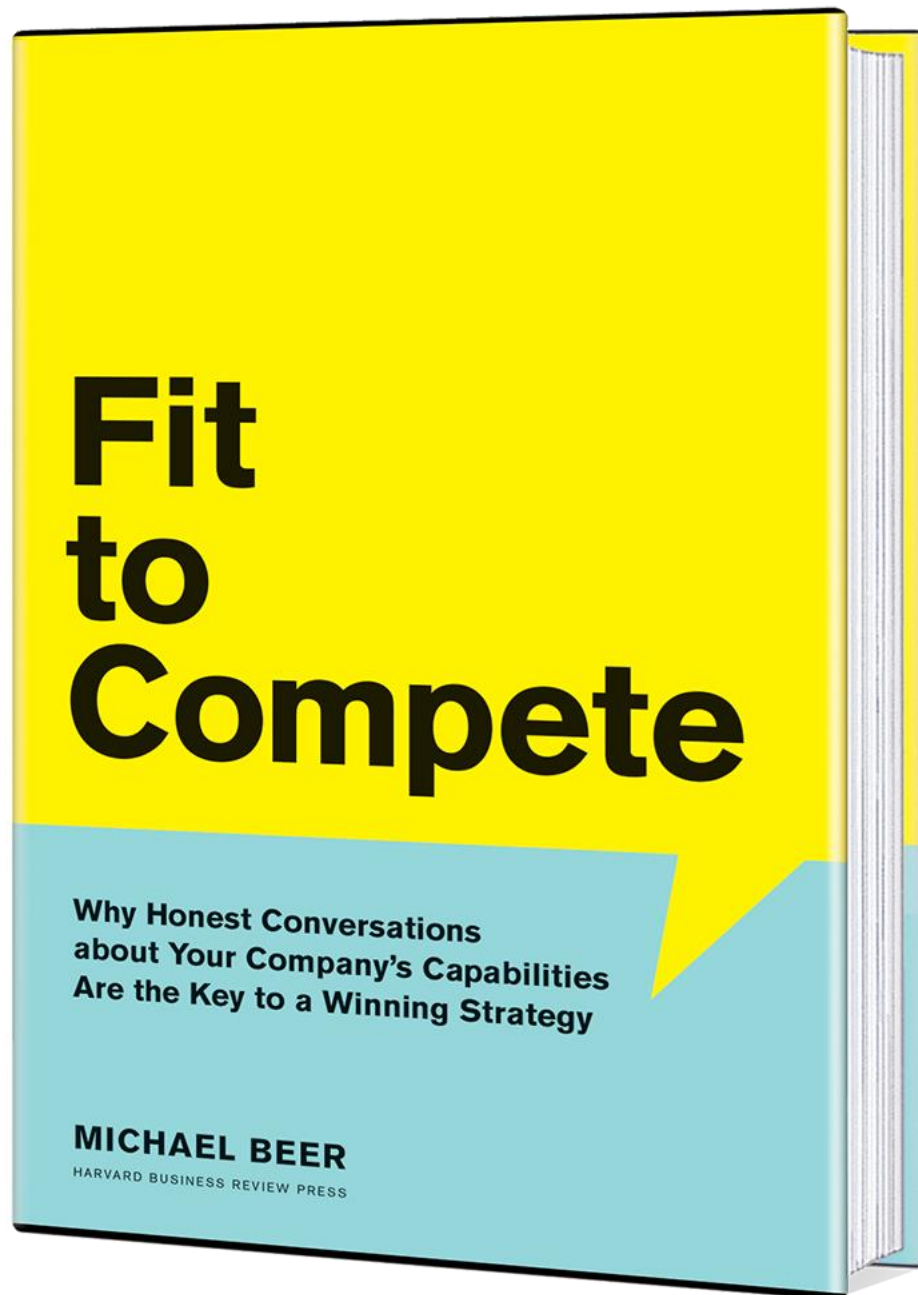


Fit to Compete

Why Honest Conversation About Your Company's Capabilities are the Key to a Winning Strategy



