

## in this issue

### Strategic Planning

Elements of a Breakthrough Strategy

### Strategic Action

Achieving Breakthrough Results Next Year

### Industry Snapshot

The Nagging Problem of Software Quality

### Reading List

Rosabeth Moss Kanter's **Confidence – How Winning Streaks and Losing Streaks Begin and End**

### Announcements

### About Trek



# trekking

a newsletter on practical strategic planning and action  
issue #7: will next year be a breakthrough year for you?

## editor's message

Before you know it, you will turn the page on your calendar and there it will be: a new year, a fresh start, a new opportunity. Will next year be the same as this one, or will you generate breakthrough results that get you and your company to a new level?

In this month's Strategic Planning, we'll talk about how to find the path to breakthrough results and in Strategic Action we'll make the case for focus, focus and focus to get you from strategy to success. Our Industry Snapshot will look at the ubiquitous and nagging problem of software quality. And this month's reading list is about winning and losing streaks and how they come and go.

## strategic planning

### *Elements of a Breakthrough Strategy*

If you are looking to generate breakthrough results in the short term, you may not want to try a daring new change of course. Rather, you should start with your current successes and build a strategy around them. Most companies have collective experience that can show them a path to breakthrough results. But there are often too many distractions that keep them from seeing it.

Where is this path? It often lies at the highest value intersections between your strengths as a company and the market's needs. If you want to have a breakthrough year, focus on this equation. The truth is that at least part of your business is already at that high value mark. The goal is to identify how to do more of it. Let's take it step by step:

**Understanding the Market's Needs**—Like everything else today, change is constant in most markets and with most customers. What is going on in your market and with your competition? What about your customers—what is their most pressing problem? How do you help with that? Ask them.

**Understanding Your Strengths**—What are your core competencies? Which skills differentiate you in the market? What is compelling about your products and/or services? Ask people from deep in your organization. Ask your customers.

**Finding the Value**—If you think of market needs as one circle and your strengths as a second circle—what's in the overlapping section? This should tell you why people buy from you today. How can you capitalize on this intersection? This should be your focus in the near term. Starting in January, work intensely on this to yield breakthrough performance.

*continued on next page...*

**trek**consulting  
fresh information. smarter decisions. great results.



# trekking

page 2

This is the quickest way to achieve breakthrough performance within a one-year period. For the longer term, take some time to think about the parts of each circle that don't intersect. Should you be looking at an additional market that values a particular skill? Should you be trying to improve your offering to address client/market needs that you don't meet today? Are you doing things today that the market doesn't need? Your long-term performance will benefit from the answers to both of these two questions.

-Mary Adams ([adams@trekconsulting.com](mailto:adams@trekconsulting.com))

---

## strategic action

### *Achieving Breakthrough Results Next Year*

The analysis we recommend above will help you identify a reasonable goal for next year—doing more of what you do well that is already valued by the marketplace. This is a great starting point for breakthrough performance in the short term because it does not require huge shifts in resources or training. But if you are truly going to hit the cover off the ball next year, you will need to be focused and disciplined in your execution.

If you focus on your highest value offering, many of your activities may start to look extraneous. Some of them are. Now is as good a time as any to jettison unproductive internal activities, products, and maybe even customers. Think it through twice, and if you are sure that you are not endangering your core business, then free yourself of unproductive obligations.

Work to ensure that everybody understands what you are trying to do from the beginning. Develop a consensus within your entire organization about what your challenge is and how you are going to meet it together. Include everyone from engineering, manufacturing, finance, marketing, sales, finance, and customer service. You need to take the time to ensure that each group hears the same message and strives to reach the common goal.

We feel the best starting point for execution is the creation of action steps. These will be a series of short-term, specific tasks leading to your long-term goals. The rest of your typical planning documents, such as budgets, don't tell people how to accomplish the tasks at hand. Give them a clear description of specific responsibilities that they need to complete. Benchmark each step for measurable results: dates, amounts, other tangible targets and specific people responsible for completion.

