



### **People - Relationship Drivers**

The relationship driver section is specific to 'people' and the (3) 'people' areas of your specific business that you feel you need to have a high level of positive relationship. Start by choosing the (3) areas as these will become the 'headers' for each column. People areas that are common are (OUR TEAM - OUR CLIENTS - OUR PARTNERS - OUR VENDORS - OUR COMMUNITY) and so on. You'll want to think in terms of your own business and define the three MOST important people areas for you to remain focused on. After you have the headers/titles for each of your three People Areas you'll define the 'relationship drivers' for each one. Begin by answering the question - 'What must we always ensure we do to maintain a highly positive relationship with this group of people?' Make a big list - you may have as many as 10-15 actions you need to take. Once you feel you have a solid list you'll want to narrow it down to just (3) per column. The point here is to focus on those most impactful actions that keep relationships high. You'll find that these are likely leading vs. lagging indicators of success - actions that 'lead' to a positive relationship rather than a measure of an outcome of a positive relationship. Add to each column the (3) action also known as a (KPI) key performance indicator. Add a metric of measure to each once if it can be measured in some way.

### **Core Values**

These are the '**How** we deliver solutions - service - product - etc.' . This is a handful of rules that drive and define decisions in the organization. It's personality and culture. NO GENERIC LIST. Use language/words you would use in your business and with your teams - make these real. Test your core values: Would you actually fire someone for violating these CV's? Maybe not the first time but definitely the second. If not, what you have written may be a nice to have but don't call it a core value. Your team members should know what these are (memorize them) - know what they mean (understand each one) - and finally, live them (walk the talk). Be careful not to create too many that the power gets lost or they become too weak - 3-5 core values is a good number but there is no limitation - only that people must know them, understand them and live them.

**Exercise to help discover your Core Values** - put your leadership team together for an hour, each person independently write down 2-3 people that they feel are KEY PLAYERS in the business. These should be the people that they feel embody the heart and soul of the business and that they would fight to the death to keep as a part of the team. Once the names are written each person should write down a story of 'why' they have this person on the list. What are the attributes about the person that caused them to be a part of this list. From these stories you will begin to see words in common or themes in common that you can draw from to create your core values list.

**Jim Collins Core Values exercise and test from Petra** - [tiny.cc/petracorevalues](http://tiny.cc/petracorevalues)

### **Core Purpose**

This is the '**Why**' of the business. This is the 'real' reason that you do what you do, it's the reason that you get up each morning and it's the reason that others in your business should as well. The core purpose is your businesses contribution to making a difference. This is typically a statement, sometimes it's a single word. but it is always powerful and inspiring. Remember it's what is going to drive you and your team to achieve at times when achieving may not be easy to do. Your Core Purpose will additionally help you make decisions - all kinds of decisions. IE: Should we add that product to our portfolio? Well, does it help us fulfill our purpose? YES/NO... Should we enter that new market? Well, does it help us fulfill our purpose? YES/NO... Should we hire this new person? Well, does it help us fulfill our purpose? YES/NO... Remember, this is a not a marketing statement or a word smithing exercise - use real words that have real meaning and that evoke real emotion.

**Video to help in understanding 'WHY'** - Simon Sinek, author of Start with Why, explains in 11 minutes the thought process and important of discovering the WHY - [tiny.cc/simonwhy](http://tiny.cc/simonwhy)



**Exercise to help discover your Core Purpose** - start by watching the video so that you truly understand what you are looking to define. Once you have it clear in your mind - think back to times that you received an email, letter, call or note of appreciation from a client or someone other than your internal team. In that message the person says something that when you read it gave you a feeling of 'yea, we nailed it!' - what were the words that the person put in the note that made you say that. The moments that give you high levels energy and true satisfaction are typically when you are fulfilling a purpose (not just doing a job) these are the moments you should look back on to discover the real purpose of the business.

**Jim Collins Core Purpose exercise and test from Petra** - [tiny.cc/petracorepurpose](http://tiny.cc/petracorepurpose)

### **BHAG - Big Hairy Audacious Goal**

President John F. Kennedy delivered a BHAG, to the Congress on Urgent National Needs," on May 25, 1961 before a joint session of Congress. In this speech, JFK stated that the United States should set as a goal **the landing a man on the moon and returning him safely to the earth by the end of the decade**. This is arguably one of the most famous of BHAG statements - not knowing how this would happen just making the statement that WE WILL do something audacious (not braggadocios) that creates an additional sense of purpose for the long haul and drives us all toward a common visionary outcome. Your BHAG should be a long term, 10-30 year, very big goal. It should be inspiring - just short of save the planet from destruction type of statement. The Jim Collins exercise in the link below is excellent for discovery of your BHAG.

