

Below C-Level Strategy

John Spence

“Simplicity is the ultimate sophistication.”

LEONARDO DA VINCI

There is no reason to make things more complex or difficult than they need to be, especially when it comes to setting the strategy for your organization. For the past 14 years I have traveled worldwide assisting a number of Fortune 500 clients, and dozens of small to medium-sized businesses, in developing highly focused and effective business strategies. In doing so, I have come to realize that what most people think about when they hear the words “strategic planning” is not what most people actually do when they develop the key strategies for their business.

The first myth about strategy: *strategic planning is all about things like S.W.O.T. analysis, competitive positioning and value chain analysis.* Unfortunately, much of what passes for “strategic planning” in most companies is little more than the application of various processes and methodologies to detailed data analysis. Here’s the problem: analysis is not strategy.

You can be fantastic at working the processes and applying the methodologies, but if the information and ideas you are loading into the front of the process are not unique, differentiated and highly valued by the marketplace, then, as my friends in the computer field say, GI = GO (garbage in = garbage out). In other words, if you don’t already have a solid business background and acumen in the areas of competitive intelligence, industry expertise, product expertise, customer expertise, emerging trends, best practices and a wide array of best-in-class benchmarks, then all the flip charts, flow charts and sticky notes in the world won’t help you to create a truly effective business strategy.

Myth number two about strategy: *creating “real” strategy is about making bold and risky bets on substantial resource allocations such as expanding into new global markets, purchasing or divesting a company, committing billions to building new facilities, or saving billions by off-shoring substantial parts of the business.* The truth of the matter is, very few people in an organization ever get to make these sorts of strategic decisions. This kind of strategic planning is reserved for the rarefied few who live at the C-level, while the rest of us are relegated to setting another kind of strategy, one that is just as important, but with a completely different focus. What I call “below C-level strategy.”

Below C-Level Strategy

The CEO and her senior management team have just come back from a three-day offsite in Palm Beach with the new “global strategy” and now it’s your job as a business-line or mid-level manager to figure out how to take these lofty ideas and long-term plans and build an organization to effectively implement them in the real world. Or, you’re a small business owner/manager and may never have had a “three-day strategy off-site” at a high-end resort, but you still need to figure out how to create a company that can profitably compete in the marketplace. This sort of situation calls for a different type of strategy—one that is less about looking at “external” factors, like differentiation and positioning, and more about looking at the “internal” strategies of how to build an agile organization that can flawlessly execute on the key business objectives. This sort of strategic planning requires someone who is down in the trenches and understands how the business really works, far away from the ivory tower. Whereas C-level strategic planning is for people that “make” budgets; below C-level strategic planning is for those of us that are *given* a budget. Folks at the C-level make broad reaching decisions that direct people and departments across the entire organization, while those of us below C-level often have to focus on the few places within the organization where we do have impact, influence and some level of control. Luckily, the most important strategies for creating a highly successful organization fall into a handful of key result areas, most of which are completely within your control.

Making the very complex... awesomely simple!

In preparation for writing my new book, *Awesomely Simple: Essential Business Strategies for Turning Ideas Into Action*, I looked closely at the hundreds of companies I have worked with and read literally tens of thousands of pages on strategy and business excellence, all in an effort to determine the key business strategies that truly successful companies seem to focus on as a foundation for winning in the marketplace. From small two-person startups to the top of the Fortune 500 and across every imaginable type of industry, it was fascinating to watch as a clear pattern emerged around a cluster of core strategies that were the foundation for business success. In addition to establishing C-level strategies around market-facing issues such as scope of the business, product mix, market segmentation and innovation, highly successful organizations also focused intently on building the “internal” strategies necessary to excel in these areas:

1. Consistent Product Quality
2. Sound Financial Management
3. Talent Acquisition and Growth
4. Superior Corporate Culture
5. Disciplined Execution
6. Extreme Customer Focus

The first two items on this list are simply the price of admission to play the great game of business. At a bare minimum your products/services must meet the quality standards required by your customers. This does not mean you have to sell the “highest quality” product or deliver the absolute pinnacle in customer service, but rest assured that the marketplace will punish you if attempt to mask a sub-standard product behind slick marketing and manipulative selling techniques or deliver inconsistent service when your customer’s expectations are more demanding. There is no escaping the fact that all long-term business success is based on adding real value to the customer.

It is also important to realize that there has never been a business with *sustained success* that did not have in place sound financial management practices. It's one of my favorite sayings, "If you aren't managing cash flow, you won't be managing much for long." So at the very foundation, every business must have in place internal strategies that allow them to deliver consistent quality products and services with strong financial controls.

