THE 7 SECRETS OF OUTPERFORMING YOUR COMPETITION

GREG BUSTIN

Praise for Greg Bustin's leadership books

"If you're looking for new ways to drive accountability and improve individual and organizational performance, read this book."

Dan Pink, *New York Times* bestselling author of *Drive* and *When*

"Exceptional leaders are lifelong learners, and Greg has collected, organized, and presented these leadership leassons to stimulate learning, inform decision-making, and inspire action."

Elizabeth Bryant, Chief Learning Officer, Southwest Airlines

"Greg's practical style brings to life situations leaders face daily, and his book provides the thought-provoking techniques to help leaders make the big calls."

Steve Dalton, OBE, Managing Director, SONY UK Technology Centre

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"It is an immutable law in business that words are words, explanations are explanations, promises are promises but only performance is reality."

Harold S. Geneen

Greg Bustin delivers exceptional business results.

He's worked with the leadership teams at Bank of America, Burger King, Fujitsu, PepsiCo, Nucor, Quaker, 7Up, Sony, Stetson and Verizon as well as with teams at mid-sized companies looking for a spark to reignite their business and with start-ups looking to manage profitable growth.

He's a sought-after speaker on the topic of Accountability, having delivered more than 500 talks on five continents.

He's led more than 200 strategic planning sessions and has conducted more than 4,000 one-on-one coaching sessions with CEOs, presidents and partners as well as with rising stars who are making their mark on their companies and those they lead.

He's dedicated a career to working with leaders all over the world, and he's developed a collection of resources that will guide and inspire any leader, including:

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7 Secrets to Outperforming Your Competition

Accountability is one of the most important factors in determining the success of an individual, a team and an entire organization.

It's also one of the most misunderstood and misapplied concepts in business, making it one of the biggest challenges leaders face.

That's because every leader is tasked with getting from Point A to Point B, and accountability is almost always the single greatest threat to reaching Point B.

Whether you're in charge of a corporation, a partnership, a not-for-profit organization, a business unit, a department, or a single project, you must marshal the resources of your team to move from Point A (your current situation) to Point B (your objective). Accountability is an obstacle in your path. More times than not, it's *the* obstacle in your path.

If accountability is so important, why do so many leaders struggle with it? What separates high-performing organizations from average ones? What factors propel some firms to winning heights?

What are the secrets to outperforming your competition? And what role does accountability play in this process?

SEPARATING GREAT COMPANIES FROM GOOD ONES

I began my research into high-performing companies in 2009, talking with leaders at high-performing companies as measured by *Fortune* magazine on nine criteria:

1) Ability to attract and retain talented people
2) Quality of management
3) Social responsibility to the community and the environment
4) Innovativeness
5) Quality of products or services
6) Wise use of corporate assets
7) Financial soundness
8) Long-term investment value
9) Effectiveness in doing business globally

I also interviewed founders, CEOs, presidents and partners at small- and mid-sized companies. All of these companies have either sold for top dollar or transitioned into next-generation leadership with the original owners taking lots of chips off the table while leaving their companies well-positioned for the future.

In large corporations and in smaller privately held businesses, leaders spent hours with me and provided access to their teams.

I have continued to broaden this research, and now have data from more than 8,000 executives worldwide. Each week I continue to collect more data and more anecdotes.

In every case, what I discovered is surprisingly simple and powerfully effective when it comes to accountability. I'll share what I learned, but first a quick story.

During Bill Clinton's successful 1992 presidential campaign against incumbent George H. W. Bush, Clinton's strategist James Carville's phrase—"It's the economy, stupid."—was directed at the Clinton campaign's workers and intended to cut to the heart of the message to be used to defeat President Bush.

Clinton's campaign leveraged the then-prevailing recession in the United States as the campaign's primary focal point to reverse Bush's popularity, which was at an all-time high of 90% in March 1991 following the ground war in Kuwait. By hammering away relentlessly at the economic difficulties Americans faced at home, Bush's popularity plummeted to a 36% approval rating by August 1992, and Clinton took the White House that November.

So what separates great companies from average companies?

To paraphrase Carville, "It's the culture, stupid."

Companies that outperform the competition have a culture driven by accountability versus a culture that tolerates excuses.

Part of what makes accountability difficult is that when you're working with smart people and things don't get done well or on time, you are often handed excuses.

