MISSION POSSIBLE

Becoming a World-Class Organization While There’s Still Time

KEN BLANCHARD and TERRY WAGHORN
MAIN IDEA

The future of any organization rests solely on its ability to co-manage two dynamic and necessary processes:
1. Improving quality, profits and levels of customer service in the short run.
2. Developing the breakthrough innovations that are going to form the foundation for the organization in the longer-term.

These two processes are the only way any organization can stay competitive today and in the future. In fact, even though the two processes call for entirely different skill sets, there is a vast amount of dynamic additional energy that is liberated by the head-to-head battle between the two processes. Organizations that recognize, learn from and harness the power of that interaction have the opportunity to leap-frog their competition and achieve world-class status -- meaning they perform better than any other comparative organization.

The goal of becoming world-class and building a world-class organization in any field is not impossible. Nor is it easy. It requires a willingness, on the part of the leader, to accept the challenge to create an organization in which people can excel while simultaneously managing the present and creating their own futures. The key to achieving that has more to do with people and their relationships with each other and less to do with products and technologies than most people will realize at first glance.

1. The Characteristics of a World-Class Organization

A world-class organization actively invents its own future by:
1. Working out ways to make its present operations better and more effective.
2. Committing resources to the development of future innovations.
3. Creating ways to learn from both initiatives simultaneously.

2. First-Curve Improvements

Making first-curve enhancements to the existing business will usually require three broad initiatives:
1. The ability to envision and articulate how the organization needs to change to better serve its customers.
2. Identifying the shortest path between where you are and where you want to get to in the next 18 months.
3. Implementing the plan and making the requisite changes to realize the new vision.

3. Second-Curve Innovations

Second-curve innovations are typically delivered on a foundation of three initiatives:
1. A vision of where your organization wants to drive your industry.
2. The ability to identify the shortest path between where you are and where you want to be in 5 years.
3. A tentative outline of the value proposition on which you plan to compete once your organization arrives.

4. Getting the Right People on the Right Teams

World-class organizations know the very best ideas come out of a mix of ideas put forward by First-Curve (Improvement) teams and Second-Curve (Innovation) teams. The dynamics of having people with markedly different temperaments and viewpoints working together can create loads of synergy -- which world-class organizations find effective ways to harness.

5. Implementing the Two Curve Ideas

Vibrant and robust world-class organizations are always open, and even eager, to embrace change. They do that by:
1. Continuously finding ways to improve the group culture.
2. Incorporating appropriate humor into the organization.
3. Building the self-esteem of all employees.
4. Listening to employees intensely.
5. Giving people recognition for what they’re doing well.
6. Encouraging ongoing personal improvement.

In the final analysis, world-class organizations focus on their people, because only they can change and improve the organization’s present while at the same time designing its future.
1. The Characteristics of a World-Class Organization

Main Idea
A world-class organization actively invents its own future by:
1. Working out ways to make its present operations better and more effective.
2. Committing resources to the development of future innovations that represent innovative ways to rethink their line of business.
3. Creating ways to learn from both initiatives simultaneously.

Supporting Ideas
To prosper in the current competitive business environment, an organization must simultaneously focus on improving current operations while creating entirely new competitive arenas. There is a need to strike a balance between continuity and innovation. This can be represented graphically using the well-known S-shaped Sigmoid Curve which describes the natural pattern of development for almost all systems:

A world-class organization works simultaneously on two interconnected S-curves with two separate teams:

By having the two teams working in synch, world-class organizations are positioned to:
1. Keep generating profits from harnessing first-curve products and technologies while the second-curve is in its initial slow growth phase.
2. Have the financial discipline and perspective to allocate funds to the development of second-curve products and technologies, thereby strengthening the commercial future prospects for the organization.
3. Manage the transition between the first-curve and the second-curve as effectively as possible.
4. Harness the dynamics of having two strong teams operating within the same organization, each being focused on a different aspect of the organization's operations.
5. Allow Team 1 to develop evolutionary enhancements to existing products, while Team 2 is exploring and laying the groundwork for broader revolutionary changes that will be required in the future to remain competitive.
6. Be proactive -- scanning the business environment for opportunities and developing strategies to take advantage of those opportunities -- rather than being reactive to changes forced on the organization by the marketplace.

