

## Five Traits of Highly Effective Organizations

By Steve Hancox, 2013

In his business classic “Good to Great,” Jim Collins stated “first who then what”. Whom you choose to put on your team is the single greatest determining factor over your team’s ultimate success or failure. His advice – get the right People on your team and let them help you make your company’s biggest decision: what your team is best at.

What is your team best at? What compels your customers to purchase your services or your products? What is your team so passionate about that they push themselves to excel? The answer to those questions is your company’s Strategic Value Proposition. Find a consistent way to deliver on that strategic value proposition, with a cost and pricing structure that delivers a sustainable profit, and you have defined your Strategy.

Think of Culture as the perspective from which all decisions are made. All through life, we see how people approach things differently. Our fundamental beliefs and behaviors have a huge impact on the actions we take. Some attributes seem inherently right, such as integrity, honesty, and diligence. But there are many other approaches to business that are not clear-cut. How one thinks of risk is a classic example, as in some organizations risk avoidance is highly valued while other organizations push the envelope, but do so with very careful risk mitigation strategies. How your people view your customer interactions (as transactions or relationships) is another area not to be left to chance.

People are human and humans make mistakes. If each of us is 97% perfect and a process counts on ten of us working together, the outcome is only going to be right 74% of the time. As a professional organization, you have to do much better. Your leaders need to understand how work is performed (the Process). Your

team needs to be self-directed and passionate, and your managers need to be good at coaching (asking questions, not micro managing).

Of course, you need to know the Results. As with any endeavor where success and failure are both possible, you need to know what is working and what is not. Track everything that is important, not just sales and profits. In addition to your company’s progress toward its goals and objectives, include measurements of your people (evaluations), strategy (to know if it working), culture (to ensure it is shared), and your processes (your best source of opportunities for improvement).

Of all that has been written about business success, these five key traits consistently rise to the top. The combination of People, Strategy, Culture, Process, and Results are what determine your company’s success.

Each is deserving of your most careful consideration. The fact that success can be reduced to these five elements makes it sound simple; but, it is not easy. Each of these is difficult to do exceptionally well and they demand the full attention of the boss. The CEO who dabbles with the day-to-day details at the expense of these five components will never be the darling of his or her stakeholders.

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