H A R V A R D | B U S I N E S S | S C H O O L



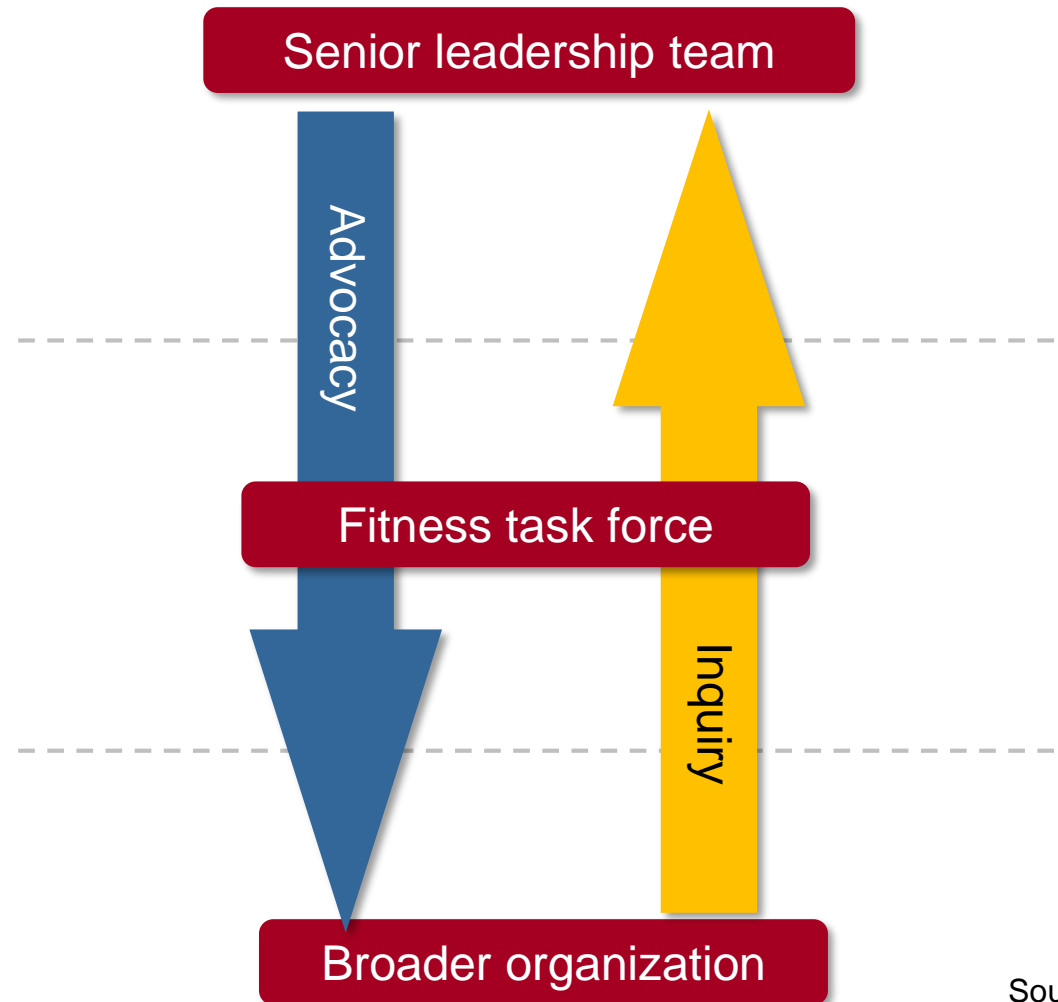
<https://www.beermichael.com/>

- “Would you help us become a company capable of implementing strategy?”
- “Our HR function is not helping our business unit leaders develop an effective organization capable of executing their strategy.”

Ray Gilmartin
CEO, Becton Dickinson
1990

How to Lead an Honest, Collective & Public Conversation

The Strategic Fitness Process



Source: Beer & Eisenstat (2004)