Here's what lack of accountability sounds like (which I've categorized into the three major components common to every organization—time, talent and treasure):

TIME:
- I rush from one fire to the next, so there's no time to work on my project.
- Our deadlines are unrealistic.
- The deadline was unclear.
- I spend my time doing my boss's work.
- I spend my time doing work my team should be doing.
- We're always in a hurry, but when we hurry we make mistakes and have to do the work again.

- There's no sense of urgency around here.
- I ran out of time.
- Her performance will improve with time.

TALENT:
- We don't have the right people.
- We don't have enough people.
- We don't have enough of the right people.
- These people don't report to me, so I have no control on them or their work product.
- I didn't know I was allowed to make that decision.
- I didn't understand the assignment.
- It wasn't my job.
- My team won't like me if I confront their performance issues.
- The people here are not team players.
- That person is a family member and the rules don't apply to him.
- We can't keep our best people so our effectiveness suffers.

TREASURE:
- We underprice projects (or products) so we can't staff properly for the work (or products) we've agreed to deliver.
- We can't agree on priorities so our budgets are spread too thin.
- Our customers beat us up on price so we can't possibly charge what we should be charging.
- We are constantly being asked to do more with less, including more work for the same salary.
- Money is tight so we can't hire the people we need.
- If we paid our people more money they would work (you fill in the blank) better… faster…harder…longer.

It's a vicious circle, and the excuses are infinite. Talk is cheap so we often buy it. When we do, accountability suffers.

What I learned from interviewing men and women all over the world who lead successful teams and companies is their organizations distinguish between reasons and excuses. When reasons are given for poor performance, the reason is eventually removed. When excuses are given for poor performance, the person is eventually removed—either by being transferred into a new role or by being terminated from the company.

The distinction between reasons and excuses is one insight into a company's culture.

"Culture," said Peter Drucker, "eats strategy for breakfast." Your culture—the sum of your behaviors—is what drives the satisfactory or unsatisfactory results you're getting. Your culture is how people are hired, fired and promoted. Your culture is how things get done—or don't get done. In the battle for hearts and minds and performance and profit, culture wins every time.

And so your culture must embody the idea that accountability is a choice—for you, for those around you, and for your entire organization. Accountability is not punishment.

We'll examine how high-performing organizations create and sustain a culture of purpose, accountability, and fulfillment to outperform not only their competition but themselves year after year. And we'll equip you with a set of principles and practices to help you drive accountability in your organization that, if practiced consistently, will allow you to outperform your competition.

If you happen to believe driving performance and creating a culture where accountability matters is all about having a tough conversation, you will miss the bigger point. I certainly did when I was leading my firm. The conversation is not the starting point: It's the exclamation point. Long before a conversation about performance occurs, dozens of other practices must be in place if you expect to drive accountability throughout your organization.

High-performing organizations have in common a way of thinking about and doing things that distinguishes their culture and that transcend age, geography, industry and size.

These are the seven secrets I'll share with you.

AN INTRODUCTION TO THE 7 SECRETS

Whether you're starting a company, blending two organizations as part of a merger or acquisition, joining an existing company in a leadership position, or getting ready to reinvigorate your team's performance, you'll discover similarities in what these high-performing companies do that are transferrable to your situation:

• Beliefs that form the bedrock of trust
• A mindset and discipline to achieve excellence
• A commonsense approach to getting things done

High-performing organizations share seven distinct characteristics that enable them to outperform the competition. In my book, *Accountability: The Key to Driving a High-*

Performance Culture (McGraw-Hill), I call them the Seven Pillars of Accountability.

For our purposes, the Seven Pillars are the Seven Secrets. You'll find each of these secrets hiding in plain sight.

1. **Character.** An organization's character is shaped by its values, and these values are clearly defined and communicated. The organization does what is right for its customers, employees, suppliers, and investors, even when it's difficult to do so.

2. **Unity.** Every employee understands and supports the organization's mission, vision, values, and strategy, and knows his or her role in helping to achieve them.

3. **Learning.** The organization is committed to continuous learning and invests in ongoing training and development.

4. **Tracking.** The organization has reliable, established systems to measure the things that are most important.

5. **Urgency.** The organization makes decisions and acts on them with a sense of purpose, commitment, and immediacy.

6. **Reputation.** The organization rewards achievement and addresses underperformance, earning the organization and its leaders a reputation, both internally and externally, as a place where behavior matches values.

