

A Book Report on *Results Rule*

(Build a Culture That Blows the Competition Away)

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(Book Report by Gary Tomlinson)

Preface:

Why is Wal-Mart the largest retailer in the world? Why are General Electric and Proctor & Gamble perennial stars in the marketplace? On a personal level, what is it about your favorite restaurant, dry cleaner or auto dealership that makes them stand out from the crowd?

It can't be just the products, services or price. There is competition everywhere – even for the government. And yet, there are businesses, government agencies and non-profit organizations that don't just compete with the others, they blow them away in areas like product and service quality, innovation, execution and most importantly, results.

Your competitors don't hire all geniuses while you are left with the dunces. Their computer systems, compensation and operational processes are not dramatically different from yours. When they sit around talking strategy, the words on their flip charts are not significantly more insightful than yours. The difference is, ultimately, an intangible that you need to know about.

Over the past 30 years, I've worked for, consulted with, researched and presented to organizations across a wide spectrum of industries and sectors. Along the way, I've noticed two things:

1. The best leaders, organizations and individual contributors live by a mantra that can best be described as *Results Rule!* The goal is not the same for every organization. For some, it is profit. For others, it is service to a constituent group or staying within a budget. Whatever the business, the best ones never lose focus on the desired result.
2. *Results Rule!* organizations create and nurture a compelling culture that becomes their sustainable advantage. Every person operates from a sense of personal ownership and stewardship. Change in pursuit of the mission is embraced. Talented people appreciate the opportunity to come on board and contribute.

This book is about how to build a culture that sets your business apart from your competitors. Think of it as the intangibles that will allow your operation to be the standard by which your competitors are measured.

Chapter 1: It's the Culture, Stupid!

The days when having a good product or service guaranteed you at least a minimum level of success are gone. Offering quality products or services has become the minimum requirement to enter and stay in the game.

The marketplace has become commoditized. Customers see parity everyone. Your competitors are only a telephone call or web site visit away from offering customers basically the same product and service features as you – for a similar or lower price.

You may offer a unique product or service right now, but if what you are providing has value, sooner or later competition for your slice of the market will arise. The more people or companies there are who can compete with you, the closer you are to becoming an entirely “me too” business or profession defined by the similarities rather than the uniqueness of your offering. In an environment where everyone is doing the same things, culture beats strategy every time.

Everyone has a culture. Culture is “the patterns of behavior and thinking that people living in social groups learn, create and share. An organization’s culture includes its beliefs, expectations, rules of behavior, language, rituals, symbols, technology, styles of dress, ways of interacting, processes for communicating and maintaining power and methods for reinforcing and modifying behavior and performance.

Every organization has a culture that contributes to or detracts from its ability to deliver results in today’s marketplace. Your objective is to determine the type of culture you need to deliver results.

***Results Rule!* cultures are defined by the following:**

- A set of organizational beliefs, assumptions and values supporting a commitment to results, relationships both externally and internally and accountability.
- Consistent achievement of desired results that set the organization apart in the minds of customers, employees and stakeholders.
- People who do what they say they will do and make choices based on an attitude of stewardship and ownership.
- Mutual respect, cooperation and a high degree of trust between individuals and their managers, teams and departments.
- Alignment of individual, team and departmental performance with the organization’s strategic business objectives.
- Continuous improvement and innovation, both large and small, at every level of the organization to improve effectiveness and efficiency.
- An environment that attracts and retains top talent who value the opportunity to contribute.

Great strategies fail without a culture focused on and committed to delivering results that matter in your situation. Your organization's culture is not a piece of software that can be downloaded and launched. It must be guided, influenced and reinforced over time.

***Results Rule!* cultures choose to:**

1. Tell themselves the truth and value candor and honesty.
2. Pursue the best over the easiest in every situation.
3. Leverage the power of partnerships both internally and externally.
4. Focus the energy to make the main things the main thing.
5. Show the courage of accountability.
6. Learn, grow and improve every day.