BECTON DICKINSON TASK FORCE FEEDBACK ABOUT BARRIERS TO INNOVATION AND FASTER GROWTH

Many Positives – High Performance, Trust and Commitment by Stakeholders
BUT



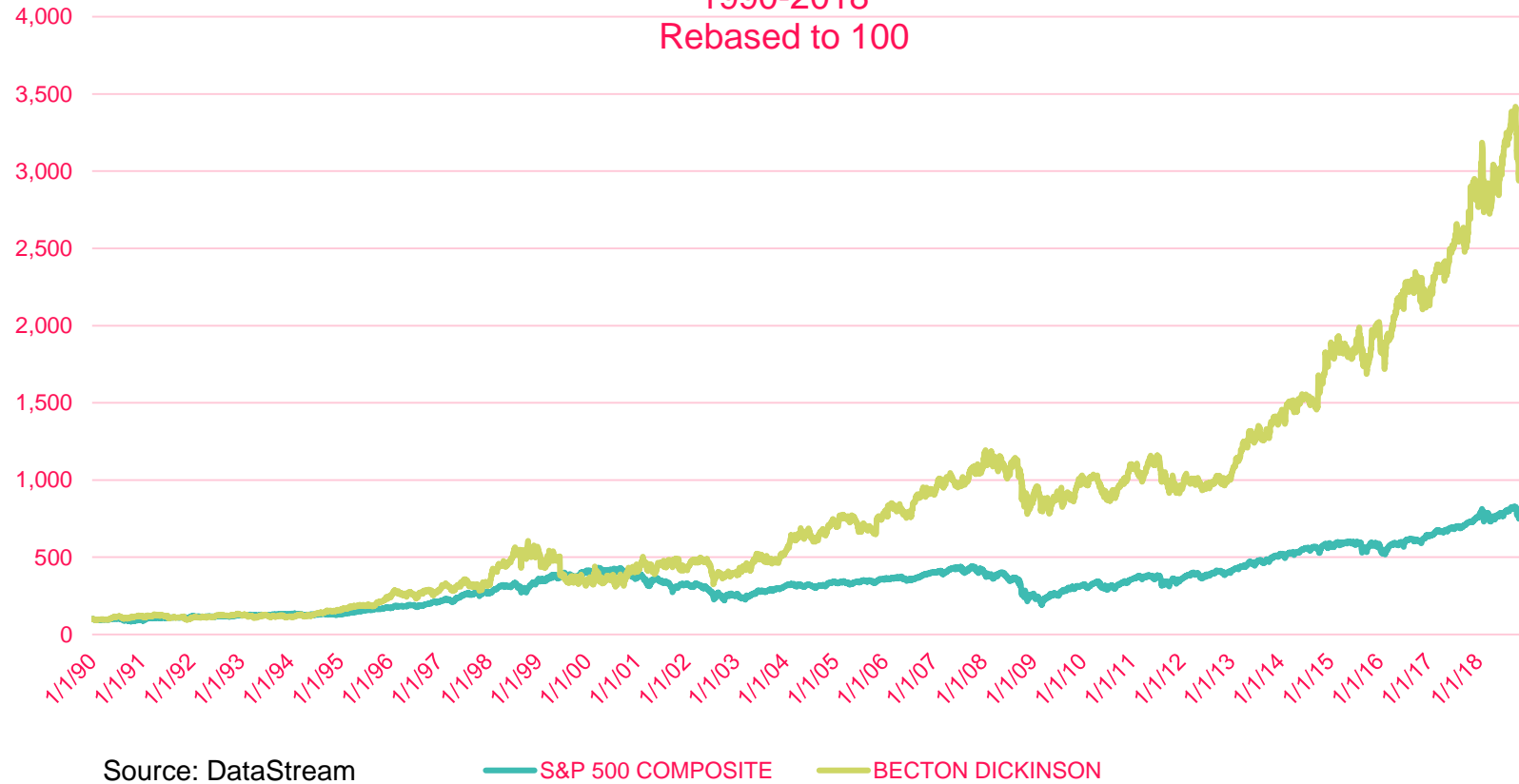
“

SFP really energized the transformation in multiple dimensions...The changes we made happened because of SFP... I had a lot of these ideas, but...SFP gave key people in the organization a voice. They could have a dialogue with me...and with others. I didn't have the whole thing scoped out in my head. It was information from SFP that enabled me to refine my thinking.

”