7. **Evolving.** The organization continuously adapts and changes the organization's practices to grow its marketplace leadership position.

You probably noticed an acronym: C.U.L.T.U.R.E. It's deliberate and will help you remember the seven pillars. This acronym also will help you remember that culture is part of the underlying structure of any organization and a significant predictor of your future performance.

The Seven Pillars of Accountability

Character   Unity   Learning   Tracking   Urgency   Reputation   Evolving
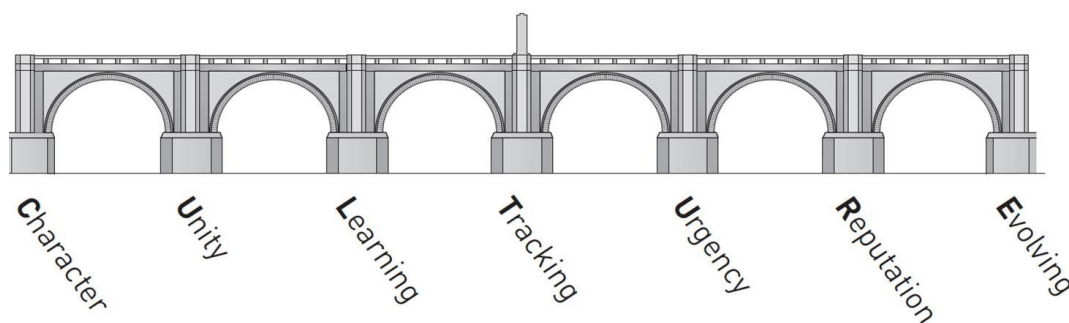
Every organization has a culture. If you think you don't have one, it likely means you don't like the one you have.

"Culture," one of the leaders I interviewed told me, "isn't something we have to make our employees do; culture is who we are."'

BEST PRACTICES FROM HIGH-PERFORMING COMPANIES

Leadership and corporate culture are linked. Culture starts at the top.

In a culture where accountability is embraced and not feared, savvy leaders realize they have an advantage over their competition. In these successful organizations, people actually do the things they say they will do. If they don't, they don't stay with these companies for very long.

Based on my research, I developed an assessment that allows leaders of any organization to evaluate organizational performance and the role accountability plays in their culture.

Part of the assessment is included here. The full assessment is included in my book, _Accountability: The Key to Driving a High-Performance Culture_. You can also call me at 214.720.3707 or email me at greg.bustin@bustin.com to learn how to make the confidential online version of the assessment available to you and your leaders.

The assessment is important because it reveals how accountability is occurring—or not occurring—in each of the Seven Pillars of Accountability. The assessment will show very clearly which of these four levels of performance best describes your organization:

• Results from the lowest-scoring organizations show systemic issues across all areas of the organization are hindering performance. Companies in this bracket are succeeding in spite of themselves.

• The next-lowest category of results indicates accountability—and, therefore, performance— is an uphill battle for individuals and the organization caused by conflict, confusion and inefficiency. This friction negatively affects the morale and performance of employees, which ultimately hinders organizational performance.

• The second-to-highest level of performance identifies solid performance and indicates the right people, the right processes and the right priorities are in place and working effectively. Nevertheless, opportunities exist to raise performance to an elite level.

- The highest-scoring organizations achieve best-in-class status and are producing exceptional results on a consistent basis. This type of performance is incredibly difficult to sustain and requires a relentless focus on the pursuit of perfection.

My research also indicates that the higher a leader's position in the organization, the greater the likelihood his or her perspective of performance does not match the perspective of their direct reports.

