

CHAPTER NINE

Speed

REMEMBER THE FOLK TALE about the tortoise and the hare?

Forget about it. Trust me. Fast beats slow *every time*. It's a fundamental truth. And nowhere is timing more important than in business. Speed is key to success. Intrapreneurs, the dedicated, purposeful teams in a business, can cut through the corporate layers that can often slow big companies down.

FAST FASHION: FROM RUNWAY TO STORE

Traditionally, fashion designers release their hot new lines on the runway six months before the clothes hit retail stores. Most high-end designers release two lines each year.

Amancio Ortega, owner and founder of Spanish clothing retailer Zara, looked at this way of doing business and saw an opportunity. "Why should consumers have to wait so long before they get these new styles?" he asked himself. Styles come and go, and Ortega knew that the company that brought a new line to the stores first would have a competitive advantage. He looked at clothing as being a perishable commodity, like milk or bread.

Zara created a new phenomenon, known as "fast fashion." Ortega's global brand produces high-fashion designs, in limited supply, at a low cost. It operates on a two-week cycle, with garments being "freshly baked"

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(designed) and distributed to retail stores in only fifteen days. From runway to store in two weeks? It was unheard of!

Until it wasn't.

Zara produces a finite run of each item, which appeals to the desire of the consumer to have exclusive items. If you go to the store too late, you may miss out entirely on a hot new item.

In order for this "fast-fashion" formula to work, Zara depends on speed in every part of its supply chain. Distributors, warehouse managers, buyers, subcontractors, production staff, designers, market specialists, store managers ... everyone must be lightning quick in their part of the supply chain for this model to be successful. And successful it is. Zara is one of the most lucrative retail stores in the world.

Not only has Zara conquered speed, but it's staying ahead of the curve by leveraging new technology. An exemplar of a company that exploits the third industrial revolution, Zara is already using augmented reality. In select stores, customers can hold up their phones and see models in Zara designs come to life on their screens; they can simply shop the look and buy the design on the spot.

The H&M business model, by way of contrast, is about mass production and high volume. Everyone wants trendy clothes, right? What H&M pioneered very successfully was mass-market couture knock-offs: runway fashions at a fraction of the cost. Unfortunately, after years of success, sales began to plummet and H&M is closing stores and watching market share disappear.*

One school of thought blames H&M's downturn on poor e-commerce sales. But is this true? What seems more likely is that H&M has not taken the time to understand its customers. I'm not a retail expert, but I do know that fashion is the way people express their individuality. Zara saw that, and it created an entire model around limited quantity designs and exclusivity. People choose clothes to express their self-identity and uniqueness. This is the insight that Zara understands, that it has found a way to capitalize on. By offering limited supplies of attractive clothes, Zara allows people the opportunity to become part of an exclusive club

* Elizabeth Segran, "Is Fast Fashion Dying? H&M Shuttles Stores as Sales Decline," Fast Company (January 2018), fastcompany.com/40525437/is-fast-fashion-dying-hm-shuttles-stores-as-sales-decline.

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— at a reasonable price. This is something that other retailers, producing mass volume of clothes, didn't understand in time. As a result, they've missed the ball.

Zara is remaining relevant, creatively embracing new technology, and doing it with speed; all fundamentals to intrapreneurship. H&M is struggling with technology, is too large to move with speed, and, in my opinion, is failing to remain relevant.

Zara's hip introduction of smartphone technology, using holographic images, was only one innovation. Zara is also looking at new ways to use technology to tap into the psyche of their customer base. By enabling customers to create virtual visions of themselves in its clothes, Zara enables the sharing of the shopping experiences in its stores on social media. Customers can get opinions and input from their friends and family, and those people can see what's on offer in Zara stores. A super smart initiative.

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We opened *The Greenhouse Approach* with the idea that we are living in a nanosecond culture. Faster and faster. Bring your product to market before anyone else or risk falling to the back of the pack. It's all about novelty. It's all about the next "big thing." And what is all that junk in the dumpster out back behind your warehouse? Exactly: *yesterday's* next big thing. Do you think I am exaggerating?

More and more, products are hitting the market in ever-faster cycles and customers are being trained to raise their expectations, making speed-to-market even more important.

