

Turning Strategy into Performance: Part 2 September 2012 Newsletter

If you have 37 priorities, you don't have any.

Time. Money. People. Attention.

These most precious resources are severely constrained in any organization. And yet most treat them as though the supply is as abundant as trucker caps at a NASCAR event. That's the road to lousy performance and execution.

Having too many priorities and projects inevitably leads to a loss of focus on the products and services that really drive the business forward. That was true of General Motors in 2009, when Barack Obama's auto task force issued its report following the company's bankruptcy. The report stated, "GM has retained too many unprofitable nameplates that tarnish its brands, distract the focus of its management team, demand increasingly scarce marketing dollars, and are a lingering drag on consumer perception, market share, and margin."

It was also true of Apple in 1997, when Steve Jobs returned to slash and burn a bloated, unfocused product line. Within months, he canceled the 20th Anniversary Mac, the Pippin (a video game console), the Newton (an early PDA), Cyberdog (a web browser), and a variety of software initiatives in video conferencing and speech technology. He refocused the company and delivered the iMac in Bondi Blue the next year.

It's emotionally challenging to turn away from business opportunities. After all, who can be sure that the next opportunity won't become a gold mine? Yet, companies that are renowned for tight execution walk away all the time. They have a process for making hard decisions about what to pursue, and what to abandon.

As Peter Drucker put it:

“ Economic results require that managers concentrate their efforts on the smallest number of products, product lines, services, customers, markets, distribution channels, end users, and so on which will produce the largest amount of revenue. ”

Questions to answer:

- **What process do you have for assessing new opportunities?**
- **How widely understood is this process?**
- **How often do you actually follow this process?**