

TITLE: Six Disciplines for Excellence: Building Small Businesses that Learn, Last, and Lead

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PRIMARY THEME: When it comes to achieving excellence, figuring out the right thing to do isn't nearly as difficult as continuing to do it over the long-term. High quality strategic planning, therefore, is only one step in a six step process that businesses and organizations must embrace if they choose to pursue excellence. Of equal importance are the concerted efforts these groups must make to implement their plans, make sure everyone is on the same page, evaluate their progress, and hold people accountable for results.

SUMMARY DISCUSSION: The author seeks to create a single cohesive whole from "best practices" in goal setting, planning, implementation, innovation, system alignment, and evaluation. By choosing which areas an organization wants to lead in, and remaining focused on that, any business can move toward excellence. Harpst creates a methodical approach with annual, quarterly, weekly, and daily cycles of focus on the business. The step-by-step guide that makes up the bulk of the book includes lists of hints and tips, plus dozens of sample forms. This a reference manual for those executing the strategies rather than just a book to read and shelve.

CHAPTERS:

- ❖ *Introduction: Who This Book is For.* Harpst uses the introduction to lay the groundwork for our understanding that this method requires long-term commitment and patience. This is not a quick fix and not for people who are seeking one. This is for those who are committed to lasting success.
- ❖ *Chapter 1: Excellence.* The differences between an excellent business and others are the strength of the leadership team, the ability to attract and retain good people, a disciplined approach to business, strategic use of technology, and effective use of trusted relationships. Warning signs that an organization is not on the path to excellence include poorly understood strategy, weak strategy execution, unchecked organizational entropy, lack of systemic approach, impractical implementation methods, and unengaged people.
- ❖ *Chapter 2: The Small Business Advantage.* That most small business start ups fail in the first five years is not new news. What is interesting is the specific struggles these new businesses face. The main part of the book is dedicated to strategies for avoiding or overcoming the problems. Here the author outlines the advantages small businesses have over larger ones, including the ability to: connect everyone in the business to the purpose of the business, communicate effectively, make quick decisions, be directly familiar with customers, and attract high-quality employees.
- ❖ *Chapter 3: The Six Disciplines Methodology.* This chapter is an overview of the Six Disciplines and the factors that make them work.
- ❖ *Chapter 4: Discipline 1: Decide What is Important.* To be successful, a business must be very clear as to its mission, values, strategic position, vision, and vital few objectives. The steps in Discipline 1 are: 1) Renew (or Establish) Mission, 2) Renew (or Establish) Values, 3) Engage in Strategic Planning, 4) Renew or Establish Group-wide Vision, 5) Define Your Vital Few Objectives, and 6) Agree What to Stop.

- ❖ *Chapter 5: Discipline II: Set Goals that Lead.* To lead, a goal statement must be related to one of your Vital Few Objectives, be measurable, and include a date. Discipline II's steps are: 1) Define Measures, 2) Define Targets (Measurables), 3) Define Initiatives (Action Steps), and 4) Engage the Team.
- ❖ *Chapter 6: Discipline III: Align Systems.* When an organization has all of its various components working effectively in pursuit of the goals, the systems are aligned. This is an ongoing effort. Success here makes the difference for lasting excellence. Steps for Discipline III are 1) Identify Misalignments, 2) Align Processes, 3) Align Policies, 4) Align Measures, 5) Align Technology, and 6) Align People.
- ❖ *Chapter 7: Discipline IV: Work the Plan.* Implementation requires that every person in the organization understand what part of the plan they are responsible for, what they can rely on others for, and what the timelines are. Accountability tools must be designed and used. Supervisors and direct reports need to work closely together to: 1) Define Individual Plans Quarterly, 2) Review Individual Plans Weekly, 3) Evaluate Individual Plans Quarterly, 4) Set Daily Priorities, and 5) Monitor Measures.
- ❖ *Chapter 8: Discipline V: Innovate Purposefully.* Through the annual cycle of reconfirming purpose, choosing goals, aligning systems, implementing action steps, and evaluating success, it is also important to keep creativity alive and to continuously welcome and honor the innovative ideas of everyone. Steps in Discipline V include: 1) Brainstorm, 2) Prioritize Choices, 3) Conduct a Return-On-Investment Analysis, 4) Undertake Problem-Solving Exercises, 5) Champion Your Best Ideas, and 6) Recognize the Contributions of Others.
- ❖ *Chapter 9: Discipline VI: Step Back.* The annual cycle ends with an evaluation of current strategies and plans, implementation measures, and whether or not organization-wide alignment exists. Stepping back to have a look at what efforts have advanced the quest for excellence or improved the business's effective forward progress should take place before the next round of annual planning. Steps in Discipline VI are: 1) Review External, 2) Review Internal, 3) Conduct a SWOT (Strengths, Weaknesses, Opportunities and Threats) Analysis, and 4) Review Individuals.
- ❖ *Chapter 10: Putting it All Together.* Working **in** a business and working **on** a business are different functions. In order to sustain long-term excellence in business, the task of working on the business cannot ever be neglected. The Six Disciplines method of planning, executing, and evaluating business systems is meant to be implemented by individual organizations as they can. This is a process which gets easier and more effective with annual use. Businesses that stick with it will see improvement as people grow in their ability to think about business systems and the role they play in working on the business.

TOOLS: For every step of every discipline, the author provides worksheets, examples, formats, and a list of hints and tips. This book is a manual that can be referred to again and again.

KEY TAKEAWAYS:

"Excellence, like beauty, is in the eye of the beholder... If you are serious about pursuing excellence, you must decide what excellence means for your organization." p. 9

"The biggest problem with communication is the illusion that it has taken place." p. 32

"Setting the long-term targets for a small business has power. Set them too low and you stifle creativity and underperform. Set them too high and your people are frustrated and set up for failure." p. 89

"Unfortunately, many of us are caught trying harder and harder to whistle a symphony when we really should be building an orchestra." p. 103.

"One small idea implemented is more valuable than an incredibly 'big' idea that never gets acted upon." p. 169

"The Apollo 13 mission in 1970 is a good example [of constraint freeing creativity.] When a spacecraft containing three astronauts had a malfunction that damaged their air supply halfway to the moon, the men's survival was unlikely. Yet NASA engineers on the ground accepted the limitations and used materials on board in a truly innovative way to save the three men's lives. In this situation, fighting the constraints would have wasted precious time." p. 174.