**Jim Collins Video on good and bad BHAG's** - [tiny.cc/collinsbhag](http://tiny.cc/collinsbhag)

**Jim Collins BHAG exercise and test from Petra** - [tiny.cc/petrabhag](http://tiny.cc/petrabhag)

### **Actions (To Live Values, Purpose, BHAG)**

Once you have defined your Core Values - Core Purpose and your BHAG it's time to take 'actions' in your business to ensure that everyone (1) knows what they are - (2) understands what they mean and (3) lives them every day and in every way. These should be 'actionable' things that a person or a group can go and do to support the overall values, purpose and BHAG.

Every quarter when you do planning you will want to review these actions and ensure that someone is doing something about them. Some will be simple (like, posting the Core Values List up in the break-room) - some will be harder and take more effort (like, creating an annual review process that incorporates our values and purpose). Either way, you should be taking some of these down as they get done and adding new ones to the list each quarter.

**Listing of some creative ideas for 'actions'** - *(add URL once posted to Petra)*

### **Targets (3-5) (where)**

This is where you need to be specific on where you want to be in 3-5 years. This is the "base camp" on the way to Everest which is your BHAG. First you'll want to pick a date out into the future - the one-page plan says (3-5 years) to know where to choose look at your growth rate- FAST growing 25% year over year? Pick your date out 3 years. MEDIUM growing 15% year over year? Pick your date out 5 years. HYPER FAST 100% year over year? Pick your date out 1 year. Most companies choose a DECEMBER 31 end of year date and a year based on the criteria stated - but you can choose any date of the year you wish. NEXT - you'll choose the '**ITEMS YOU WANT TO MEASURE AND WATCH**' - these are by no means everything you will measure in the business these should be the most important of all things you are measuring and watching. Typically revenue, gross margin, profit, number of locations, etc. make the list but this is specific to your business. Once you define your DATE and your TARGETS ITEMS to measure you should fill in what you expect those outcomes to be for each Target Item at the Date you have chosen.

There are several ways to accurately predict the target outcomes - here are a few ideas: Revenue- take today's revenue and multiple by growth rate and that will be target revenue. Profitability- take industry profitability multiple X 3 as percentage & multiply times revenue to get profit target.



**Idea** - every operating business should be improving their hiring process and training processes to constantly improve team talent - after all, if a business is growing at 25% per year then each person in that business should be growing at at least the same rate of the business will pass them (and their skill sets) by. We suggest that you add one target to measure called 'Percent of A Players' - and begin to work on your hiring process and training processes to improve your team ratio of A to B to C players. To learn more about what an A Player is - video - [tiny.cc/topgradingaplayer](http://tiny.cc/topgradingaplayer)

### **Key Thrusts/Capabilities**

The terms 'key thrusts/capabilities' are in this area for a reason. The one-page plan 3-5 year targets are looking far out into the future. Because of this 'future' view it is difficult to be very specific in designing the priorities/goals/actions that we need to do in order to ensure we reach our targets. However, thinking in terms of Key Thrusts/Capabilities we can define a short list of items (3-5) that we need to be VERY GOOD at (Capabilities) in order to hit our targets. These can be around hiring, sales, operations or anything you wish AND/OR we can define a short list of items (3-5) that we need to GO DO (Key Thrusts) in order to hit our targets. These can be around new markets, new products/services, changes in the business or anything you wish. You are looking for the top 3-5 'things' that you will focus on each quarter and align the team around as a vision of where we are going and begin to break these larger items down into smaller more specific actionable items to ensure you reach the longer term - larger - outcomes.

### **Exercise to help discover your Key Thrusts/Capabilities -**

Once you have the TARGETS defined and agreed upon with your leadership team and you have discussed what 'Key Thrusts and Capabilities' are - ask each person to 'write down' the TOP 3 things they feel are in this category for the business. (3) things makes them focus on narrowing the list and keeping them engaged and writing vs. talking will aid you in speeding up the process of discovery as well as getting alignment around these ideas. Once everyone has their three written you can collect them and immediately see where there is agreement. Take the things that you have agreement on and load those into the list... if there are blanks left you can repeat this exercise to fill up to 5 boxes.