Fast might beat slow, but done also beats perfect.

Having a good idea is one thing, believing in the ideas enough to let them go is another.

TECHNOLOGY AND DATA

Relevance and creativity are crucial qualities for a successful business. In today's market, however, you must also be guided by speed.

Speed-to-market is a popular business mantra, but it's a concept that businesses struggle to maximize. This is primarily due to four failures:

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complex and outdated processes, old technology, talent shortages, and the inability to intelligently use data.

How can those problems be fixed? By creatively embracing and utilizing new technologies and allowing the creativity of the intrapreneurs in your company to imagine and execute solutions.

Everything is dependent on good technology or a reliable system. If your company isn't moving quickly and keeping ahead of technological changes, your innovation process will suffer as a result. It is really about using technology and data in the right way. If you're collecting information on buying patterns and consumer habits, you need to take that data, analyze it, and incorporate the findings into your next production run. Data is the new currency. If you don't take meaningful data and use it, it is simply wasted.

Zara is a great example of a successful company that embodies the embrace-and-exploit enthusiasm for creative marketing made possible with the newest technology (especially as related to social media). Innovation and opportunity are mutually inclusive. One begets the other.

Your competitors are investing in innovation, but there's a chance you can beat them to market if you can innovate with speed, applying your data and information.

CHAPTER TEN

Clarity

I STARTED WORKING at TELUS when it was still a telecommunications company. TELUS soon embarked on a transformational journey during which it grew and changed dramatically through a series of mergers and acquisitions. Within five years, the company made some strategic acquisitions to achieve its goal of being an integrated communications technology company.

By the end of this process, TELUS was offering over eight hundred products and services. Its growth had been spectacular and its market reach was enviable. Unfortunately, it was also unclear to a lot of consumers exactly who TELUS was or what they did. Even the employees were confused. There were way too many different branches on the tree. Too many marquees on the same storefront.

Generally speaking, growth in business is a good thing. It means you and the company are doing things right. Consumers know who you are and like your product. What is not good is growth minus clarity. And the ticklish problem about clarity is that — also generally speaking — a company doesn't know it has lost its clarity until it's too late.

Remember our story about Microsoft? Right. TELUS found itself in the same predicament. The company had to retrace its steps and bring back its focus. Remember the North Star we talked about earlier? When you're out in your car and you realize you are lost, what is the first thing you do?

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Well, unless you are the average male driver, you consult a map. You know where you want to go, but you have wandered off course. Businesses need to do exactly the same thing.

What did TELUS do? It knew it had to reorganize the business. Fundamental to that was the process of answering a number of questions.

- Which of the company's eight hundred products and services complemented each other?
- Which ones were similar?
- How could the company categorize and consolidate them?
- What language and terminology was necessary to ensure that current and potential customers understood the qualities and value of what was being offered?

TELUS went through the process of rethinking, consolidating, and simplifying itself. It organized its products and services into six "solution sets" — each set offered products and services to provide a solution to a customer need. This process allowed the company to clearly articulate what it was in the business of doing. At that point, a clear and concise mission statement was created for each set, something that communicated what each set offered, the features of each product and service, and how they could be combined to provide added value.

TELUS was then able to craft a statement for its customers and employees that clearly identified the company's mission, and how each of its solution sets and their constituent products and services contributed to successfully satisfying its customers' needs. Everything was built around these solution sets: sales training, customer training, and marketing campaigns. Everyone at this point knew what we were in the business of doing, and understood the importance and power of clarity.

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To get what you want, in business and in life, you must be clear about what it is you're after. What is your *goal*? What is it that you want to achieve? Without clarity, without focus, you will be unable to identify your goals and, therefore, your needs and wishes. Your thoughts and ideas will be

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muddled. If things are not clear to you, how will you be able to make them clear to anyone else? I've always been told that if you can't explain something, then you don't understand it.

One of the core competencies common to the intrapreneur is the ability to simplify complex problems. An intrapreneur has the ability to distill ideas and concepts to reveal what is important.