Over a five-year period, 2,239 executives from 301 leadership teams in the United States, Canada, Peru, Australia, England, Ireland, Wales, Scotland and New Zealand completed the accountability assessment. In 81 percent of the cases, the overall score of the 301 CEOs and Managing Directors taking the assessment was the highest or second-highest score on the leadership team (as shown in the graph below).
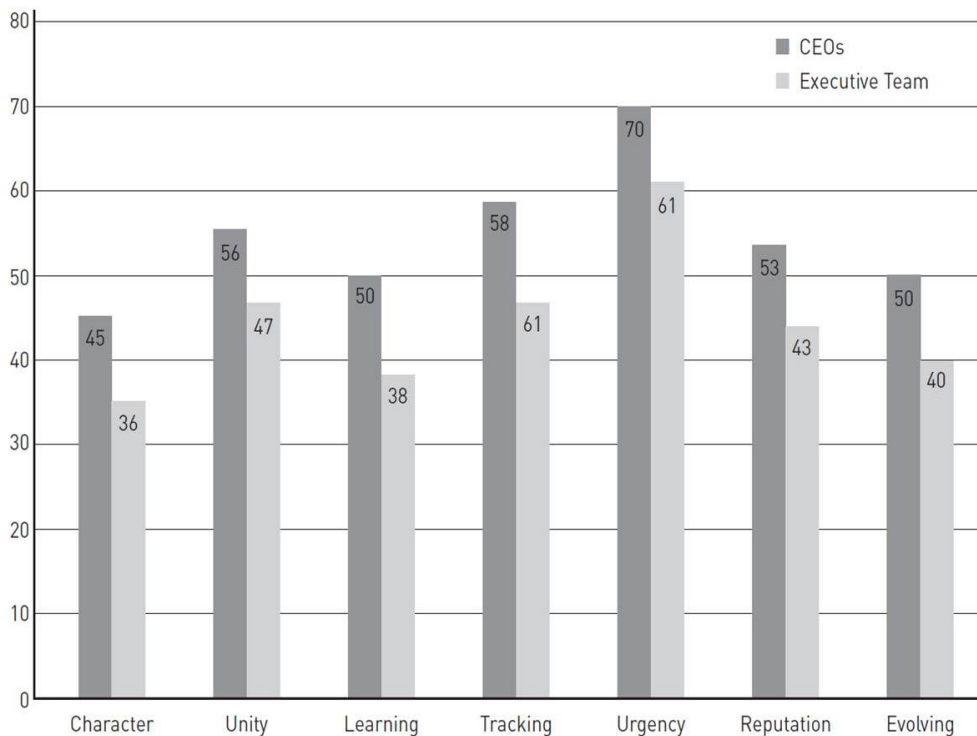
Although no additional analysis was conducted to explain the gap, the fact that 81 percent of these CEOs viewed their organization's performance against key accountability drivers as markedly better than their direct reports is a gap that likely will occur when you and your leaders complete the assessment.

Your position in the organization will give you a biased view of performance. Top leaders can be more optimistic than their colleagues, and they are farther removed from the action where the day-to-day challenges of accountability occur.

Shown below are 32 of the 80 prompts from the organizational accountability assessment.

CHARACTER PILLAR

- [ ] Our values are clearly defined and consistently communicated.
- [ ] You won't find our values on other organizations' walls: our values reflect our distinctive personality.
- [ ] We trust each other to make good choices and do their best.
- [ ] Accountability isn't just top-down; everyone knows they are accountable to each other.
- [ ] We seek first to understand others' points of view before seeking to persuade them to ours.

UNITY PILLAR

- [ ] Our organization's direction generates excitement and enthusiasm among everyone.
- [ ] Every role in our organization is clearly defined and communicated.
- [ ] Accountability isn't just top-down; everyone knows they are accountable to each other.
- [ ] We use multiple vehicles to communicate with our colleagues, and our top leaders communicate at least once a month.
- [ ] It's the leader's job to forge relationships with employees.

LEARNING PILLAR

- [ ] We view ongoing training and development as an investment – not an expense.
- [ ] Our organization develops our employees' technical skills.
- [ ] Our organization develops leadership skills (e.g., strategic thinking, problem solving, interpersonal communication, executive presence, etc.) among our leaders and emerging leaders.
- [ ] We have a formalized program or approach for mentoring.
- [ ] We learn from our successes so that we can replicate what works best and improve our performance.

TRACKING PILLAR

- [ ] We have systems in place to measure the things that are most important to us.
- [ ] We survey our people and our customers annually to get their feedback.
- [ ] We share all data (except personal salaries and where prohibited by law) with all employees.
- [ ] We base decisions on logical, factual information, and not just on emotions.
- [ ] We have a process (along with consequences) to address under-performance that is understood by everyone.

URGENCY PILLAR

- [ ] We are willing to make decisions with less than 100 percent of the data.
- [ ] We encourage, empower and reward decision-making at every level of our organization.
- [ ] We take action to solve problems immediately.