Vince Forlenza
CEO, Becton Dickenson
2011-Present

Becton Dickinson vs. S&P500
1990-2018
Rebased to 100



High Performance Requires a High Fit System of Organizing, Managing and Leading

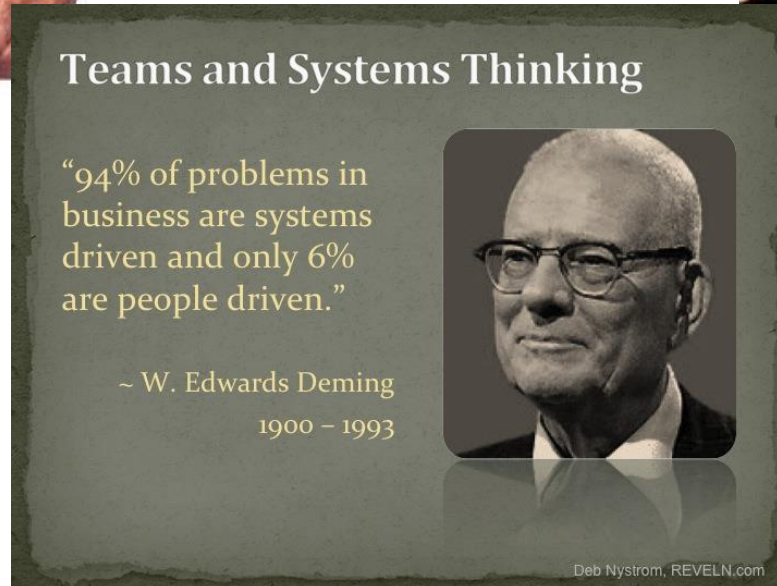
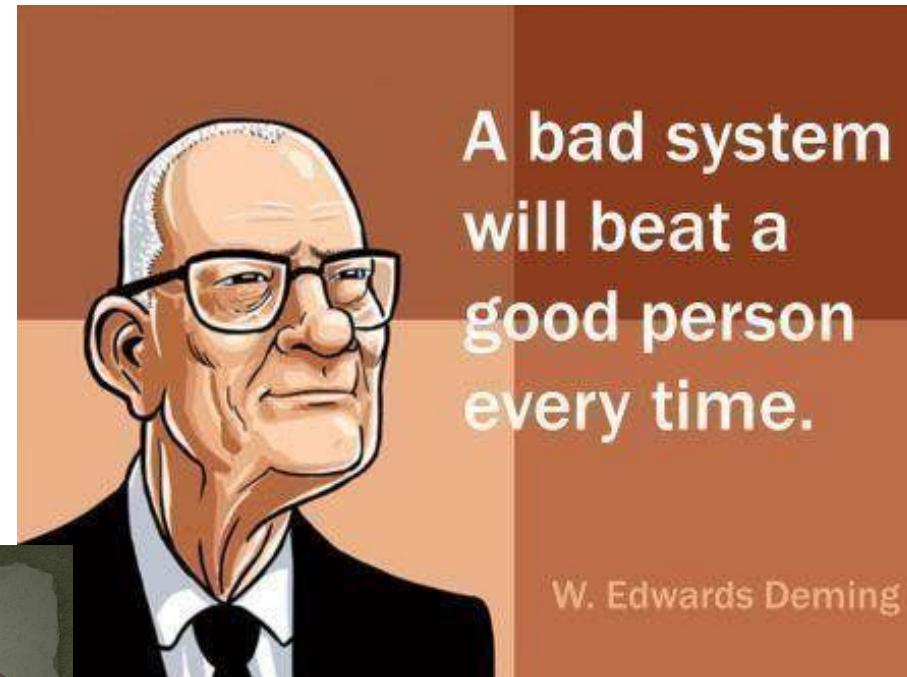
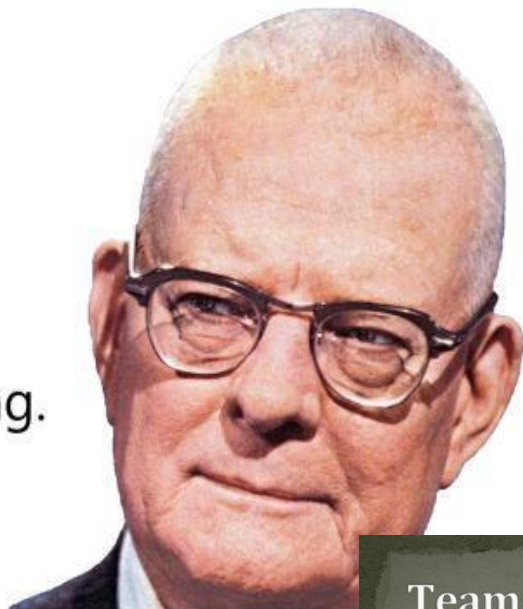


Source: Adapted from: Jay Galbraith

The System is More Powerful than the Individual
Therefore the System Must Fit the Organization's Strategy and Values

If you can't describe what you are doing as a process, you don't know what you're doing.

William Edwards Deming



Developing a High Quality Organization Fit to compete:

Five practices that will ensure continuous improvement in the quality of your organization

- ✓ Develop a high quality direction – strategy and values
- ✓ Learn the *whole truth* about the quality of the system
 - ✓ Is it effective?
 - ✓ Does it produce high trust and commitment
- ✓ Design a high quality *system of organizing, managing and leading* designed to develop attitudes and behaviors that will enable execution of senior management's direction
- ✓ Repeat process regularly to improve continuously
- ✓ Adapt the direction and improve the quality of the system:

The Silent Killers

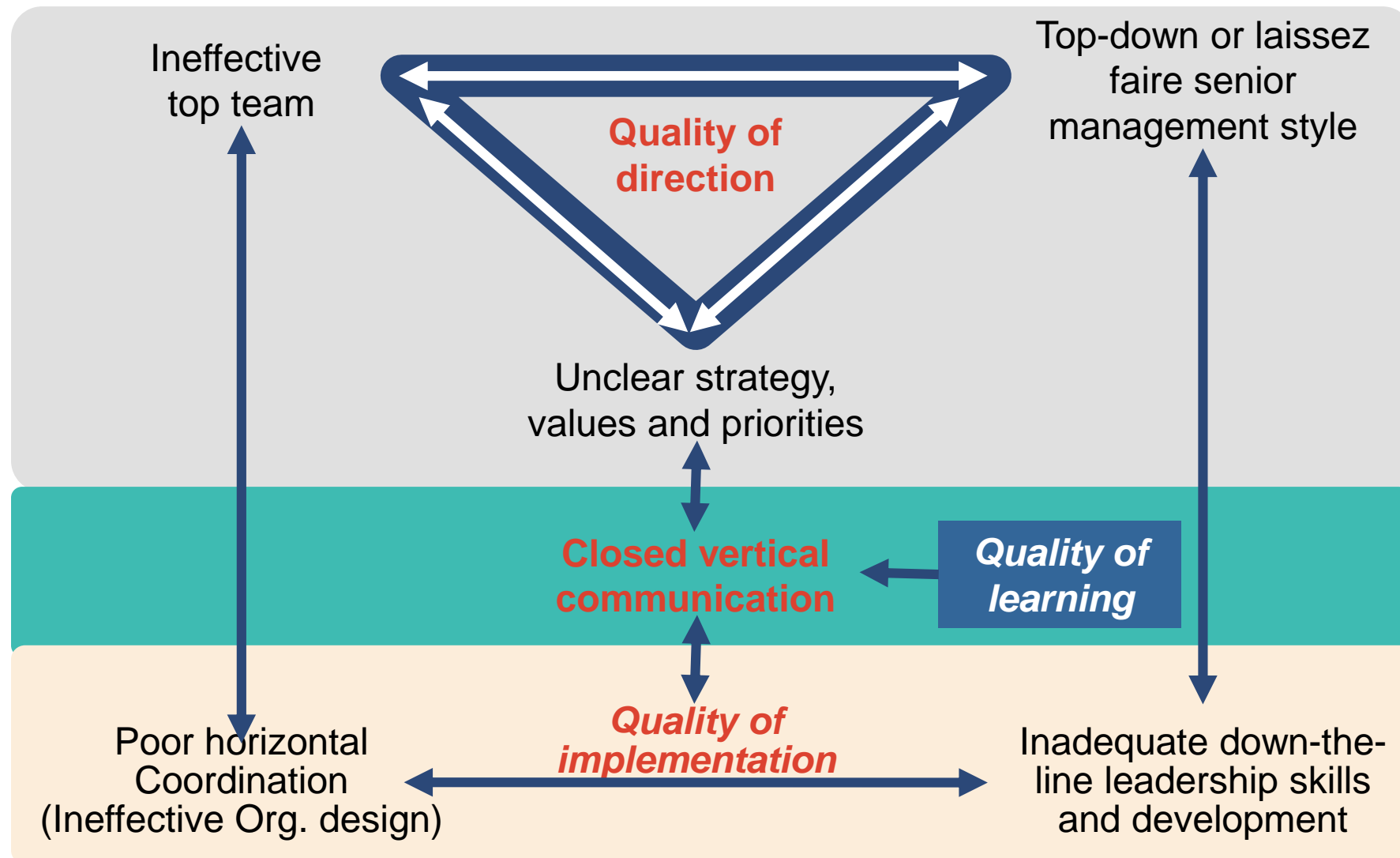
Undiscussible barriers to an organization unfit to compete

- Unclear strategy, values, and conflicting priorities
- An ineffective senior team
- Leadership behavior – top down or laissez faire (hands off)
- Poor coordination across businesses, functions or geographic regions
- Inadequate leadership/management skills and development in organization
- Low capacity for *honest, collective and public* conversations about external and internal reality



Source: Adapted from Beer & Eisenstat (2000)

The Dynamics of an Ineffective Organization



Why Honest, Collective and Public Conversations (SFP) are Transformational

- They Deliver Valid and Compelling Data

- They Enable Deep Systemic Change

- Engage all stakeholders – Create a Mandate for Change

- They Turn Self-Interest (Fear of Losses) Into Commitment to the Larger Good

- They are Respectful

- They Create Transparency and Accountability

- They Rekindle Hope that Fundamental Change Will Happen

- They Provide the Discipline of Structure for the Conversation

- The Role of HR Consultant

- When They Work – Leader + HR partner +Context