Interestingly, many employees tend to align themselves inherently and instinctively with one team or the other. For example, a simple screening test for deciding which team to assign employees to may consist of questions like:

- Which area do you feel most passionate about -- improving what now is or creating what isn’t available yet?
- Do you visualize yourself as a maintenance engineer or an architect?
- What is more important -- doing things right or doing the right thing?
- Are you more comfortable tuning a carburetor or building a rocket ship?
- Do you get more satisfaction from implementing a directive or having a hand in putting the policy together?
- Would you rather produce tangible results right here and now or do you prefer figuring out how results can be generated in the future?

Generally speaking, people who choose the first option on these questions will naturally gravitate towards Team 1 style teams -- who focus on making evolutionary enhancements in current systems and products. Conversely, people who favor the second choice in each of the screening questions given above are more inclined to be useful members of Team 2 style teams -- focused on the second curve.

By assigning people to teams that suit their natural instincts and abilities, a tremendous amount of synergy can be created. By concentrating the focus and efforts of large numbers of people, the organization can be provided with an endless stream of new ideas.
In short, world-class organizations use the first and second S-curve interactions to move forward into the future -- building on what is going well in the present and developing new ideas simultaneously.

Key Thoughts

"It is possible that most people working after the turn of the century will be working in industries that don’t even exist now."

― Nicholas Imparto and Oren Harari

"Once there was a time in business when you could experience a change and then return to a period of relative stability. That era was followed by one in which, as soon as you got one change handled, you had to get ready for another. Nowadays, the changes are occurring rapid fire -- one on top of another. There’s no rest and there’s no getting ready. In the heat of this chaos, it’s hard for people to maintain perspective."

― Ken Blanchard and Terry Waghorn

"There are three types of executives in the world. There are those who can get short-term results and haven’t a clue where they’re going to take the company in the future. Conversely, there are those who have a great ten-year plan but are going to be out of business in ten months. And then there are those who can get short-term results in conjunction with a vision for the future. These are the good ones. But they are in unbelievably short supply."

― Al Dunlap

"The test of a first rate intelligence is the ability to hold two conflicting ideas in mind at the same time, and still retain the ability to function."

― F. Scott Fitzgerald

"The significant problems we face cannot be solved at the same level at which we created them."

― Albert Einstein

"The Sigmoid Curve sums up the story of life itself. We start slowly, experimentally and falteringly, we wax and then we wane. It is the story of the British Empire -- and the Russian Empire and of all empires always. It is the story of a product’s life cycle and of many a corporation’s rise and fall. It even describes the course of love and of relationships."

― Charles Handy

"Getting people to break out of their current world view while continuing to operate within it is difficult even for the best of us. Yet in today’s hyper-competitive markets, it must be done."

― Ken Blanchard and Terry Waghorn

"If I could ask one thing of a crystal ball in every new situation, it would not be, “What’s wrong and what will fix it?” It would be, “What’s possible here, and who cares?”"

― Marvin Weisbord

"The success of any organization is directly related to the amount of energy its people are willing to invest, and to its ability to harness and direct those energies towards a single, burning purpose."

― Ken Blanchard and Terry Waghorn

"The quickest way to increase dignity, meaning and community in a workplace is to involve people in redesigning their work. That is also the shortest route -- in the long run -- to lower cost, higher quality and more satisfied customers."

― Marvin Weisbord

"A few pioneers have cut paths through the wilds of revolutionary change. Their experience demonstrates that the process of reinventing an organization is not only possible but also understandable, even predictable."

― Stratford Sherman

"Today’s leaders must be willing to invest in something that will some day come to replace all that they worked so hard to achieve. They built the First Curve, and thus see it as an extension of themselves. To divert money away from it, and toward something that will ultimately come to replace it, is understandably difficult to do. Yet, it has to be done. The company’s future may be at stake. Therefore, if the current leadership is unable or unwilling to make the necessary sacrifices, they may have to be replaced by those who will."

― Ken Blanchard and Terry Waghorn
2. First-Curve Improvements

Main Idea
Making first-curve enhancements to the existing business will usually require three broad initiatives:
1. The ability to envision and articulate how the organization needs to change to better serve its customers.
2. Identifying the shortest path between where you are and where you want to get to within the next 18 months.
3. Implementing the plan and making the requisite changes to realize the new vision.