### **Sandbox/Ideal Client**

Who is your Ideal Client? Most businesses that involve a sales process focus too broadly on who they sell to. The concept of the 'sandbox' is to in a very specific way define 'who we sell to'. In order to do this start by defining your ideal client. You may have someone or lots of someones that you do business with today that you feel are ideal. Start by making a list (much like the list you did with core values discovery) of the people. Next write down all the attributes about that person that makes them your ideal. You may have more business focused phrases (like: Multi-location operations with 500+ people per location) or you may have more people focused phrases (like: people who value what we do and give us feedback on the relationship at least monthly). BOTH sides of this coin make up the relationship and both sides should be discussed when defining your sandbox/ideal client. Once you have a big list combine the parts that are alike until you are able to take the list and create a 'phrase'. This phrase is what is known as your sandbox (where you will play in your business life).

**Components of a sandbox/ideal client:** Sandbox - (1) Geographic Region - where are they located (2) Primary Solution - what exactly are they buying (3) Market/Distribution channel/client type - what do they look like (size, revenue, team, square footage - etc)

### **Brand Promise**

On the three lines list the company's *Strategic Anchors* – the three ways you both matter to your customers yet makes you different from the competition.

### **Examples of Strategic Anchors include:**

McDonalds – Speed, Consistency, Fun for Kids



Southwest Airlines – Low Fares, Lots of Flights, Lots of Fun

Notice, cleanliness isn't listed for McDonalds – it was a differentiator early on, but now it's considered a table stake – what you have to have to just be in the game. The same with having low priced menu items. For Southwest Airlines, safety would be considered a table stake. Two words are outlawed – Quality and Value. Value is what you're being asked to define – what are the three ways you're more valuable to customers vs. your competitors. And Quality is defined as consistently delivering on your promises. You have high quality when you deliver, low quality when you don't.

Verne's article on Mastering Your Brand Promise - [tiny.cc/vernebrandpromise](http://tiny.cc/vernebrandpromise)

### **Strengths - internal**

What do you feel are the TOP 3-5 STRENGTHS the company has right now... those things that you do better than others and that your clients care about. Be specific, if you feel the TEAM is a strength think about what is it 'about' the team that is the actual strength. If you feel TECHNOLOGY is a strength think about what is it 'about' the technology that is the actual strength. Once you have these defined you'll use this in review each quarter asking - 'Is there something this next quarter that we should do to **'protect' a strength?**

### **Weaknesses - internal**

What do you feel are the TOP 3-5 WEAKNESSES the company has right now... those things that are slowing down progress, creating issues or simply just need some attention. Be specific, if you feel SALES is a weakness think about what is it 'about' the sales that is the actual weakness. If you feel LOCATION is a weakness think about what is it 'about' the location that is the actual weakness. Once you have these defined you'll use this in review each quarter asking - 'Is there something this next quarter that we should do to **'eliminate' a weakness?**

### **Opportunities - external**

What do you feel are the TOP 3-5 OPPORTUNITIES the company has right now... those things that if we took advantage of them we could wildly exceed our stated plan - those things that take time but too much time - 'we could take advantage of these over the next 24 months'. Once you have these defined you'll use this in review each quarter asking - 'Is there something this next quarter that we should do to **'take advantage of' an opportunity?**

### **Threats - external**

What do you feel are the TOP 3-5 THREATS the company has right now... those things that we need to watch closely and mitigate as much as possible. Threats are things that could cause you to dramatically miss your revenue targets or even put you out of business. Once you have these defined you'll use this in review each quarter asking - 'Is there something this next quarter that we should do to **'mitigate' a threat?**

### **Critical # Process**

Key metric to drive entire organization around for the next 12 months. Which outcome do you want to highlight?  
Ex: double revenue in next 12 months.