*continued on next page...*



**trekconsulting**  
fresh information. smarter decisions. great results.



Significant performance breakthroughs will not happen unless you follow up. Regular check-up meetings should be held to ensure that deadlines are being met and the work quality meets the agreed benchmarks. Failure to achieve should have repercussions. This is where managers become leaders, guiding their organizations to success.

- Michael Oleksak ([oleksak@trekconsulting.com](mailto:oleksak@trekconsulting.com))

---

## industry snapshot

### *The Nagging Problem of Software Quality*

We don't need to tell you that computers are everywhere now—in our cars, planes, trains, appliances and pockets. The international monetary system and power grid run on software. We also don't have to tell you that software glitches are all too common and something we are all used to. We love to blame Microsoft for being the biggest sinner, but they are certainly not alone.

In a recent engagement, we dug into this issue in greater detail. The National Institute of Standards and Technology (NIST) has estimated that software errors cost our nation \$59 billion a year due to factors such as lost productivity and longer development times. A solution to software quality problems must include testing, training, the creation of more disciplined work processes, and the use of appropriate tools.

Last year, the *Wall Street Journal* compared this state of affairs to the U.S. automakers before the Japanese "swept in" with high quality cars. This is also an interesting sidelight to the issue of outsourcing—if we haven't been able to get it right at home, how is it going to get better in a more dispersed environment? Are we focusing on the right thing?

A summary of the NIST study can be found at the [NIST Web site](#).

---

## reading list

### **Confidence – How Winning Streaks and Losing Streaks Begin and End** by Leslie Gaines-Ross

I read **Confidence** as the Boston Red Sox were in the process of ending one of the most famous losing streaks in sports—86 years without winning a World Series. With their eight straight wins over the Yankees and Cardinals, they rode a winning streak all the way to the championship. In **Confidence**, Harvard Business School

*continued on next page...*



# trekking

page 4

Professor Rosabeth Moss Kanter explores the reasons behind sustained success and failure. The cases she examines include the successful UNC women's soccer teams and UConn women's basketball teams. She delves into the leadership qualities of their head coaches to inspire confidence, using expectations and player accountability, demanding practice routines leading to strong game performance, open and direct communication methods, and the resulting pride that contributes to outstanding achievement year after year.

Most of the book looks at corporate turnarounds. She makes the statement that in business, a carousel of CEO's can have little impact whatsoever on a declining or failing organization, until a new leader arrives with a system of profound changes to alter the losing habits. She gives as examples Gillette's Jim Kilts, who pulled Gillette out of its "doom loop" by abolishing its practices of trade loading (the quarter-end channel stuffing that called for margin-killing discounts that cannibalized the next quarter's sales), and Continental Airlines' CEO Gordon Bethune who initiated wholesale changes to reverse a decade of losing with one offer in 1995: \$65 to each employee if the airline could rise from last to the top four in on-time arrivals (It only took one quarter).

This is an insightful look at the three conditions for confidence: accountability, collaboration and initiative. For reviews and ordering information about this book, visit [Amazon.com](http://Amazon.com).

---

## announcements

Just out on the CEO Refresher website, an article we wrote called, "Bombarded by Market Change? Use Fresh Information to Compete and Win." We make the case that to be successful in the coming years, you must reacquaint yourself with your marketplace and recast your business to fit the new reality. The key starting point for future success is fresh information. [Read the Article.](#)

---

Look for the next issue of Trekking on December 14 in which we will address challenges of doing business internationally.

*continued on next page...*



**trek**consulting  
fresh information. smarter decisions. great results.



# trekking

## about trek consulting

Since 1999, Trek Consulting has helped CEO's of early stage and middle market companies to face challenges of growth, change and succession. Our hallmarks are fresh information, disciplined analysis and practicality. We help you create specific action plans with metrics tied to revenues, costs or corporate value. Then we follow up to help you keep on track and/or adjust your plans as circumstances change.

Our clients report improved market focus, increased revenues, better margins and lowered costs. To learn more about Trek Consulting and how we can help you improve your company's results, visit us on the web at [www.trekconsulting.com](http://www.trekconsulting.com) or call us at 781-729-1008.



**trek**consulting  
fresh information. smarter decisions. great results.