

# 3 Essential Factors to The Alpha Strategy –

## How to Always be the Leader of the Pack.

Have you noticed that certain individuals seem to consistently defy the odds and, like cream, rise to the top? Have you also noticed that some organizations, even in volatile and fiercely competitive markets, continually lead the pack while others never make it or simply fade away?

Over the last five to ten years, many organizations have re-engineered, cut costs, and implemented six-sigma. For some, these were both necessary and long overdue. However, much more is required to separate you from the rest of the pack and win.

Sure, we can increase profits by cutting the fat and being more efficient, but at some point we will need to go beyond cutting to growing. Why, because market savvy investors look at both revenues and profits. Real long-term success requires focus, not just on the bottom line, but also on the top line – revenues from actual sales of products and services.

That is why winners defy the status quo, and go beyond. They have the unique ability to move from the old and boring to the new and sexy revenue producing — phones that double as computers, cars that park themselves, or entertainment like Cirque du Soleil. They consistently create products and services that address needs we never knew we had, but to which we immediately connect and crave.

What about your organization? Is it ready to prosper in a radically different and exciting future? Does your team have what it takes to help them leapfrog the competition and capture market share?

To consistently grow both the top and bottom-line, successful organizations focus on

**PSP—**

the 3 essential components of the Alpha Strategy

**People, Strategies, and Processes.**

**People** In every successful endeavor, the one essential ingredient is people. Why? Because people can single-handedly catapult an organization forward and destroy it. To quote **Starbucks**, “We always figured that putting people before products just made good common sense. So far, it’s been working out for us ....the connections we make in communities create a loyal following”.

Unfortunately, many organizations still haven’t fully recognized the awesome power imbedded in their people. They ignore, mis-communicate, frustrate, and fail to develop or appreciate their most critical asset and wonder why earnings are flat. At the same time, Starbucks and other people-centered organizations enjoy the rich rewards that go far beyond financial returns and market share.

**Strategy** Strategy, once reserved for boardrooms and annual planning sessions, has now become the indispensable business tool of every successful professional. News and Financial sources confirm that for companies like Google, Pepsi, and General Electric, strategic thinking is everyone’s daily modus operandi.

Managers, supervisors, team leaders and business professionals at all levels must be ready, like pilots, to make mid-course adjustments. Just like a state-of-the-art aircraft, business today moves at an incredible speed and demands that you develop strategies for every eventuality – otherwise, you may crash!



# Process

We all know that good health demands a yearly physical examination. The same is true for every business, every project, and every professional. Just as a doctor can tell a person's overall health from a few simple measurements like blood pressure, weight and temperature, a few basic things can reveal the health of any organization.

The following 3 areas can tell you a lot about your organization or department.

**1. The Presence of a CD Mindset:** Visible evidence of a marriage of creativity and design in products and services are hallmarks of a healthy organization. Especially today when a design revolution is sweeping our product landscape. We need look no further than at the order backlog for cool products like razor-thin phones and sleek trendsetting mp3 players. To join or win in this highly competitive arena calls for creative, critical-thinking and problem solving skills. That is why Business Schools like Stanford, MIT, and Wharton are quickly establishing Design School courses such as "Integrated Product Design", "Developing New Products and Services", and "Design as a Strategic Business Issue". There is no doubt about it, creativity and innovation are center stage in future-focused healthy organizations.

**2. The Areas of Focus:** Healthy organizations know that to be successful, they must allocate and balance resources between initiatives that will advance the organization, and projects that have a high probability of success. Therefore, they base their decisions on sound judgment supported by proven processes and techniques. They operate in what is called the "strategic leverage zone" in order to maximize their results.

Imagine your assignment was to successfully knock down 15-20 dominos or pins. By hitting them down 2-3 at a time, it would take you 7-10 moves to accomplish your goal. However, what if you could achieve success faster with less effort? What if you could strategically determine that by hitting just the right 1 or 2 pins, they in turn, would knock down all the other pins? That is the kind of results you can get when you operate in the "strategic leverage zone". You will profit by leading the rest of the pack.

**3. The Alignment of Goals & Culture:** Organizations regularly call on us to assist them with developing goals and strategies.

However, winners go beyond developing and aligning goals and strategies to addressing the critical component of culture integration. Let's say a company grew 5% last year and now wants to shift into high gear with an aggressive 14% growth spurt. Let's also assume that they have a very conservative culture; one where people are punished for making mistakes and therefore where decision making is agonizingly slow and cautious. Can you see that we would have a major misalignment?

Your organization's goals and strategies must therefore also be aligned with your culture. If they are not, you would be like a man removing water from a boat with a hole in the bottom – your efforts will yield only limited results until you fix the leak. And if you leave it unrepaired, you will wind up in a sinking ship.

**How would your organization fare based on these 3 areas from our "Health Organization" checklist? Do they have what it takes? Or are they in need of organizational CPR?**

**To maintain great business fitness, you must focus and develop your PSP – people, strategies, and processes. Mastering these three critical components is one of the best ways to ensure success for both you and your organization.**