Supporting Ideas
In envisioning and articulating the changes required, keep in mind:
1. Most organizations exist to fill a specific need. Therefore, they should focus on the need that is filled -- and not a product or service that may become obsolete.
2. Most organizations define themselves in terms of:
   - Core goals -- what the organization wants to achieve.
   - Core values -- what the organization stands for.
   - Strategy -- the way the organization plans to add value.
   - Business processes -- the value chain.
   - Structure -- how the organization is inter-related.
   - Systems -- the work flow processes and hand-offs.
   - People and skills -- within the organization.
   - Corporate culture -- the way things get done.

Once a clear picture of the organization as a whole has been clarified, you then need to plot a pathway that will run from where the organization currently is to where it needs to be in the future. Often, this transition plan will involve emulating other organizations which have been noticeably and impressively successful. The five key characteristics of organizations that far out-perform their competitors are:
1. Customers that are so delighted with the value you deliver that they tell everyone else about you as well -- becoming passionate fans of your organization.
2. Employees that are committed to the creation of enthusiastic customers, and who are empowered to deliver whatever is required to create enthusiastic customers.
3. Financial success -- hitting the fine balance by creating satisfied customers without giving away everything to do it. (This requires employees to understand the financial dynamics of the organization).
4. Organizational integrity -- the organization acts the way it talks, and makes decisions that are consistent with its values.
5. Continuous improvement -- a learning organization which is constantly on the lookout for areas in which enhancements can be realized.

Therefore, most frequently, the shortest path between an organization currently is and where it wants to be in the future will be defined in terms of these five characteristics. Gaps and discrepancies between the organization’s present status and its ultimate vision can be identified. Priorities can be set on which characteristics will deliver the greatest pay-off, and a plan of attack can be developed. Employees can be identified to take responsibility for improvement programs. A structured approach to change can be planned, rather than heading off in random uncoordinated directions.

The final initiative is to deliver on the changes that are needed. Implementation is where the potential pay-off resides. There is no generic formula which will guide every organization through the implementation process, but keep in mind these general pointers:
1. A big picture perspective is always going to be required in times of change. Handles well, this should offset short-term inconveniences.
2. Momentum can best be built if everyone in the organization has a part in the transition process. That also decreases the chance of distortions occurring.
3. Remember, ownership of the change process will reside initially with the architects of that change and then later with the people intimately involved in execution. The more involved you can make every other employee, the greater the chance of success.
4. There is a balance to be hit between direction and participation. While specific directives will generally be required to get things moving, scope should be built in for front-line employees to use their own initiative in the later stages of implementation. They’ll feel better about what’s being achieved if they feel like they had a meaningful part in the overall process.
5. Good leaders are very flexible. They separate the results from the pain of the changes. They are prepared to deviate from their preconceptions to allow people within the organization to grow and adapt. In this situation, leaders see their role as supporters rather than dictators.

Key Thoughts
“Nothing stops an organization faster than people who believe that the way they worked yesterday is the best way to work tomorrow. To succeed, not only do your people have to change the way they act, they’ve got to change the way they think about the past.”

-- Jon Madonna

“How do you bring people into the change process? Start with reality. Get all the facts out. Give people the rationale for change, laying it out in the clearest, most dramatic terms. When everybody gets the same facts, they’ll generally come to the same conclusion. Only after everyone agrees on the reality and resistance is lowered can you begin to get a buy-in to the needed change.”

-- Jack Welch

“In developing a market-based (rather than product-based) business definition, you should avoid arriving at too narrow a statement. For instance, if you’re an investment company and you think you’re in the stocks and bonds business, you could be out of business soon. With the coming of the information highway, everybody on your block has instant access to the same information any broker has. But as soon as you visualize your business as financial planning, suddenly you could be looking at a long-term future. By widening the scope of your services to your customers, you’re throwing out a bigger fishnet. Note that when you move from thinking about a specific product to the purpose of that product your horizon expands. Regardless of the product, people will always have concerns about transportation, office productivity, keeping their homes clean and healthy and servicing their cars.”

-- Ken Blanchard and Terry Waggon
3. Second-Curve Innovations

Main Idea
Second-curve innovations are typically delivered on a foundation of three initiatives:
1. A vision of where your organization wants to drive your industry.
2. The ability to identify the shortest path between where you are and where you want to be within the next five years.
3. A tentative outline of the value proposition on which you plan to compete once your organization arrives at its planned destination.