REPUTATION PILLAR

- ☐ We know that organizational and personal reputation are the result of our behavior matching our values.
- ☐ We recognize that it's the leader's job to tell employees the truth about organizational and individual performance.
- ☐ We recognize that failure to address under-performance costs us personal and institutional credibility and respect.
- ☐ We are not surprised when people we value leave our company.

EVOLVING PILLAR

- ☐ We change things that aren't delivering the results we expect.
- ☐ We value the benefits of planning so we take time to plan.
- ☐ When planning, we think big, view old problems in new ways, and encourage radical ideas.
- ☐ New approaches and initiatives are received enthusiastically versus being resisted.

You've likely concluded that most if not all of these prompts from the assessment can be turned into action items.

You've been given a glimpse of the so-called secrets that allow successful organizations to outperform their competition.

Your challenge, indeed the challenge of any leader, is to eliminate friction, conflict and confusion that occurs naturally in any organization in order to remain unwaveringly focused on implementing these concepts at a high level over an extended period of time.

Which action items are most important to you in terms of driving accountability and increasing individual and organizational performance?

Here are some final thoughts you may find helpful in deciding how best to move forward.

MOVING FORWARD TO IMPROVE YOUR ORGANIZATION'S PERFORMANCE

Consider these accountability insights from each of the Seven Pillars of Accountability,

CHARACTER

- • Decide what you stand for: Your core values help you make the decisions you don't want to make; you may not like the answer, but when you're being true to your values the answer will be clear.

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- Talent predicts future results: Hire the best candidates that align with your values, develop them and pay them accordingly.
- Without trust, meaty issues are not addressed; without addressing these issues, there's no change; without change, improvement is difficult: How do we handle disagreement?

A leader is part visionary, part sales rep, part mentor and part lifelong learner. Yet one job tops them all: moral compass.

UNITY
- People need a purpose that's bigger than themselves: Does our vision focus only on numbers, or does it give our people something to cheer for?
- It's almost impossible to overcommunicate: Does everyone know what is expected of them?
- Clarity creates confidence; confusion cause chaos: Whenever there is an accountability problem, somewhere somehow in some way something isn't clear to someone.

"I take no joy the hole is in your end of the boat." We're all in this together.

LEARNING
- Great people want to improve so ask them "What's working?" "What's not?" Great leaders also ask, "How can I help?"
- The soft stuff is the hard stuff: What are we doing to help the next generation of leaders develop their EQ (emotional quotient) as well as their technical skills?
- Employees own their careers; mentors help. What's our process for developing our rising stars?

Learning does not need to be expensive; not learning can cost you a fortune.

TRACKING
- Great people want to see progress: Do we treat tracking as punishment or empowerment?
- Limit metrics to 3 items: Ask your colleagues what should be measured.
- Make tracking visible: About 65% of the population learns visually; what picture of performance is worth 1,000 words to our employees?

Accountability is not punishment; it's a support system for winners. Tracking is the scoreboard.

URGENCY
- In order to scale your organization, processes outperform craftsmen: Where can we eliminate waste, variations and errors?
- Minimize red tape: How speedy is our decision-making?
- Remember: No decision is a decision to do nothing.

"If you chase two rabbits, both will escape." Maintain a laser-like focus on the 3 – 5 most important priorities.

REPUTATION
- Reward results, not activity: Don't tell me how busy you are; tell me what you accomplished.
- Address under-performance with a clearly defined process: Do people understand the difference between a mistake and underperformance?
- Double-standards hurt everyone, starting with you: How consistent are we in addressing underperformance?

Failure to address underperformance costs time, money, opportunity and reputation. Yours.

EVOLVING
- Dig for gold vs. spotting mistakes: In what areas are we not our best?
- Eliminate "We've never done that before" mindset: What are we willing to give up or stop doing?
- Look outside your industry to adapt: What are the most significant changes your competitors have made lately?

What's the next great thing we will do together?

COMBINING BEST PRACTICES + PRIORITIES

Once you and your colleagues have armed yourself with the best practices of high-performing companies, it's time to distill your thinking into a plan company leaders will agree to implement.

The one-page planning template shown below is the next step toward developing your plan.