Chapter One Summary:

- A compelling culture is your competitive edge in a world where products and services are commodities.
- Every organization has a culture that contributes to or detracts from its ability to deliver results in today's marketplace. Your objective is to determine the type of culture you need to deliver results.
- Enduring organizations, shout *Results Rule!* through their performance. It is part of their business DNA- Discipline, Nature and Attitude.
- If you wait for the culture to change before your performance changes, nothing will ever happen. Culture change follows performance change, not the other way around.
- There is no magic formula for creating a compelling culture. The ingredients are the same, but they are mixed differently in each situation. The challenge is to find the mix that sets you apart.
- Everyone influences someone. It is your responsibility to contribute to the culture.

Chapter Two: Has-beens, Wannabes and Heroes

In the mind of your customer you are either a has-been, a wannabe or a hero. They, not you, determine whether or not you stand out from the crowd. They let you know if your culture is working for you or against you.

Chapter Two Summary:

- You are either a has-been, a wannabe or a hero in the mind of your customer. Marketplace heroes shout *Results Rule!* with their performance.
- Being a *Results Rule!* organization is not about winning at all costs. Marketplace heroes know you can't divorce the drive for results from the responsibility to act ethically if the goal is long-term success.

- Has-beens and wannabes are often guilty of 3-D vision – Denial, Distortion and Delusion. They deny marketplace realities. They distort their performance; and they delude themselves into blaming their lousy results on everyone but themselves. The cure for 3-D vision and the first step toward becoming a marketplace hero is the continuous search for and acknowledgement of the truth.
- The true test of your commitment to open communication is not the absence of a door on your office or even sharing your e-mail with your customers. It is people walking through the door (literally or virtually) to discuss what’s on their minds and you having the commitment to listen.
- Nothing ever really changes until you tell yourself the truth.

Chapter Three: Pursue the Best over the Easiest

The *Results Rule!* organizations I’ve studied live by three rules:

1. Know who you are.
2. Know what you want to accomplish and how you want to accomplish it.
3. Focus all your energy on consistently meeting rules one and two.

Sewell Automotive Companies operates highly successful auto dealerships. Its Cadillac and Lexus operations are perennially ranked at or near the top in the United States.

The Sewell dealerships know who they are: an automotive company. They know what they want to accomplish: to provide the best sales and service experience. They know how they want to accomplish it: through continuous improvement to become a top-performing, thoroughly professional and genuinely caring organization.

Carl Sewell, the company’s owner, says the choice to be the best was the most important decision his company ever made. Doing so made, “life simpler, more fun and definitely more profitable.” Here’s what he means.

- Decisions become much easier when you have a clear standard against which to evaluate your choices. If a course of action will move you farther in your quest to be the best, you do it. If not, you don’t.
- Achieving results makes everyone happier and that usually leads to even better performance. If you are someone who isn’t energized by the opportunity to be the best, you will probably self-select out of the organization.
- Customers want to associate with successful companies. Give the choice, they will return to companies with a reputation for being the best at what they do.

The major decisions most organizations are faced with can be divided into three categories:

1. *The Leadership component:* This includes all decisions regarding the organizations directions and performance:

- Mission, vision and values
 - Resource allocation
 - Strategic goals
 - Measurement and analysis of performance
 - Operational goals
 - Performance management (execution management systems)
2. *The operational component:* This includes all decisions regarding the delivery of the organization's products and services including:
 - Product and service delivery
 - Information systems
 - Customer engagement
 - Support processes
 3. *The people component:* This includes all decisions regarding hiring and retaining the right people in the right place at the right time and with the right attitude and motivation:
 - Selection
 - Work systems
 - Employee satisfaction
 - Employee education and training

The power of pursuing the best over the easiest to transform your organization is fully realized when it is applied in all three categories. Pursuing the best over the easiest in the leadership component of your organization is about more than articulating a mission, vision or values statement to hang on the wall. It requires having both the personal and organizational discipline to hold every action and decision to a higher standard.

Pursuing the best over the easiest in today's world means realizing that successfully providing fundamentals is the minimum requirement for survival. Being distinctive determines success. Being distinctive takes discipline and hard work to ensure value is added.