Supporting Ideas
Good organizations don’t simply react to their customers -- they anticipate what customers will need in the future, given the pace of technical and marketplace innovation occurring all around them. There are actually two techniques organizations can use to develop a vision for how the future may unfold:

1. Scenario planning -- systematically developing brief sketches of the potential futures that may eventuate. This is the extension of "what if" scenarios, allowing decision makers to pre-think how they would react should that scenario be realized. To be useful, scenario planning must:
   - Have well defined boundaries -- timeframe, markets, etc.
   - Take into account all significant long-term trends.
   - Have sufficient flexibility to allow for uncertainty.
   - Be refined through successive generations.
   - Allow working back from desired outcomes.
   - Gradually but consistently eliminate uncertainties.
   - Ultimately be refined into a final set of scenarios.
   - Used as the basis for final decisions to be made.

2. Intuitive thinking -- where you allow your subconscious mind to process all the facts and send you signals in the form of your "sixth sense". This allows non-rational factors to be brought into the mix -- which is sometimes the only way forward. Intuition is valuable -- as long as you can later come up with a factual analysis of why you came to your conclusion.

In essence, your vision should allow you to out-think your competitors. You then want to out-perform them as well. Usually, this will require that you address the gap between the competitive strengths your organization currently enjoys, and the skills that will be required in tomorrow’s marketplace. There are two ways that gap can be bridged:
1. The organization can go about building new core competencies internally -- by acquiring the requisite skills and technologies.
2. The organization can form a strategic alliance with another group who will provide the specific skills and technologies required. These alliances may be temporary (for the length of one project) or long-term, formal (joint ventures) or casual (networks), weak or strong.

It may at first glance appear that once a vision for the future has been thought out, different scenarios allowed for and a reasonable action plan developed for the acquisition of new competencies, all that’s left is to harvest the benefits. In practice, however, the opposite is true. Your organization now has the substantial challenge of convincing customers they need something they’re not even aware of yet. Your organization now has to execute a marketing plan addressing issues such as price, product, promotion and positioning -- with little or no data on which to call.

There are two approaches that are beneficial in this initiative:
1. Reality creation -- which essentially means the people championing the new initiative must believe in it so strongly it ultimately becomes a self-fulfilling prophecy fueled by their self belief.
2. Expeditionary marketing -- where a number of controlled, low-cost test marketing programs are run to provide data on which positioning, pricing and promotional strategies can be based.

At the end of the process, the Second-Curve team is certainly going to come up with specific ideas on how the organization of the future should look and act if it is to not only survive but prosper. That organization will almost certainly have four elements:
1. A forward-looking leadership team -- who are typically out in the field for the majority of the time talking with front-line employees and learning first hand what is required to create enthusiastic customers.
2. A pool of talented, skillful and empowered employees -- who think and act like owners of the business, solving problems and making decisions.
3. A layer of resource providers who provide the legal, financial, accounting and human resource services the organization needs -- at market rates and in direct competition with third-party suppliers.
4. Managers -- who offer support to the employees and ensure the resources of the organization are being applied to the areas where the greatest gains can be realized.

Key Thoughts

“Leadership is going where no one else has gone.”
-- Bob Galvin, former chairman, Motorola

“How does one develop a vision? For a variety of reasons we prefer the word foresight to vision. Vision connotes a dream or an apparition but there is more to industry foresight than a single blinding flash of insight. Industry foresight is based on deep insight into the trends in technology, demographics, regulation and lifestyles that can be harnessed to rewrite industry rules and create new competitive space. While understanding the potential complication of such trends requires creativity and imagination, any “vision” that is not based on solid factual foundation is likely to be fantastic.”
-- Gary Hamel and C.K. Prahalad

“A decade ago few of us had ever heard of a cellular phone, a personal pager or a facsimile machine. Go back a few more years and you can add the Sony Walkman, the compact disc and the hand-held camcorder. Some of us can go back further still to a time when there were no televisions and no computers.”
-- Bill Gates

“If you are not involved today in creating tomorrow’s markets, or knowledgeable about what’s happening in these markets, you are unlikely to find yourself competing in them.”
-- Ken Blanchard and Terry Waghorn
4. Getting the Right People on the Right Teams

Main Idea
World-class organizations know the very best ideas come out of a mix of ideas put forward by First-Curve (Improvement) teams and Second-Curve (Innovation) teams. The dynamics of having people with markedly different temperaments and viewpoints working together can create loads of synergy -- which world-class organizations find effective ways to harness.

