Predictable Success: Getting Your Organization on the Growth Track-And Keeping It There

Every leader knows the reality of the recurring growth patterns in the life of an organization. The spurts. The plateaus. The declines. Best-selling author and business expert Les McKeown in this book: ***Predictable Success: Getting Your Organization on the Growth Track—And Keeping It There*** brings an insightful yet easy-to-grasp paradigm, along with fitting language, to unpack the various seasons that organizations encounter. In his construct, "predictable success" is the apex, the goal—how to get there and more importantly, how to stay there. His book is like the kiosk at the local shopping mall, pointing out "you are here", but also what to do about it.

Take a look at these Book Notes to capture the essence of his very helpful construct.

Chuck Olson
Founder | Lead With Your Life

Title: Predictable Success: Getting Your Organization on the Growth Track-And Keeping It There

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Book Description:
If you own, manage or work for any kind of organization, you have one goal above all else–success. And not just occasional, elusive or temporary success. You're looking for:

- Success that you understand and can control
- Success you can maintain indefinitely
- Success you can replicate
- Success you can scale
- Success that isn't dependent on you alone
- Success that you can teach to others

In short, you're looking for Predictable Success. In this timely, no-nonsense guide, experienced business advisor Les McKeown takes you step-by-step through a startlingly simple, intuitive and universal process that shows you how to bring sustained, lasting, predictable success to your organization. Steeped in a street-smart, savvy insider's deep understanding of exactly how business works in the real world, Predictable

Success provides you with a precise road map to success, starting from wherever you are today.

Whatever your challenge, Predictable Success shows you the exact steps to take to restore equilibrium to your organization, re-ignite confidence in your own management skills and lead your team forward to the next stage in growth.

Book Quotes:
As you will discover, getting to Predictable Success is a practical, step-by-step process that is attainable by anyone. No special skills are required; no leap of faith is needed; there are no mantras to learn or secrets to divine. The principles of Predictable Success are simple, elegant and (once they've been pointed out) both obvious and natural. Because of this, there is little learning curve: Most people grasp the underlying concept and the main principles immediately. LOCATION: 134

I watched seemingly well-financed businesses go under for reasons that on the surface looked unconnected—overconfident sales projections, poor salesmanship, lack of commitment, overinvestment in assets being just a few. But when I analyzed the reasons in more depth, a pattern began to emerge: It wasn't the numbers. It was the people that made the ultimate difference between success and failure. LOCATION: 210

Predictable success is a state reachable by any group of people—any organization, business, division, department, project, or team—in which they will consistently (and with relative ease) achieve their common goals. LOCATION: 276

Those of us who manage groups of people want to get to Predictable Success for a simple reason: It's much easier to manage a group when you—and they—know how to be successful. LOCATION: 279

You can see that Predictable Success is one of the seven stages of growth and decline through which every organization progresses. Not every organization makes it all the way through all seven stages—some organizations stop at one or more stages; some make it to one stage, then drop back to the previous stage or stages; and some organizations die at a certain stage. LOCATION: 466

Predictable Success is the apex of the growth curve. This book is about how to get there. The three stages before Predictable Success (Early Struggle, Fun and Whitewater) are growth stages. The stages after Predictable Success (Treadmill, The Big Rut and Death Rattle) are decline stages. LOCATION: 471

- **Early Struggle.** It feels as if you're hacking through the jungle, fighting to keep your newborn organization alive. LOCATION: 489

- **Fun.** You've broken through the Early Struggle—you have cash (at least enough to take the pressure off) and an established market. LOCATION: 495

- **Whitewater.** The very success that you reaped in the Fun stage brings with it the seeds of Whitewater: Your organization becomes complex, and the key emphasis shifts once more, from sales to profitability. Achieving sustained, profitable growth requires you to put in place consistent processes, policies and systems…Unfortunately, putting those systems in place proves harder than you expected. Making the right decisions seems easy, but implementing decisions and making them stick is incredibly difficult. LOCATION: 503

- **Predictable Success.** You've developed a team that has successfully navigated your organization through Whitewater—congratulations! You have reached the prime stage in your organization's growth: Predictable Success…Unlike Fun (when you were growing, but weren't quite sure how or why), in Predictable Success you know why you are successful, and you can use that information to sustain growth in the long term. LOCATION: 509

- **Treadmill.** In principle, there is no reason for any organization to decline from the position of Predictable Success. In practice, many organizations begin to swing too far toward dependence on process and policies. Creativity, risk taking and initiative decline in response, and the organization becomes increasingly formulaic and arthritic…Working for the organization at this stage in its development can feel like being on a Treadmill: A lot of energy is being expended, but there's little sense that forward momentum is being achieved. There's an overemphasis on data over action, on form over content. LOCATION: 515