To me, the next four items on that list (along with several critical subcategories) lay out a framework for developing the internal, below C-level strategies, that are essential to creating a high performance organization. Because there is not room in this manifesto to go into each of these areas in great detail I'll take the next item on the list, "talent acquisition and growth" and use it as an example of how to go about building the key internal strategies to excel in this area of your business.

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Finding and keeping the “Best People”

I want to share a secret with you that can completely shift the future of your company—a core internal strategy that is so important that, without it, there is virtually no way to build a great organization. I have been jumping up and down like a crazy man about this idea for years, trying as hard as I can to get people to listen, yet unbelievably, far too few businesses understand the importance of this very simple fact: *The future of your company is directly tied to the quality of talent you can attract and keep.*

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I know that doesn't sound particularly earth shattering, sexy or revolutionary, but it underlies one of the most powerful business paradoxes I have ever encountered. Every business book I buy, every business magazine I read, and literally thousands of research studies clearly demonstrate that, in today's world, you cannot survive unless a major internal strategy of your company revolves around talent management. Yet, it has been my frustrating experience that not nearly enough businesses takes this seriously! Oh, some pay a lot of lip service to the “it's a war for talent” story, but I have found that it is the very rare company that truly embraces the strategic importance of finding, hiring and taking care of only the very best people they can possibly bring into the organization. This is great for you, because if your organization makes talent acquisition and development a core competency, it will create a huge competitive advantage that is extremely difficult to copy.

Let's face it. Products across the globe—even those that traditionally would have been considered unique and valuable—are becoming commoditized. Every company, in every industry, is feeling the squeeze of increased competition and extremely well informed consumers who have unprecedented access to the information needed to make a buying decision. The old bastions of competitive advantage—location, access to capital, proprietary technology, distribution channels, etc.—are in most cases no longer relevant. The only truly sustainable competitive advantage left? *The creation of a corporate culture that is solidly built on a foundation of continuous innovation and extreme customer focus—both of which can only be delivered by highly talented people.*

Here is the formula for business success in the future: **Talent x Culture = Profit**

But, the word “talent” is pretty ambiguous and has lots of moving parts, so here is what I think constitutes real business talent:

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The Five C's of Talent

1. Competence: At the very foundation, to be considered “talent,” a person has to be highly competent in an area that is valuable in the marketplace. He must possess skills, abilities, ideas, and information that people are willing to pay for. Truly talented people are fanatics for lifelong learning, with an insatiable desire to increase their skills and knowledge at every possible opportunity. Through books, magazines, CDs, podcasts, seminars and mentors, every successful businessperson is a sponge for new ideas.

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2. Character: It does not matter how smart a person is if they lack character. You can have the smartest person on your team, the very highest performer—yet if he or she isn't completely trustworthy, you have a liability, not an asset. It is absolutely essential that the talented people you hire conduct themselves with complete integrity in every situation. Honesty, transparency, and living a values-based life are the elements that build both professional and personal character.

3. Collaboration: The world is too complex, with too much information, moving at too high a velocity for any single individual to handle it alone. Heck, even the Lone Ranger had Tonto! For a talented individual to be effective in any organization, it is essential that she be superb at collaborating with others, work well on teams, strongly embrace knowledge sharing, and willing to submerge her personal ego for the success of those around her. Teamwork is mandatory, not optional.

4. Communication: Every talented business professional who succeeds at a high level is an expert communicator. But, contrary to what you might be thinking, it is not great skills of oratory or persuasion that are the most important, but rather the ability to ask superior questions and then listen to the answers. Truly great communicators are curious. They watch everything, they listen to every word, they look for the meaning and emotions behind the words, and they make the person they are talking to the very center of their universe. They are adept at laying out simple, clear and logical arguments—all while connecting emotionally. Talented business people understand that communications skills like clear speech, focused listening, asking questions, body language, motivation and conflict resolution are those that must be developed and constantly improved upon.

5. Commitment: No great success is ever achieved without great effort. Highly talented business people are committed, driven and passionate about what they are doing. They do not see their work as a “job,” but instead as an adventure, a quest, a higher calling. They have a positive, can-do attitude, embrace risk and see setbacks as opportunities for learning. More than charisma, it is their focused and disciplined commitment to excellence and their personal integrity that inspire those around them.

