

Beating Tough Results Targets Without Monkey Business

by Drew Morris

Tom, the general manager of the largest division of a major corporation, has a visitor from upstairs, Scott, the CEO. Scott greets Tom with “great job last quarter!” (This is followed by some discussion and small talk.) Then comes... “As you know, Tom, we’re getting even more pressure for results, and we’re going to need [fill in some high percentage here] more from you this time around. This is *really* important, and we’re counting on you—I know you and your team can do it.”

At many companies *is* their *results process*. (To be fair, it’s all they’ve had.) Too bad for Tom—and for Scott and their shareholders. Because with a better results process, they’d have more to show for their efforts, as we’ll see.

The problem? Tom’s challenge is clear; *how* to meet it is anything but. And Scott’s in the same boat. Tom has the usual options: cut costs, beat up suppliers (again), exhort the sales force to still higher heights, etc. But he did all that last time, too.

So now Tom’s got what you can call *numbers stress*—that gnawing “what if I don’t make it” feeling that will disrupt his sleep, take its stress-related physical and mental toll, and strain his relationships with family—as in, “I *know* you’re under pressure, but I can’t take it anymore!” Numbers stress also tends to create a less-than-inspiring management style which can itself stimulate unwanted turnover.

You might be able to relate to Tom. Besides not being fun, numbers stress can also “dim your lights” by suppressing your best thinking and creativity. Finally, the stress can cause you to overlook things you can do that will *really* boost results. So the things you pursue to meet your targets amount to less than what’s truly possible.

Scott’s got numbers stress, too. He has to deliver Tom’s results and those of the company’s other businesses.

Then there are the shareholders, who put their money into the company’s stock with firmly held expectations of what they’d get in return. That’s legitimate. *They count*.

A New Results Process

Here’s a new approach to the problem of boosting results in businesses like the one Tom runs. Applied to all of the company’s businesses, it will also solve Scott’s and the investors’ problems. Because it shows general managers like Tom how they can create notably better results, without numbers stress or accounting games.

It simply requires that Tom *find, then take, his best shots*—the most powerful things he can realistically do to boost his profits and grow revenue, instead of taking other management actions that won’t amount to as much.

What are these management actions? They're things Tom could do, or set in motion, to boost his results. As examples, here are a few of the more than 60 honest actions Tom could pursue:

- enhancing his customers' experience and their after care,
- communicating the value his business provides in the most compelling way possible,
- better-*designed* products and services, and
- optimizing prices to make the highest profits (or gain the most revenue, depending on which of these the company's investors want most), etc.

What Tom lacks is *a way* to sort these out. Which of these will have legs for his business? And which won't amount to a hill of beans? And which of the good ones can he really do?

Now there's *a tool that he can use to find his best shots*. Does doing that matter?

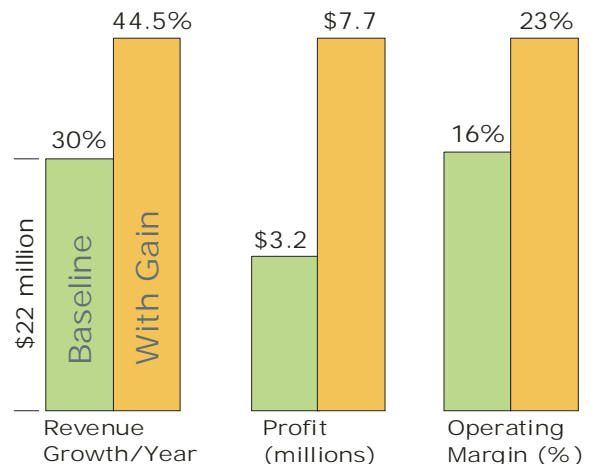
Finding Those Best Shots Makes a Substantial Difference

Let's look at an actual case. The US division of a booming, well run marketing and distribution company had gone from 0 to \$22 million in 6 years.

Yet Roger, its US president, found 6 specific actions he could take (his best shots) that could boost their 30% annual revenue growth rate by another 14.5% over the next 36 months, while raising profits by 147% and increasing their operating profit margin from 16 to 23%, as shown here.

Before he found these, he was already doing all he could (he was the zero-to-\$22 million guy). *Those 6 best shots account for the upside he found*. And we thought he was good *before* he found them...

Their Best Shots Would Create These Results Gains Over 3 Years



So a general manager's ability to find his or her best shots, and do them, can spell the difference between beating tough targets and coming up short.

The Surprise

Unexpected in helping Roger find his best shots was the degree of energy it unleashed in his business. He had a good staff. But when he and they saw what else was possible for them, they got all tigered up. (Clearly, we can't say that this will always happen.) But in Roger's case, the newfound energy drove acceptance of the initiatives and greased their implementation.

Implications

Back to Tom. What would happen for him if he got good at finding his best shots, consistently, because it had become *a skill*? What would happen to the trajectory of his career? Well, what happens to the careers of executives who become skilled at boosting results consistently?

- Would Scott, the CEO, notice?
- Would better “next opportunities” seem to “find Tom?”
- Would Tom, over time, find himself with a bigger future?

Right now, Tom would be happy just to be out from under the numbers stress and have a realistic shot at meeting his targets. Still, rosier career prospects don't hurt.

Before the tool for finding these best shots was developed, finding them was not even something executives tried to do. It was just not on their “possibility radar.” So hitting stretch targets was, well, still a crapshoot.

Now that there *is* such a tool, executives can *get good at using it...*

We call this new method *Insight-Based Management*; its underlying Excel-based tool for choosing your best shots is simply called, *Let's See*.

This approach to finding your best shots, and delivering the results improvements they promise, is described in my new book, *The Upside Within Reach*. More at TheUpsideWithinReach.com.

Summary

To beat tough results targets, you can first *find* your best ways to boost profits and grow revenue, then *do them*.

Now that there's an alternative, numbers stress, and not having much to show for it, is *no longer necessary*. And then there's that newfound skill of being able to boost results, consistently, and where it can take executives, business owners, entrepreneurs, and their companies.

Comments? Questions?

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About the Author

Drew Morris is the Founder and CEO of Great Numbers! LLC.