- **The Big Rut.** Treadmill is a dangerous stage in the organization's development. If it is checked in time, creativity, risk taking and flexibility can be re-injected, taking the organization back to Predictable Success. Left unchecked, however, the organization will decline further into The Big Rut. LOCATION: 519

- **Death Rattle.** Eventually, for all bureaucracies, there is a final attempt to resuscitate the organization, whether by the appointment of bankruptcy practitioners or by being acquired. Either way, the organization will not survive in its present form. LOCATION: 525

Any organization that is in Predictable Success exhibits five main characteristics that, taken together, distinguish it from organizations at other stages in the growth cycle:

- Decision Making: The Ability to Readily Make and Consistently Implement Decisions…Decision making in the Predictable Success organization doesn't stop with the making of the decision itself. If anything, in Predictable Success the greater focus is on the execution of that decision once it is made.

- Goal Setting: The Ability to Readily Set and Consistently Achieve Goals.

- Alignment: Structure, Process and People Are in Harmony…In Predictable Success the matrix of structure, process and people is interconnected and organic, not fixed and absolute. In the Predictable Success organization, there is a realization that what worked yesterday may not work today, and accordingly, the interplay between structure, process and people is constantly shifting, staying fluid to meet the organization's changing needs.

- Accountability: Employees Become Self-accountable, in Addition to Being Externally Accountable to others.

- Ownership: Employees Take Personal Responsibility for Their Actions and Outcomes. LOCATION: 532-632

Of all the stages in Predictable Success, the first, Early Struggle, is the easiest to define: It's a race to establish a viable market before the initial cash runs out. LOCATION: 716

You should finish every day by answering this question: "What did we do today that took us closer to finding a viable market for our product (or service)?" LOCATION: 814

This primacy of the sales function during Fun is not abnormal or unreasonable—it is as it should be during this stage in the organization's life cycle. During Fun, revenue from sales is like air to a mammal—without it, the organization cannot survive. In later developmental stages, the organization can afford to shift the focus from sales for a while and still survive (and, as we'll see, will actually need to do so). But when in Fun, the organization has too thin an asset base to survive should it take its eye off selling for even a short time.

LOCATION: 951

Fun is the second, natural step in every organization's development (assuming it survives Early Struggle). The main focus of the business in Fun is generating sales revenue. This leads to the rise of "Big Dogs"—those (often salespeople) who build sweat equity by contributing to the survival and growth of the business. During Fun, the organization builds "myths and legends" that will later become unrealistic performance expectations. Working for an organization in Fun is exciting, but requires the ability to cope with ambiguity. Sometimes, being in Fun can lead to overconfidence, which at its worst can cause the owners to take risks that maim or destroy the business. It is vital to monitor costs during Fun. Some owners choose never to leave Fun, because of the high rewards and, well, it's fun! After growing bigger, some people bring their business back to Fun because they like it there. If you continue to grow your business, you will be kicked out of Fun—into Whitewater—automatically. LOCATION: 1093

Whitewater is the third stage of growth for every organization, after Early Struggle and Fun…Whitewater comes as an unavoidable corollary of growth. As soon as the small, vibrant organization emerges from Early Struggle into Fun and starts to grow, it immediately begins to become more complex. More people are added, so decision making becomes more difficult. Lines of communication are less clear, making execution difficult also. LOCATION: 1168

As a result, the Whitewater stage—painful as it is—is often more prolonged than it needs to be, because senior management's natural reaction is to reject the very thing that is needed to get through Whitewater: systems and processes. LOCATION: 1178

What is the secret of getting out of Whitewater? The answer, as with so much that we've seen already, lies in creating the right organization structure—building an underlying foundation for success by providing the right framework for people to work within. LOCATION: 1315

The transition from Whitewater to Predictable Success is achieved by introducing and maintaining the right amount of systems and processes necessary to tame complexity, while at the same time holding in balance the entrepreneurial zeal, creativity and risk taking that have grown the business to this point. LOCATION: 1446

The definition of an organization in Predictable Success is that it has the ability to readily set and consistently achieve its goals. In fact, at no other stage in its development will the organization be more in control of its own destiny—when an organization reaches Predictable Success, it is at the point of maximum self-determination. LOCATION: 1448

Put another way, Predictable Success is that stage in development where the organization is most at ease with itself, is most assured of its identity and purpose, and executes its business with the self-confidence and fluidity of an athlete at the top of his or her game. LOCATION: 1467