To succeed in the future, you must become a fanatic about finding and recruiting top talent today. You need to be obsessed with discovering highly competent people of impeccable character who work really well with others, are great communicators, and have a driving commitment to excellence. And the only way to succeed in this challenge is to make “Best People” a cornerstone of your internal strategies and put into place the systems, processes and programs necessary to build a pipeline that delivers a steady stream of talent to your team. Time and time again, I’ve had organizational leaders tell me how hard it is to find “good people.” But when I ask these leaders to describe the actual strategy they have in place to hunt down top talent and get them on their team, the typical reply is: “We have a help wanted ad in the newspaper and posted something on Monster.com.” That is pathetic. The only way to win the war for talent is to employ a “Shock and Awe” campaign to make talent acquisition a major strategic thrust in your company. Ask yourself these questions:

- Do I have a written list of at least ten super talented people I’d love to hire right now if I only had a position available for them?
- Do I take at least one highly talented potential employee to lunch every month?
- Is there someone in my company who has a strong personal relationship with the top placement officers at all of the local colleges and universities?
- Is there someone in my company who is attending numerous association and community meetings, constantly looking for top talent?
- Do I hold regular open houses where interested individuals are invited to consider a career with my firm?
- Do I have an internship program that taps promising college students to come in and work with us before they are on the open market?

- Do I have a wide network of business colleagues that are constantly looking for talented individuals to refer to my company?
- Am I keeping a close eye on the really talented people that work for my competition?
- Do I have a reward system for my current employees if they recommend a highly talented person who becomes a new member of my organization?
- Am I, or my HR director, strategically looking at the needs of our organization three to five years down the road, and beginning the process of finding the type of talent we'll need long before we get in a desperate situation?
- Do I have a robust, well-thought-out, and highly effective interviewing process to ensure that I'm making the best possible hiring decisions?
- Do I have a clear and focused competency model of exactly the skill sets, attitudes, and behaviors I am looking for in the kind of people you want to bring onto your team?
- Do I have a well-thought-out and focused exit interview process that's employed for every person that leaves my organization?
- What sort of an impact would it have on my organization if we truly became a talent machine?
- What is standing in the way of attracting top talent to my organization right now?

If you do not have absolutely fantastic answers for every single one of those questions, you have some work to do! It is one thing to say that you understand and agree that making your organization a "talent magnet" should be a key strategic thrust, but it's completely another thing to have the systems, processes, plans and action steps in place to actually make it happen!

Now, just few more questions to quickly get a feel for how well your organization is doing on the other key internal strategies listed above.

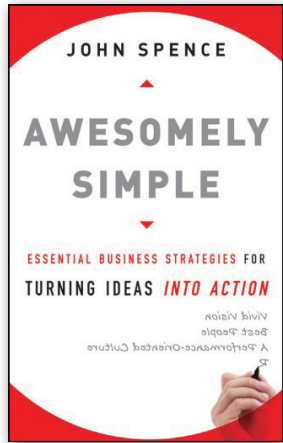
- Have you created a vivid, compelling and well-communicated vision for the future of your organization?
- Do all of the people in your organization regularly practice open, honest, transparent and courageous communication?
- Do you have an organizational culture that strongly embraces a sense of urgency in trying to get the most important things done... right now!
- Is your team superb at disciplined execution in consistently delivering your value proposition?
- Is your entire organization a living example of extreme customer focus?

How were your answers to those questions? If you have the right internal “below C-level” strategies in place, these should all be clear strengths for your company. If they are not, there is more work yet to do.

“I have been impressed with the urgency of doing. Knowing is not enough; we must apply. Being willing is not enough; we must do.”

LEONARDO DA VINCI

I hope that, through this manifesto, you have come to realize that running a highly successful organization is not nearly as complex, confusing and challenging as you might have thought. Whether you are the CEO of a multinational company, the owner of a small business, or a middle manager just trying to make your part of the organization the best it possibly can be, your task is to create a set of “below C-level internal strategies” that will focus your entire organization on building a set of core competencies that are essential for sustained business success. 📌



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Get more details
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of John Spence's
[*Awesomely Simple*](#).

ABOUT THE AUTHOR

John Spence has spent decades helping business owners and managers cut through the clutter to determine the core needs for creating and sustaining a successful organization. He has presented workshops, speeches and executive coaching to more than 300 organizations worldwide, and has been a guest lecturer at over 90 colleges and universities across the United States. In his new book, *Awesomely Simple*, Spence helps you take a hard look at your business and evaluate how it is succeeding in the six areas most critical for lasting success. By bridging the knowing-doing gap, Spence shows how to develop tailored plans in easy-to-follow steps that will allow you to dramatically improve the success of your company. Learn more at johnspence.com.

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