- Dark green- above the goal #
- Green- the goal #
- Yellow- little below goal or #
- Red- minimum acceptable #



### **Critical # People**

Key metric to drive the “people” side of the business - customers, clients, employee turnover, etc. that the numbers may affect. This needs to be a metric that we can measure (Having an annual Process and an annual People Critical Number assist in offsetting the effects that one can have on the other)

- Dark green- above the goal #
- Green- the goal #
- Yellow- little below goal or #
- Red- minimum acceptable #

### **OTHER Critical Numbers**

You can have up to 5 critical numbers that display of the dashboard and can be updated regularly. Defining the 'most important' leading indicators of success is a good place to begin filling these sections however, having a lagging indicator or two is fine too.

### **Targets/Goals 1 Year**

Taking the same measurable 'Target Items' that were created in the 3-5 year column is a best practice most follow. It's possible that you will have one or two different target items so feel free to measure what is important for the given time period (one-year). Once you have the Target Items in by type go ahead and put your projected outcomes for the year. (Revenue - \$40,000,000 / Inventory Turn - 6 times)

### **Annual Priorities/Key Initiatives**

3-5 key initiatives to reach goals based on projected outcome for the year and critical number to pursue. Ex: Increased gross margin 13% -> raise prices by 25%. Priorities that align and drive towards the critical number, they are not random tasks to complete. These should be big company priorities/initiatives that take all year to complete. impact the business in significant ways and drive the business toward hitting it's targets (don't stray too far from the revenue line). It ISN'T necessary to have a one-to-one mapping between the 3 – 5 year priorities and the 1 year priorities, but you must be consciously deciding not to do something this year about one of your 3 – 5 year priorities if that's the case.

### **Process (Productivity Drivers)**

The productivity driver section is specific to 'process' and the (3) 'process' areas of your specific business that you feel you need to have a high level of productivity in. Start by choosing the (3) areas as these will become the 'headers' for each column. Process areas that are common are (OUR SALES - OUR PRODUCTION - OUR RETENTION - OUR SERVICE - OUR MANUFACTURING) and so on. You'll want to think in terms of your own business and define the three MOST important production areas for you to remain focused on. After you have the headers/titles for each of your three Production Areas you'll define the 'productivity drivers' for each one. Begin by answering the question - 'What must we always ensure we do to maintain a high level of productivity in these areas of our business?' Make a big list - you may have as many as 10-15 actions you need to take. Once you feel you have a solid list you'll want to narrow it down to just (3) per column. The point here is to focus on those most impactful actions that keep productivity high. You'll find that these are likely leading vs. lagging indicators of success - actions that 'lead' to production rather than a measure of an outcome of production. Add to each column the (3) action also known as a (KPI) key performance indicator. Add a metric of measure to each once if it can be measured in some way.

### **Targets/Goals 1 Year**

Taking the same measurable 'Target Items' that were created in the 1 year column is a best practice most follow. It's possible that you will have one or two different target items so feel free to measure what is important for the given time period (one quarter or 13 weeks). Once you have the Target Items in by type go ahead and put your projected outcomes for the quarter 13 week period. (Revenue - \$10,000,000 / Inventory Turn - 2 times)



### **Theme (quarterly)**

Develop your organizations quarterly theme to keep your priorities “alive” and measurable.

*Step 1:* Review the Top 3-5 priorities for the business – what is the ‘TOP’ priority? Which one do we want to make a ‘COMPANY WIDE MISSION?’ or is there a SUPPORTING THEME that would clearly support of the top priorities of the business?

*Step 2:* Describe the measurable outcomes for a successful quarter.

*Step 3:* Brainstorm 5+ theme names, be creative, odd, and “out of the box”.

*Step 4:* Evaluate the Theme based on the following criteria:

- Is the Theme clearly connected to the Company Priority?
- Does the Theme have context in all employees’ minds?
- Is the Theme memorable, fun and/or inspiring?
- Does the Theme have an emotional connection?
- Will the Theme and its actions achieve the desired outcome?

*Step 5:* Define your Theme, its name and measurable outcomes. What is your visual image, how are you going to illustrate it? What is the Theme Reward/Celebration?

*Step 6:* Chose a leader (and team) who will be accountable to develop the roll out.

*Step 7:* Roll out the Theme in an all company meeting with an intro by the leader.

**Example:** 16 new team members this quarter - hired, trained and on-boarded. **Theme:** Sweet

16. **Celebration/Reward:** Sweet 16 party to recognize those who were hired/trained/on-boarded - beer and cake and stuff = fun!

**Verne's article on Quarterly Themes:** [tiny.cc/vernetemes](http://tiny.cc/vernetemes)