At the core of Predictable Success is an ever-present, ever-shifting tension that holds two competing but equally necessary forces in a fine balance: On the one hand are the creativity, drive, initiative and entrepreneurial spirit that give the organization its vision, and on the other are the precise and mundane systems and processes that bring scalability, consistency and profitability…These two forces must coexist in the right proportions to maintain an organization in the state of Predictable Success. LOCATION: 1484

Although there are many benefits to an organization that reaches Predictable Success, four are key: 1. Relative ease of decision making. 2. Alignment of decision making and execution. 3. Effective cross-functional interaction across the organization. 4. A coequal focus on growth and profitability. Taken together, these four benefits combine over time to develop a fifth, transcendent competitive advantage: 5. An intuitive, institutionalized understanding of how the organization succeeds. LOCATION: 1499

Despite all of management's best intentions, and even with the application of the steps outlined above, a number of employees—possibly even a large number—will find the transition to Predictable Success simply too much to take and will leave the organization. A combination of those who don't like the new culture, those who feel marginalized or forgotten, and those who don't have the skills required to work in the Predictable Success environment can mean that as many as one-third of the total workforce might turn over during the first few years in Predictable Success. LOCATION: 1614

An organization moves into Treadmill whenever it becomes over-dependent on the systems and processes it implemented during Whitewater to push the organization into Predictable Success—in other words, the organization becomes over-systematized. LOCATION: 1729

Too many systems and processes in an organization cause it to slow down and lose its flexibility, and lead it to look inward rather than outward. LOCATION: 1735

Form-filling and statistical analysis begin to overtake productivity and output in importance. Management, while still overtly calling for growth and productivity, is increasingly more concerned with how something is done rather than what is being done. Form begins to usurp function: Is the right checklist being completed? LOCATION: 1740

When the organization is in Predictable Success, systems and process act as a benevolent protector of creativity and risk taking, providing rules and boundaries for the organization's vision and entrepreneurial zeal to flourish. LOCATION: 1749

In Treadmill, as we've seen, the ability to innovate is lost, replaced by imitation. Taken together, this loss of innovation, the sheer complexity of getting things done, the loss of creativity and risk taking, and the relentless focus on iterative, incremental change mean that it becomes almost impossible for the business to deliver significant step growth. LOCATION: 1768

Not surprisingly, Treadmill is the stage at which most founders and owners eventually part company with the organization they created, either voluntarily, in a recognition that this business is no longer the one they created and no longer brings them fulfillment, or involuntarily, forced out in a coup headed by those who no longer feel comfortable with the highly visionary—as they now see it, disruptive—founder or owner. LOCATION: 1811

Treadmill is a dangerous stage for any organization to be in. It is true that if managed correctly, the business is only one step away from moving back to Predictable Success. But if managed incorrectly, the organization will slide forward into The Big Rut, at which point it loses the power to self-diagnose its condition, and it will be locked into an inevitable decline into Death Rattle and oblivion. LOCATION: 1816

An organization that is sliding toward Treadmill will display an undue use of technology (voicemail, email, video-conferencing, intranet, extranet and social media) not just as a vehicle for communication, but increasingly as a way to avoid real, genuine communication. LOCATION: 1878

It will be clear by now that one of the key dynamic forces that pushes an organization out of Predictable Success and into Treadmill is that of insularity. Management begins to spend more and more time focusing inward, polishing systems and processes, enforcing compliance and consistency, and eschewing time spent investigating, researching and experimenting from first principles. LOCATION: 1894

The Big Rut is the sixth and penultimate stage in any organization's development, coming after Early Struggle, Fun, Whitewater, Predictable Success and Treadmill. LOCATION: 1993

Hang around in Treadmill for too long, and a number of important changes begin to occur that, taken together, push the organization into The Big Rut:

• Key personnel leave.

• Creativity, risk taking, vision and zeal all die.

• Interest in the customer is replaced by navel-gazing.

• Frustration is replaced by complacency. LOCATION: 2007-2033

Death Rattle is the seventh and final stage of an organization's development, coming after Early Struggle, Fun, Whitewater, Predictable Success, Treadmill and The Big Rut. It occurs at the end of The Big Rut, when the organization finally runs out of resources and/or its market disappears because of technological or other change, or simply because the organization is no longer meeting its customers' needs. Death Rattle usually takes the form of either a fire sale of the company's assets (perhaps including its brand name) or liquidation through bankruptcy. LOCATION: 2147

As a result, in Whitewater the time involved—in first recognizing the need to make a decision, then making the decision, implementing it, and receiving feedback as to whether or not it has worked—grows exponentially. It becomes more and more difficult for the organization to make and implement effective decisions, until eventually the decision-making process slows to a crawl, and in the worst cases may grind to a halt. LOCATION: 2190