Supporting Ideas
Most people in business are familiar with the left-brain / right-brain distinctions:

<table>
<thead>
<tr>
<th>Left-Brain</th>
<th>Right-Brain</th>
</tr>
</thead>
<tbody>
<tr>
<td>Logical and rational</td>
<td>Intuitive and creative</td>
</tr>
<tr>
<td>Left-brain thinkers will analyze anything half to death before acting. Only once it is completed will they look at the benefits.</td>
<td>Right-brain thinkers will feel or sense something is right and act immediately. Then they will stop and analyze the pros and cons.</td>
</tr>
</tbody>
</table>

In world-class organizations, there are four different functions that people serve, two of which are first-curve oriented activities and two of which call more for second-curve skill sets:

<table>
<thead>
<tr>
<th>Producers</th>
<th>Implementors</th>
</tr>
</thead>
<tbody>
<tr>
<td>People with good technical skills who get the job done.</td>
<td>Administrators who can plan, organize and coordinate goals.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Innovators</th>
<th>Integrators</th>
</tr>
</thead>
<tbody>
<tr>
<td>Entrepreneurs who can sense what will be needed in future.</td>
<td>Team leaders who can motivate and mobilize groups of people.</td>
</tr>
</tbody>
</table>

In addition, there will be different needs at various stages of the organization’s life cycle. During the early stages, the entrepreneurial and marketing roles will be stressed. As the organization becomes better established, managerial style roles will come to the fore -- and so forth.

If the organization aspires to maintaining world-class status over the longer term, all four of these roles must be present in balanced amounts.

The key issues in developing and running an effective First-Curve oriented team are:
1. Hitting a workable balance between creativity and control. Usually, this is achieved by means of belief systems (mission statement and core values) and specific performance measures (for example, the need to enhance return on investment or profit margin).
2. Having the team members personify and be good examples of the ideal corporate culture.
3. Finding ways to plan for, create and celebrate short-term wins -- thus building a culture of success.
4. Enlisting the most intelligent, the most energetic and the best people the company has available.
5. Managing the internal politics so that the immediate changes developed by the First-Curve team see the light of day rather than get lost in the shuffle.
6. Instilling a sense of urgency and empowerment in the team -- so they realize what they’re doing is critical and important.
7. Building trust and removing any obstacles -- by providing team members with all the information they require and eliminating any hurdles which may crop-up in the short-term.

For Second-Curve teams, those same issues must also be addressed. In addition, Second-Curve Teams will also have additional requirements:
1. A total absence of boundaries. Team members should have the freedom and inclination to address any aspect of the organization.
2. Restlessness. This team must focus intently on reinventing the company for the future, even when its present is going exceptionally well.
3. There must be a willingness to be bold, to figuratively “stick out your neck” -- even in the face of peer group criticism.
4. The time necessary to read, attend seminars, talk to people and organizations doing interesting things and think about what it all means.

For either First-Curve or Second-Curve teams to succeed, they must also:
- Develop a common or shared vision -- that everyone in the team feels comfortable with and buys into. The First-Curvers will have a shared vision of the present, while the Second-Curvers will develop a common vision of the future).
- Have high levels of mutual support -- to offset the inevitable tension and stress.
- Apply excellent two-way communication skills, both within the team and throughout the organization.
- Ensure that all team members act as good examples for whatever ideas the team comes up -- ensuring consistency between what is being said and what's being done.

Therefore, the central challenge for any aspiring world-class organization is to take into account the left-brain / right-brain strengths of people and their natural functional preferences to ensure the right people are placed in the right areas of responsibility within the organization.
Key Thoughts

“The final key to creating world-class status involves helping people with differing viewpoints to partner together. Since you are trying to live in a two-curve world, seeing differences as assets instead of problems is essential. While sometimes it's best to separate the two ways of thinking, the most elegant ideas come out of a grand mix.”

— Ken Blanchard and Terry Waghorn

“Cultural flexibility is the mental habit of overlooking superficial differences in physical appearance, personal beliefs, dietary preferences and lifestyles to find a basis for mutual respect and communication.”

