



CREATING A HIGH-PERFORMANCE ORGANIZATION AND COMPANY CULTURE

Executive Overview for:

Creating a Management Operating System

There are certainly many parts and pieces to an organization. Great organizations pull it all together with their “Management Operating System.” The “High-Performance Company Culture” is designed to have many, many contributors (Roles) supporting the Owner and Senior Leader. The more people effectively driving important objectives and initiatives the faster the organization and company can reach the top level of financial performance.

We divide up all of the critical objectives and initiatives into individual Roles and set an expectation for results for each of those Role in the company. The result is, there are multiple initiatives in various stages of progress and multiple operational activities that must be effectively monitored to assure forward movement in each area of the business. This is what the “Management Operating System” is designed to do. A key thought to remember is that the Tactical “T” Operational Meetings are designed to effectively monitor each process and keep everything moving to achieve productivity and financial objectives for this period. The Sub-Strategic “S” Team Meetings are to assure you are building and maintaining an effective culture and organization that will assure not only great performance today but sustainability over the long haul.



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To put a nice bow around this segment, remember a favorite quote: “Think strategically in your planning and act tactically” in your execution. First you must devote time to work **on the business** and develop your company’s strategic plan. After you do that you can act **tactically in** the business by developing a strong Management Operating System.” - YourBoard.US.

1. The meaning and purpose of “Leadership Loops.”
2. The philosophy and purpose behind having an effective “Management Operating System.”
3. Campbell's Soup story on how they built a “High-Performance Company Culture.”
4. The need for periodic “all-inclusive” company communications.
5. An example of what a Management Operating System looks like in a mid-size company.



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The integrated and interconnected system of Tactical Operations Meetings (“T” Meetings) and Sub-Strategic Team Meetings (“S” Meetings) form a “Loop” of internal communications we call Leadership Loops.

The objective of these control and informational Leadership Loops is to assure that every associate in the organization is connected in some way to the lifeline of company communications and news, and a forum that allows each associate in the organization to have input and receive feedback on that input on a weekly, monthly or quarterly basis. If this is done properly, you eliminate comments such as “no one ever tells me anything” or “no one ever asks me anything.”

The Management Operating System (MOS)

Later in this document you can refer to the hypothetical “Management Operating System” that outlines the various forums, both Tactical Operations and Sub-Strategic Team Meetings within a mid-size organization. After observing the proper way to do this with both large and small companies it is not necessarily the number of meetings but more importantly, the consistency and the quality of the meeting and the assurance that everybody that has a role within the organization has the opportunity to be a part of a team for both the purpose of input and feedback, for information exchange and also for appreciation, recognition and coaching.

The “Tactical Loops” are critical to running and improving the business. The “Sub-Strategic Team Meeting Loops” are critical to building a High Productivity Company Culture. The Senior Leadership Team (in their monthly leadership meetings) must bring it altogether for review, corrective action recommendations and decision making.

How Campbell's Soup changed their culture to Turn their Business Around while Achieving World Class Associate Engagement Levels . . . M'm! M'm! Good!

Appointed President and CEO of Campbell's Soup Company in 2001, Doug Conant was only the 11th leader in this iconic company's 140-year history. Upon arrival Conant was immediately faced with sinking profits, continued diminishing of their market share, and disastrous employee disengagement. To revitalize engagement Conant let go 300 of his top 350 leaders and hired fully engaged people from within. He then incorporated new initiatives such as the Campbell's CEO Institute – a 2-year program that teaches high potentials, a successful new communication and collaboration strategy. Through the creation of his *Campbell's Success Model*, Conant was able to achieve world-class engagement with an unbelievable ratio of 23:1 – Gallup declared this Associate Engagement Ratio the highest they had ever seen, as the record benchmark had previously stood at 12:1.

With employees now collaborating and contributing their best ideas for improved processes and new products, the Campbell's Soup Company began to retake their market and profits and once again began to soar, with over 2 billion cans of soup sold globally.

Having an effective “Management Operating System” flows all of the best thoughts and ideas through supervision to the managers and leaders who can consider and act upon them.



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All Inclusive Company Communications

It is very important to have quarterly, semi-annually or, at least, annual meetings with all of the members of your organization.

The purpose is to share with every associate in the company the “State of the Company”; restate your “vision” and business model and go over the business outlook, the opportunities the company has and the challenges and potential risk that the company may be facing.

In the hierarchy of associate concerns, job security is always at or near the top. Most people can get through a lot, but the loss of a job can be devastating to a family.

If communicated properly, all good news should be celebrated in every way possible; all steady news should be re-assuring; and all bad news, when possible, should be delivered with options that allow the associates to be a part of the company’s challenges and potentially a part of the solution.

If your organization celebrates successes, there is generally a real interest by associates to understand and want to be a part of the team in getting through “bad periods”.

A comment once made by the former and famous NFL Football Coach Bill Parcells was, “Once a group of people (players) win a championship together, they are brothers for life. It is like each of them received a transfusion of the same blood. They form a bond that is present forever.” Having your associates form that strong bond by celebrating the good times will almost assure that same team of people will work through the challenges of bad times.

The saying “once a team always a team through good and bad” will apply to company organizations too if everyone is kept in the loop . . . no surprises.

If the members of an organization understand the problem, know there is a good plan in place, know that leadership cares about each of them and that leadership is participating in the downside, there is a strong human tendency to dig in and get through a crisis.

Per the business author Mac Anderson...“Companies don’t succeed...people do!” Looking at the other side of that quote “Close behind, people who are not succeeding are companies that are failing.” Hiring the right people, engaging them in the business process, setting the expectations and coaching and supporting those associates that care, while separating from those that don’t, is what the Management Operating System is designed to accomplish.



