

STRATEGY AND THE FAT SMOKER

CHAPTER

At a conference, I heard a number of successful firm leaders... **CONTINUE**

BY **DAVID MAISTER**

AT A CONFERENCE, I HEARD A NUMBER OF SUCCESSFUL FIRM LEADERS describe how their firms had achieved significant growth and profitability by What does this really mean to have all your key players ‘on the same page.’? And how is it done?

Few organizations that credibly convince their people that management won't take advantage of short-term “off-purpose” opportunities to advance net shareholder value.

The proponents of “purpose” make a powerful case. They argue that where a clear, believable, palpable purpose exists for the organization, where its reason for existence and what it is trying to achieve is clear, a multitude of business virtues follow almost automatically. Among them are the following:

- Decision-making can be made easier (at all levels) by considering whether or not decisions advance or inhibit the organization's purpose.
- The organization can attract energetic, committed employees who believe in and share the purpose and, equally beneficial, scare away people who don't want to participate in that purpose.
- Less heavy-handed oversight and management will be required to keep things on track, since everyone will be using the same principles to guide their interactions and decision making.

However, organizations that (convincingly) have a palpable purpose are incredibly scarce. There are relatively few organizations that credibly convince their people that management won't take advantage of short-term “off-purpose” opportunities to advance net shareholder value.

Contrary to what many leaders seem to believe, there's no point in declaring that your organization has purpose or mission if your people don't think you will stick to it unwaveringly. You'll just destroy your credibility.

Declaring that you “want to get fit” doesn't really indicate that you have chosen anything. It certainly doesn't, by itself, persuade the listener that you are committed to that goal.

Stop talking in the language of destinations and instead discuss whether you are prepared to accept strictly observed operating rules.

However, if you stop talking in the language of *destinations* (goals, targets, purposes, missions and aspirations,) and instead discuss whether you are prepared to accept strictly observed operating *rules* like “I will exercise for 30 minutes five times a week and eat no more than 1500 calories per day” then your commitment shows. Now it becomes exponentially more likely that you will achieve the goal.

You don't have a purpose or mission (or a set of values) when you declare them. You have them when you put in place “consequences for non-compliance”.

If the people in the organization share (and *use*) a common set of decision-rules whenever they are faced with choices, the likelihood that you have an integrated firm with a common purpose, mission, vision or values is high. You don't have a purpose or mission (or a set of values) when you declare them. You have them when you put in place “consequences for non-compliance”—processes that *respond* to each and every instance when the organization (or individual) fails to adhere to the purpose, the mission, the values or the culture.

What are we prepared to be uncompromising about? This will tell the world (inside and outside the organization) who you are, what you are, and what your vision, mission, purpose and values are.

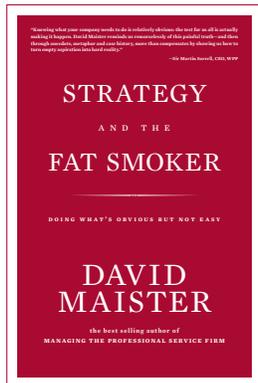
Start by asking yourselves, what are we prepared to be uncompromising about? This will tell the world (inside and outside the organization) who you are, what you are, and what your vision, mission, purpose and values are.

There is tremendous power in giving people the opportunity to discuss whether they still wish to be governed by the rules that have defined the organization in the past. There is also great power in asking people to affirm (or re-affirm) their “pledge of allegiance” to those rules.

People are more likely to live in accordance with the rules for mutual accountability, mutual contribution and shared values that they have helped to shape.

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ABOUT THE AUTHOR

David Maister is widely acknowledged as one of the world's leading authorities on the management of professional service firms. For two decades he has acted as a consultant to prominent professional firms around the world, on a wide variety of strategic and managerial issues. In 2002, he was named as one of the top 40 business thinkers in the world (Business Minds, by Tom Brown, PrenticeHall/Financial Times). He is the author of the bestselling books *Managing the Professional Service Firm* (1993), *True Professionalism* (1997), *The Trusted Advisor* (2000), *Practice What You Preach* (2001) and *First Among Equals* (2002). These books have been translated into 14 languages. For seven years, he served as a professor on the faculty of the Harvard Business School (1979-85), prior to launching his consulting practice. He lives in Boston, Massachusetts.

In March of 2005, he finally took his own advice, gave up smoking and lost 30 pounds.

Visit his website at www.davidmaister.com.

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