— Thomas S. Watson Jr.

“No one manager can manage alone. All of us have blind spots. All have strengths and weaknesses. The different style of leadership and management are complementary and in conflict. The challenge is to make the conflict productive, to create a productive collision of ideas.”

— Gerry Faust

“Typically, immediate concerns rule the day. Only when things are moving along reasonably smoothly are less immediate concerns able to move to the foreground. Which is natural. You have to win today’s battles in order to be eligible to fight again tomorrow. But, having said that does not mean you should fight today with reckless abandon, without any thought to the battles ahead. Therefore, even in the heat of the immediate fight, you must be preparing for the next. Some resources must be riding out front to assess what lies ahead. The Second Curve must find support, for the First Curve will not last forever. And that support can only come from one source -- today’s cash flow. Which means that tomorrow’s success will depend on today’s sacrifices.”

— Ken Blanchard and Terry Waghorn

“To imbed our values, we give our people 360° evaluations, with input from superiors, peers and subordinates. These are the roughest evaluations you can get, because people hear things about themselves they’ve never heard before. But they get the input they need, and then the chance to improve.”

— Jack Welch

“It must be remembered that there is nothing more difficult to plan, more doubtful of success, nor more dangerous to manage, than the creation of a new system. For the initiator has enmity of all who would profit by preservation of the old institution and merely lukewarm defenders in those who would gain by the new ones.”

— Machiavelli

“When the roustabouts are standing on the offshore oil rig and the foreman yells, “Jump into the water,” not only won’t they jump but they also won’t feel too kindly toward the foreman. There may be sharks in the water. They’ll jump only when they themselves see the flames shooting up from the platform. The leader’s job is to help everyone see that the platform is burning, whether the flames are apparent or not.”

— Lawrence A. Bossidy, CEO, Allied Signal

5. Implementing the Two Curve Ideas

Main Idea

Vibrant and robust world-class organizations are always open, and even eager, to embrace change. They do that by:

1. Continuously finding ways to improve the group culture.
2. Incorporating appropriate humor into the organization.
3. Building the self-esteem of all employees.
4. Listening to employees intensely.
5. Giving people recognition for what they’re doing well.
6. Encouraging ongoing personal improvement.

In the final analysis, world-class organizations focus on their people, because only they can change and improve the organization’s present while at the same time designing its future.

Supporting Ideas

When people in organizations face change, there are usually six prime areas of concern they experience:

1. Getting enough information about why change is required.
2. Understanding how the changes will impact personally.
3. Identifying what will be required to implement the change.
4. Evaluating whether the benefits will outweigh the pain.
5. Trying to figure out who else will be involved.

These concerns are natural, and should be anticipated and allowed for. The important thing is not that people have concerns, but to help employees pass through them. There are several things leaders can do to make this process of change manageable and tolerable for the organization:

1. Continuously finding ways to improve the group culture.
   - The world-class organization of the future, by definition, will be in a constant state of development. Therefore, everyone needs to be comfortable with uncertainty, supportive of fellow employees and focused on achieving magnificence rather than doing just enough to get by.
   - How can a bias towards magnificence be perpetuated? By catching people doing something right and giving them praise and recognition. Most people within any organization achieve whatever is expected of them. Anticipate and demand exceptional performance, and highlight it whenever it appears fleetingly, and people within the organization will soon catch on to the fact they’re capable of achieving so much more.

2. Incorporating appropriate humor into the organization.
   - Being grim and serious all the time stifles creativity. By contrast, often the most effective people in any organization have the keenest senses of humor -- they can see the funny or absurd side of any situation.
   - Fortunately, humor in the workplace is highly contagious. All it takes is for one person to start giving themselves permission to have some fun and before long everyone will be in on the act.
   - The very best attitude an organization can instill in its employees is the ability to suspend inhibitions and return to the spontaneity children embody. If organizations can encourage employees to focus more on having fun than worrying about looking dignified, the overall atmosphere will move ahead by leaps and bounds. And interestingly, so too will productivity.
3. Building the self-esteem of all employees.

When leaders of organizations have high levels of self-esteem, they worry less. These types of leaders also enjoy exceptional levels of creativity and energy, because they feel free to build on the positive elements that they come into contact with.