Clarity is required at all levels of a company, but it's an especially important quality for managers to have. All forms of direction, written and spoken, need a clear focus. What is the subject of the message? Is there a problem? What is the solution? If it doesn't seem to exist, what can be done to identify one? The team members need to fully comprehend what is expected of them — how they can best communicate and what they are encouraged to do and not to do.

When your company lacks clarity of focus, organization productivity and innovation will suffer and you will find it hard to hold onto talent. Again, it all comes down to creating the environment where creativity can flourish. Your people need to know you want them to be creative and that you want them to help you to remain relevant by thinking laterally, bringing their ideas to you, and standing up for their beliefs. If you hire the right people, they will make your company successful; but you must make it clear to them what you expect.

FOSTERING CLARITY

Confused people are unproductive people. When you're clear about the goals, and the strategy to achieve those goals is made explicit, it will unleash the productivity needed to succeed. If team members constantly are wondering, "What are we supposed to be doing right now?" how can they be productive?

As a leader, you must clearly communicate what the mandate of the company is, and what people are required to do.

- What is required by their function or role?
- What are their deliverables?
- What do they need to get done?

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A job description is just a guide. Leaders need to constantly monitor, decide if changes need to be made, and communicate to workers what their priorities should be. Let them know if alterations need to be made to procedures and practices.

The marketplace is constantly changing, and to remain relevant, companies need to change. Managing change is difficult, though. The successful company will assess what needs to be altered to continue to meet its goals, and how best to execute whatever changes need to be made. Fundamental to that is clearly communicating revised goals to employees. Otherwise, they will become confused about what is expected of them. Again, when people are confused, they are unproductive.

Are your teams clear about what work they are supposed to achieve? Because it's possible that your understanding of what they should be doing is different from theirs, it's up to you to close the gap by providing clarity at three core levels: company, team, and individual.

- **Company.** Leaders must be clear about the visions, mandates, and goals of the company. In my interview with Raja Rajamannar, he said that his role as a leader is to articulate his vision clearly, and then ensure that his team has the necessary tools to make that vision a reality — an even more perfect reality if that vision can be improved.
- **Team.** What are your groups and teams responsible for? Does the organization of these teams support the goals of the company? Teams need to be linked to the overall mandate and goals of a company or a specific project in order for them to be able to work together toward a common outcome.
- **Individual.** Not only must companies and their teams be clear about their focus, the individual employees must also be perfectly clear about what is expected of them. In fact, employees' understanding of their company's and team's focus is essential for the success of a company. Simply stated, your workers must understand the focus of the company and their team, and they must also understand what their function is within the context of those larger wholes.

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If your company's focus is blurry or imprecise, productivity will be working negatively and at cross-purposes. Teams must work together to fulfill the goals of the company, and individuals must work together to fulfill the needs of their teams. It is a hand-in-glove type of scenario. You must be clear on the specific tasks your individual employees need to complete.

Maintaining clarity is of great importance for companies, as it will determine how the flow of work will take place, which ultimately impacts the quantity and quality of output. As we all know, however, in any company — big or small — things can go sideways quickly. The need for clear and authentic communication will become the cultural fabric and, like a muscle, the more you flex it, the stronger it will become.

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CHAPTER ELEVEN

Accountability

As we learned earlier, gone are the days of 9-to-5. For many of us, our work environment could literally be wherever we happen to be at that moment.

Technology has freed us from the yoke of the traditional office or workstation. Many of us can work wherever — even whenever — we need to. Smart company leaders are embracing a less traditional model and exploring opportunities for flexible work routines, always with an idea of maximizing productivity. Remember, a company needs to be in agreement about “what” it needs; where flexibility and creative adaptation comes in is with the “how.”

Of course, while employees may no longer be spending as much time in the office, they still must meet deadlines and efficiency targets. When your teams are working from home, co-working spaces, or coffee shops, you must implement a process that will hold those employees accountable for their output and the work that they create.

Accountability — specifically, positive accountability — is my fifth guiding principle for today’s business leaders.

The word “accountability” is often associated with “liability,” a word that has negative connotations — legal liability is not something that most people embrace. Fear is embedded into this term. Some employees are afraid to be accountable. Why? Probably, they fear that if they are held accountable, they will be blamed for something not getting done. For these employees, accountability is seen as a negative thing, something to be avoided.