MIGRATION CHART™ – A 1-PAGE PLANNING TEMPLATE

Migration Element	Moving From... (Point A)	Moving To... (Point B)
Revenue ($$ + %) **Profit** ($$ + %)		
Strategic Focus		
Major Challenges		
Infrastructure Changes • Values, Culture, Structure, Processes, Financial Administration, etc.		
Personnel Changes • Skill, Attitude (Will), Policies, Experience, Staffing Needs, Learning, Mentoring, etc.		
Sales & Marketing Changes • Channels, Markets, Customers, Competitive Advantage, Value Proposition, Materials, etc.		
Measurement Changes • Leading Indicators, Lagging Indicators, Reports, Visibility, etc.		

Download this document for free from my website (www.bustin.com/resources) along with guidelines for completing it.

This one-page planning template is by no means a final plan. In fact, it's just the opposite. The specifics that drive accountability—namely, Who will do What by When?—are missing from this one-page planning template. Nor is this document a budget. The value of this document is that it serves as a catalyst for conversations among a company's senior leaders to achieve clarity, alignment and commitment around the organization's top priorities.

To bring out the best from the people on your team, you must tell them what you expect. They, in turn, want to know that what they're doing contributes to the greater goal. So setting clear expectations is an essential component in driving accountability throughout the organization.

Just as clarity creates confidence in you and those that work with and for you, the opposite is also true: confusion causes chaos. Ambiguity creates a high likelihood that work will be duplicated, forgotten, ignored, or performed poorly.

Your operating (or strategic) plan should ensure that everyone is clear about:

- Where we are (Point A)
- Where we're going (Point B)
- How we'll get there (actions and resource commitments)
- Who's responsible and will be accountable for specific tasks
- Deadlines for commitments
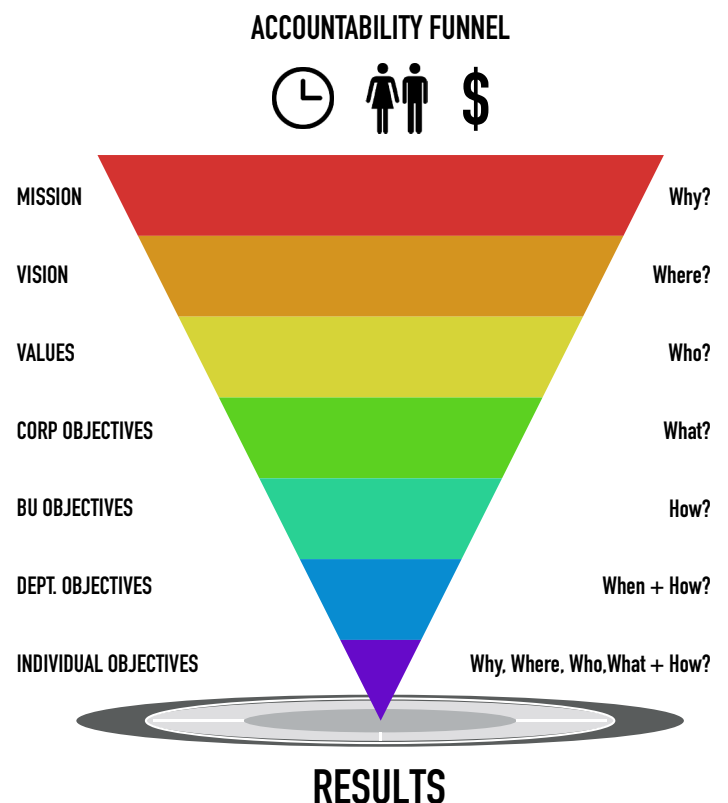- Rewards and penalties related to performance

Ultimately, your written plan becomes your accountability contract with one another. Allow the plan to raise accountability questions with the team. There is no "bad guy." The leaders are the stewards of the plan that's been developed and agreed to by everyone on the planning team.

THE ACCOUNTABILITY FUNNEL

Every organization deploys three fundamental resources: time, people, and money. (You may be tempted to include equipment, inventory, or real estate holdings, but these inanimate items are purchased. And while you also may be tempted to argue that people are purchased because you pay them a salary, you don't own them and they are free to leave anytime they wish.)

Think of your organization as a funnel into which time, talent (people), and treasure (money) are poured.

Emerging from the funnel's spout is the result of your investment in those three commodities. The result may be satisfactory or unsatisfactory.

ACCOUNTABILITY FUNNEL

MISSION	Why?
VISION	Where?
VALUES	Who?
CORP OBJECTIVES	What?
BU OBJECTIVES	How?
DEPT. OBJECTIVES	When + How?
INDIVIDUAL OBJECTIVES	Why, Where, Who, What + How?