So, to get out of Whitewater and into Predictable Success, the key systems and processes that management must implement are those that will provide a new structure for making and implementing decisions—a decision-making structure that is capable of mastering the new complexities of the organization. LOCATION: 2199

To get out of Whitewater and into Predictable Success, management (fully supported and aided by the founder/owners) must recognize the lack of congruence between theory and reality, and begin by implementing three mundane, but essential changes:

• Redesign the organization chart to reflect operational reality…The organization chart must reflect not relative power or status, nor a theorized, "textbook" representation of an idealized hierarchy, but the actual, real-world structure that is needed to manage the organization.

• Define key management responsibilities clearly…Once all the key positions needed by the organization have been clearly identified, the next step is to precisely define what is required from each of those positions—the duties and responsibilities of each key role.

• Institute appropriate management teams and meetings…Once the org chart and key job descriptions have been redesigned, the final phase in this step is to decide who needs to meet with whom in order to get effective decisions made. LOCATION: 2224-2298

For the organization to successfully move into Predictable Success, senior management must recognize and enforce a new precept: that managers now have a dual role—to manage both vertically (down to their direct reports and up to their boss) and laterally, to their fellow managers. LOCATION: 2343

To make this shift to proactive, problem-avoiding, collaborative lateral management, it is important to encourage managers to meet ahead of issues, rather than about issues—for the sales and operations managers to meet, for example, at the start of the month to plan customer delivery schedules, rather than at the end of the month to hold a post-mortem on why deliveries were too often late. LOCATION: 2372

Silos are not a bad thing in and of themselves—their existence is an unavoidable reality in any relatively complex organization—but in Whitewater (and in Treadmill, as we'll see in a later chapter) they present a peculiar barrier to getting to Predictable Success. As we've already seen, when an organization is in Whitewater, silos slow the organization's progress to Predictable Success by diluting alignment. LOCATION: 2451

Of everything discussed in this chapter, the concept of ownership and self-accountability is the single most important factor contributing to Predictable Success. As we'll see in the next two chapters, not only does the reemergence of ownership and self-accountability push the organization over the edge into Predictable Success, but its continued existence is the lynchpin that keeps the organization in Predictable Success, preventing it from sliding back into Whitewater or forward into Treadmill. LOCATION: 2568

As we've seen throughout this book, the main danger facing an organization once it reaches Predictable Success is that management may overcook its focus on systems and process, resulting in an overmanaged business that slides, silently and unnoticed, into Treadmill. LOCATION: 2640

And so, once in Predictable Success, as the people in the organization slowly begin to depend more and more on systems and processes, so the creeping tendrils of those same systems and process slowly begin to choke the creativity, the innovation and the entrepreneurial, visionary, risk taking lifeblood out of the organization, and it begins its inexorable slide into Treadmill. LOCATION: 2680

Don't "hire from within" or "hire externally"; hire competitively. LOCATION: 2712

Unfortunately, a little constructive boat-rocking is exactly what the organization in Treadmill needs—and more compliance is exactly what it doesn't need. So a too-strong emphasis on internal hiring becomes an amplifier of Treadmill—by promoting the very people who are causing it—rather than a tool for escaping it. LOCATION: 2723

An organization in Treadmill will derive great benefit—even more than when it is in Predictable Success—by using sabbaticals, job sharing, job shadowing, job swapping or any other technique that brings a fresh pair of eyes to how the organization operates. LOCATION: 2800

To turn the performance assessment process into a tool for steering the organization back to Predictable Success, the process must first be reoriented toward success rather than failure. It should assess, for example, the use of creativity and vision rather than the failure to comply with systems and processes; it should examine and build on what was done well rather than focus on what was done poorly or was left undone. LOCATION: 2832

In Predictable Success, employees take responsibility for outcomes. In Treadmill, they take responsibility for actions. In Predictable Success, employees hold themselves accountable for results; in Treadmill, for compliance. LOCATION: 2972

So long as management is flexible and alert to the ever-changing shifts in emphasis needed to keep the balance between systems and processes on the one hand, and vision, entrepreneurial zeal and risk taking on the other, the organization can—and will—remain in Predictable Success indefinitely. LOCATION: 3027

For the organization to maintain its position in Predictable Success over the long-term, one more thing needs to be accomplished: The organization must develop its own innate ability to innovate and take risks—those entrepreneurial attributes that until now it has depended upon the founder/owners or individual members of senior management to deliver. LOCATION: 3042

Note: should you wish to find any quote in its original context, the Kindle "location" is provided after each entry.