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Elements of the Management Operating System (MOS)

Example only: of how a mid-size organization should build their Management Operating System. (These examples and concepts below can be easily modified for smaller or larger size businesses.)

Executive Committee

Associates Involved: Owners, CFO, (senior financial influence) and possibly another Senior Manager of choice (This is the Owner/Senior Leader's "Go To" advisory team on an ongoing basis. It is the nucleus of the Senior Leadership Team).

Cycle: Every two weeks – Tues. morning

Agenda Topics: (all high-level) for the Executive Committee

- Financial Planning, cash flow review
- Banking status, credit line usage, bonding capacity etc.
- Backlog, outstanding proposals, recent wins and losses
- Key HR Topics
- Annual Plan & Budget updates and adjustments
- **Select "Special" Agenda items to be put on the next Monthly Company Senior Leadership Team Agenda**
- Any other Important Topics



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Company Leadership

Associates Involved: Owner(s), Primary Leaders, CFO (Senior Financial influence), Leader of Operations, Leader of Sales & Marketing, Leader of Divisions, H.R., “periodic” Guest Presentations from IT, Safety & Other

Cycle: 3RD Thursday of the month, two to four hours in length depending on the size of the company. The reason it is the “third” Thursday is to assure the previous month’s financials are completed for review.

Agenda Topics: for the Leadership Team

Examples only - It depends somewhat on the business of your company.

- Monthly & YTD financial performance by divisions and company-wide with comparisons to budget and previous year.
- Gross profit trending reports by company products, services, project, etc.
- Backlog review, pipeline review, outstanding proposals, win and loss projections, backorder status.
 - Labor, material and productivity tracking vs. plan.
 - Manufacturing lead times and capacity, utilization etc.
 - Head count vs. plan by month & YTD.
 - Days of receivable.
 - Review of potential claims, lawsuits and disputes.
 - Review of Safety performance.
 - Review of YTD medical costs and other major categories of costs vs. budget.
 - Review of “key” or high profile initiatives per the Annual Business plan and Strategic Plan update.
- **Special topics that may require a “Recommendation” for a needed decision.**
 - A quick “culture check” to get an overview of the organization morale, engagement temperature and any “special communications” that may be needed.
 - Review previous months “Voice of the Customer” results.
 - Special “contributing guest.”



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Weekly Operational

There are some examples below of a few of the department, process, project, division etc. that will hold weekly **tactical operation meetings** to review the dashboard of process indicators and perform short term planning, problem solving and scheduling to maintain high performance.

Sales and Marketing – Weekly Sales Call Plan and Outstanding Sales Proposal (Red Zone) Review – Sales Department

Associates Involved: Sales Leader, Marketing, Customer Service, Technical Support, and Representatives from Manufacturing Operations & Quality.

Cycle: Weekly – 9:00 a.m. Monday

Sample Agenda Categories (Additional discussion is included in Part IV, "Building a Bridge to your Target Customers")

- Review month-to-date sales vs. plan, YTD sales vs. plan, sales pipeline, backlog and backorders.
- Review Sales Call Plans from last week and plans for the upcoming week and discuss any resources or support needed.
- Review proposals under customer consideration in the Red Zone to assure the total team has done everything possible to win the sale.
- Track historic "hit rates" against Red Zone projects to project future revenue and timing.
- Review customer satisfaction issues i.e.: service, support, quality, on time rating, recent VOC's etc. Voice of the Customer (VOC) surveys received.
- Review recent wins and losses



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Monthly Sub-Strategic Team Meetings (Leadership Loops) for All Departments, Divisions and Project Teams

Associates Involved: Dept. head, supervisors, leads, and associates within that business unit, department process or project team etc.

Sample Agenda Categories:

- Review YTD Performance Goals vs. Plan.
- Review status of “key” initiatives from the Strategic or Annual Business Plan.
- Review progress on key process improvement initiatives that are underway, introduce new process ideas and initiatives. Always ask for input and provide feedback on previously discussed topics or recommendations.
- Review organization structure policies, processes and issues. Discuss potential ideas for improvement.
- Discuss any professional development or training needs or plans.
- Discuss all new company or dept. informational items.
- Safety status discussions.
- Open the floor and pro-actively solicit new ideas that may improve any aspect of the business, safety or the company environment and culture.
- Discuss the reasoning behind any recent decisions that may impact the department or company.
- Sometimes a guest may be invited to bring “expert” focus on a particular topic or be motivational in nature.



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Quarterly and Annual Company Meetings

- Review State of the Business – general financial results (sales) vs. Plan & Prev. Year.
- Review the strategic vision and restate the Business Model.
- Review new opportunities.
- Review challenges and potential upcoming issues.
- Recognize and celebrate successes.
- Build a team spirit and positive attitude.

Annual Strategic Planning (a 3-year rolling strategic plan updated annually)

Associates involved: Owners and Senior Leadership Team

Cycle: Annual between Sept. & Dec.

Sample Agenda

Note: Follow the Strategic Planning process outlined in the Business Solution Library for the implementation segment on Strategic Planning.

Strategic Plan Updates: All Strategic objectives, plans and initiatives should be reviewed on a quarterly basis and the third year of the three-year plan should be added annually through in the fourth quarter of each year.

Annual Meeting of All Managers to Review Final Annual Business Plan and Financial Budget

Associates Attending: All Managers

Cycle: Annually – Final quarter of each fiscal year

Sample Agenda Categories:

- Review Annual Business Plan and Budget (much of which was previously submitted and approved by the managers')
- Discuss any topics of interest

Note: Every fiscal year's Annual Budget Plan should tie to the next year's Strategic Plan



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