While it seems simplistic, in many regards self-esteem is a personal choice, rather than something imposed externally. In essence, every day is a new day, and regardless of what may or may not have occurred previously, leaders can choose to feel good about themselves and their organizations or bad.

The key is that for most organizations, the rank-and-file employees will take their cue from the leaders in the area of self-esteem. Organizations led by people with high levels of personal self-esteem are filled with people with similar traits and attributes. That’s not a coincidence.

4. Listening to employees intensely.

World-class organizations will not require their employees to be in action every minute of every day. Instead, they build in a little time for people to reflect, to absorb the changes occurring around them in solitude and reflection.

In fact, ideally, every person in the organization should have some discretionary time available. That way, they can spend time thinking rather than doing. The insights and suggestions for improvements that will flow as a result of building in just a little discretionary time will usually be quite impressive.

World-class organizations then find ways to take all those suggestions on board, and put them into practice.

5. Giving people recognition for what they’re doing well.

Recognizing what people are doing well and building on those strengths is always going to be far more productive than harassing people about what they’re doing wrong. The reason? People respond better to positive feedback than they ever do to negative feedback.

Not all positive feedback is equal, however. The best quality feedback occurs whenever a person achieves something that is consistent with their personal values and mission.

In a world-class organization, every employee can answer these very personal questions:

<table>
<thead>
<tr>
<th>Personal Mission</th>
</tr>
</thead>
<tbody>
<tr>
<td>Why am I part of this organization?</td>
</tr>
<tr>
<td>What is my overall purpose in life?</td>
</tr>
<tr>
<td>What would I like to be said of me after I’m gone?</td>
</tr>
<tr>
<td>What contribution do I want to be remembered for?</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Personal Values</th>
</tr>
</thead>
<tbody>
<tr>
<td>What is really important to me?</td>
</tr>
<tr>
<td>What do I consider I stand for and identify with?</td>
</tr>
<tr>
<td>What are the three key personal values I live by?</td>
</tr>
<tr>
<td>Which of these is most important -- and why?</td>
</tr>
</tbody>
</table>

The most meaningful recognition will be closely aligned with the employee’s answers to those questions.

6. Encouraging ongoing personal improvement.

In a world-class organization, every person within it is on their own personal journey of self improvement. That means every person will have their own perspective on the work they’re doing. The sum total of all those small efforts is the service the organization provides to its customers.

In the final analysis, providing world-class service will always be the final goal of the world-class organization. That can only be achieved and maintained if the people within the organization are on their way to becoming something better today than they were yesterday. The quest for improvement drives performance forward to new heights.

For all organizations, becoming world-class begins in the leader’s own soul. The leader thus motivated will then develop an organization that helps others do the same, in the process enriching the lives of clients and customers by providing products and services that add value. That’s the real challenge of becoming world-class.

**Key Thoughts**

“**In things pertaining to enthusiasm, no man is sane who does not know how to be insane on proper occasions.**”

--- Henry Ward Beecher

“**Joking is undignified; that is why it is so good for the soul.**”

--- G.K. Chesterton

“**Wrinkles should merely indicate where smiles have been.**”

--- Mark Twain

“**The trouble with being in a rat race is that, even if you win the race, you’re still a rat.**”

--- Lily Tomlin

“**Our deepest fear is not that we are inadequate. Our deepest fear is that we are powerful beyond measure. It is our light, not our darkness, that most frightens us. We ask ourselves, who am I to be brilliant, gorgeous, talented and fabulous? Actually, who are you not to be? You are a child of God. Your playing small doesn’t serve the world. There is nothing enlightened about shrinking so that other people won’t feel insecure around you. We are born to make manifest the Glory of God that is within us. It’s not just in some of us, it’s in everyone, and as we let our own light shine, we consciously give to others people permission to do the same. As we are liberated from our own fear, our presence automatically liberates others.**”

--- Nelson Mandela, Inaugural address

“**The stress of operating in two dimensions -- trying to improve the present while working on the future -- makes absolutely essential the development of calmness and inner peace in the leader. The ability to remain calm amidst all this stress and strain is an important trait of effective leaders. They can ride the roller coaster of doing business today, and at the same time not be dramatically affected by the ups and downs of life. By paying attention and learning to control their environment, they are able to be effective amidst a changing environment. Where does this calmness come from? It comes from within.**”

--- Ken Blanchard and Terry Waghorn