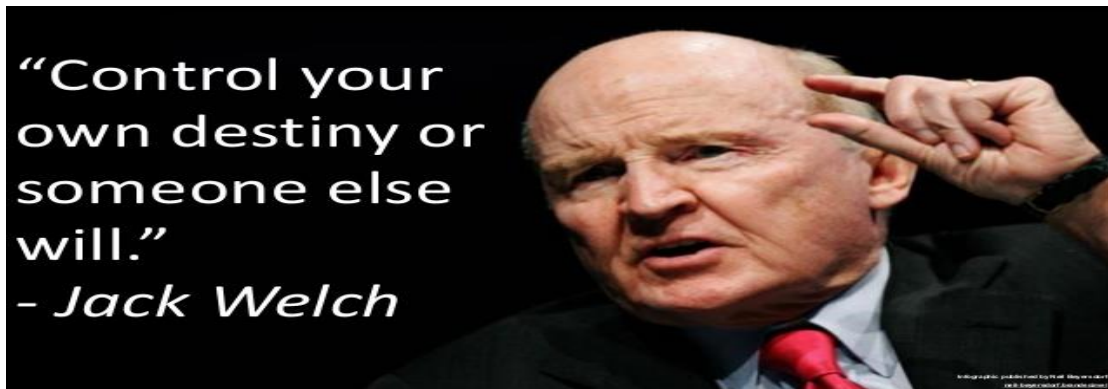
Will this score get your organization quickly back on track post-Coronavirus?

THINK OF THIS PROGRAM: ORGANIZATIONAL EFFECTIVENESS AS A PAIN PILL SOLUTION, NOT A VITAMIN. SCHEDULE YOUR ORGANIZATION TODAY!

Action

What matters is what you do next. Based on your *Organizational Assessment* score, here are six action steps for you to take.

Strategy:
1. Ensure differentiation not sameness based on what you do best and what your business model can execute and sustain.
2. Distill your strategy to one piece of paper, with clear, concise language that a 7 th grader could understand.
3. Develop your one-sentence <i>Strategic Principle</i> to drive independent employee daily actions and decision making.
Alignment:
4. Assess your talent: do they possess the skills and capabilities to execute your strategy?
5. Assess your leaders: do your leaders have the capacity to lead your organization into an unknown future?
6. Structure your company built for speed, adaptability, and opportunity seeking.



{To learn about the *Organizational Effectiveness* program for your organization, visit:}

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