Success Checks

Measuring for Peak Performance

By Roger Haggerty

Success Checks are intended to help you and your management team to assess key areas of your organization. They are designed as a "To Do" or "To Delegate," depending upon the organizational structure of your company. To ensure your company's success, we recommend that you give yourself -- or the key exec who handles this -- a deadline for checking out and reporting on these issues.

Careful planning and impeccable execution result in peak performance. In today's world, we see evidence of this simple fact in sports, the arts, and in stock market valuations. Some of these business and sports institutions have reached the level of dynasties—with stellar results, year after year.

Among the high profile peak performers in the U.S. are the venerable New York Yankees, the Boston Celtics, the L.A. Lakers and—in the business realm—Wal-Mart and General Electric.

So the question to ask yourself is, "Why can't good planning and execution be applied to my business to achieve peak performance year after year?"

The answer is that it can.

After reading this article, use the checklist found on The Interlochen Group website (www.interlochengroup.com) to help you focus on how to utilize your human and financial capital to achieve peak performance. It is based on a set of processes and business practices from that age-old maxim: "What gets measured gets results." Although this is no overnight panacea, improving your performance on this checklist will result in an ongoing process of continuous improvement.

Why is this issue important to your company?

A building products distributor had achieved record sales, but failed at creating excess cash flow or a better bottom line. The following year brought another new record in sales, asset productivity, increased margins and enough excess cash flow to reduce their debt level by 50 percent. What was the difference? The distributor implemented many of the process and business practices outlined on the Peak Performance Checklist.

Conversely, a professional services firm with fewer than five "Yes" answers on the checklist questions went out of business six months after ignoring the checklist results.

What is the CEO's role in this process?

The CEO should review the Peak Performance Checklist and then meet with the Project Leader about its importance. After the checklist is filled out, the CEO should meet with the project leader to discuss ways that organizational deficiencies uncovered through the checklist will be addressed.

Who should be the Project Leader, and what is his or her role?

The Peak Performance Checklist should be completed by the top operations person in the company—the COO or the general manager. Once the checklist is finished, each question should be reviewed with the CEO.

What are the steps involved in conducting this checklist?

1. The CEO reviews the checklist and discusses it with the Project Leader. A deadline for completion of the checklist is established.

2. The Project Leader consults with the necessary staff members to get answers for the questions on the checklist.

3. A meeting is held between the CEO and Project Leader to discuss the results and whatever action may be necessary to improve the company's opportunity to achieve peak performance.

4. "Yes" answers on the checklist will have to be evaluated for their depth and results. If a "Yes" answer corresponds with a process that is not effective, that process needs to be reworked to meet the company's objectives.

5. By the same token, what will be the risks to the company for failure to address all "No" answers in a positive manner? If your company relies on bank debt to finance working capital or has term loans, the Peak Performance Checklist should enhance your borrowing relationship. If you are considering an exit strategy, the Peak Performance Checklist should have a positive impact on the sale price of your company.

6. A timeline should be created for any changes indicated by the exercise.

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