RESULTS

As time, talent, and treasure move through your funnel toward a result, their original state is altered as they come into contact with one another. This contact is shaped by two key contributing factors: the processes inside your organization (your belief systems, policies, operating procedures, and technical support systems that form the infrastructure of your organization), and the behavior of people comprising teams, departments, remote locations, business units, and outside suppliers (it's the rare individual who works in solitary confinement). The sum of this behavior is your organization's culture.

A high-performing organization has taken the time and tackled the tough issues to clearly define and crisply articulate its most strategic components. Questions about why we exist, where we're going, what sets us apart, what's right and what's next mostly have been asked, answered and codified. As a result, decision-making accelerates which then expedites effective execution.

When the results you're getting are not delivering the expected returns on your investment of time, talent and treasure, review the Accountability Funnel to determine whether it's lack of clarity around what matters or a culture that tolerates excuses over performance.

THE BIGGEST SECRET

All organizations wrestle with accountability in much the same way.

Although the scope and complexity may differ from organization to organization, the problems leaders encounter on their journey from Point A to Point B are similar.

High-performing organizations create and sustain a culture of purpose, accountability, and fulfillment that is guided by a set of principles and practices: The Seven Pillars of Accountability.

The most admired companies in the world outperform their competition by approaching accountability as a support system for winners—not as punishment.

The biggest secret—if you want to call it that—is that this approach to accountability is about making the choice—with integrity, consistency and compassion—to do the things we say we will do. The hard part, for most people, is actually doing what they say. The byproduct of your choices is your culture.

The key to accountability is bringing together the principles outlined here and then acting on them with consistency to sustain a high-performance culture.

A Final Word about Accountability

Accountability is one of the most important factors in determining the success of an individual, a team and an entire organization. It's also one of the most universally misunderstood and misapplied concepts in business, making it one of the biggest challenges leaders face.

My decade of research surveying more 8,000 CEOs and key executives worldwide confirms that "lack of accountability" is the single greatest barrier to achieving consistently high levels of organizational performance.

Now you have the insight to think about and practice accountability like most successful leaders. And there's lots more guidance and best practices in my book *Accountability: The Key to Driving a High-Performance Culture.*

By reading this book, you've learned that savvy leaders approach accountability with the mindset that it's not punishment—it's a choice. It's a choice for you and those around you.

You've also equipped yourself with:

- Best practices the world's most admired organizations deploy to outperform their competition

- 7 distinct areas in your organization to drive accountability and improve performance

- A one-page planning template to convert your discussions, debates and decisions into specific actions

Accountability is a mindset. It's not a technique—it's a way of being all the time.

Use these concepts and tools to help you drive accountability—in yourself, your teams and your organization—to achieve more of the high performance you want.

Thank you for reading this eBook. I wish you great success on your accountability journey.

Greg Bustin

www.bustin.com

Books by Greg Bustin

Learn the secrets of using accountability as a tool to drive high performance from the world's most admired companies. This collection of resources provides to leaders the essential leadership skills and practices for improving individual and organizational results.

Available in hardcover, paperwork, audio and eBook formats. Purchase wherever books are sold online. Click on the links to purchase today:
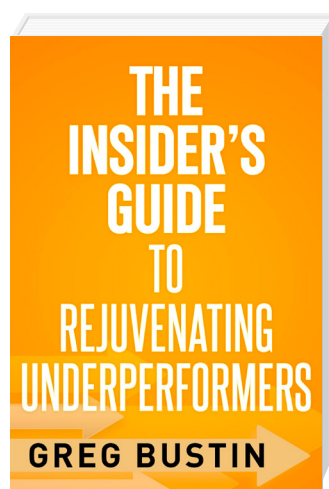
Get Expert Help for Accountability

As leaders, we get the behavior we tolerate—even our own.

If you're ready to eliminate the excuses, get clarity on your most important priorities, and ignite the spark that will propel your career to new heights, then schedule a personal 90-minute coaching session with Greg.

Individual coaching sessions include direct access to Greg to ask questions and learn how to improve the skills essential to becoming an effective leader. Using live video screenshare technology, he will walk you step-by-step through everything you need to know. Get immediate answers to reduce stress, manage time effectively, coach underperformers, make better decisions and achieve better results.

For details, visit www.bustin.com

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