Chapter Three Summary:

- The most important decision you will ever make is to choose the best over the easiest. Doing that changes everything.
- The difference between *Results Rule!* organizations and others comes down to two things. *Results Rule!* organizations are passionate to their core about what they believe and want to achieve; and they use their passion to drive every part of their business.
- Choosing the best is not about a statement to hang on the wall. It is about the discipline to hold every action and decision to a higher standard.
- Fundamentals are the minimum. Distinctive is the difference.

- If you don't believe everyone wants to be a hero, either you or members of your team are in the wrong place.
- Values and assumptions drive behavior. Behavior becomes habit. Habits drive a culture focused on results.
- Choosing the best people requires much more than recognizing talent. You cannot overestimate the importance of a cultural fit.

Chapter Four: Leverage the Power of Partnerships

A study conducted by Harte-Hanks revealed that over 70 percent of Americans see no clear benefit from being loyal to any company. In other words, your customers see no particular reason to help you succeed.

In fact, your customers only think of you in two situations. They need something immediately or you give them a compelling reason to do so. They are constantly asking, "Why you? Why now? What makes you relevant?"

Results Rule! organizations, on the other hand, transform transactions into relationships that grow into partnerships. They give customers what they want and more. Scott McKain from his book *All Business is Show Business* says "Your customers and employees are going to have an emotional experience because of their contact with your organization, whether you like it or not. Your responsibility, and challenge, is to provide them with the kind of emotional connection that will inspire loyalty."

A unique link exists between building partnerships with employees and loyalty with customers. A culture that makes customers feel important is impossible without a culture that makes employees feel important.

The importance of trust – Trust is the lubricant allowing relationships to grow into partnerships. Its absence has a measurable impact on performance, morale, open communication and the ability to retain top people. A company where there is no trust between employees, results in everyone looking out for themselves. Without trust, your colleagues, associates and customers will not help you succeed.

In a recent study of the causes of workplace mistrust we found some interesting results. Cheating, cooking the books and unethical behavior were not the top at the top of the list. It turns out people are more concerned about day-to-day behaviors affecting them personally than they are about accounting scandals and corporate fraud. The top five behaviors causing employees to mistrust their managers and organization are:

1. Lack of follow-through on commitments made
2. Openness of communication
3. Amount and availability of communication
4. Incompetent or poor decision making

5. Incompetent job performance

Dishonesty does not show up until number six on the list.

Chapter Four Summary:

- Your customers think of you in two situations: they need something immediately or you give them a compelling reason to do so. They are constantly asking, “Why you? Why now? What makes you relevant?”
- *Results Rule!* organizations transform transactions into relationships that grow into partnerships. They give customers what they want and more.
- If you want to build partnerships, you must remember, it is not about you. It is about the customer and it doesn’t matter if you are talking about internal or external customers.
- There are two types of employees – those who work for the organization and those who are the organization.
- If you are a leader, your job is to create a staff who are the organization.
- Compensation is an important tool for building a partnership with your team, but it isn’t the only tool. You have to build the relationship.
- The best leaders see a bigger vision about what is possible for their people than the people see for themselves.
- Little things mean a lot.
- Participation that is not meaningful is useless.
- Trust is the lubricant that allows relationships to grow.
- A high-trust organization frees your staff to utilize their talent and commitment to make your organization a legend with your customers.
- You must fight to earn and maintain your position as a partner every day.

Chapter Five: Focus the Energy

The process is simple: Choose the goal based on your core purpose and principles; determine the correct path to reach it; and focus your energy every day on executing the steps necessary to realize success. Consistent execution is the challenge.

Wal-Mart’s Sam Walton had a unique ability to turn vision into action. Sam Walton operated his business on three core values:

1. Respect for the individual;
2. Service to the customer; and
3. Commitment to excellence.

As values go, there is nothing particularly unusual about them. What is unique is the company’s consistent ability to focus its energy on living those values. Focusing the energy begins with communicating your organization’s core purpose and principles.

Connecting Purpose and Goals: The problem in most organizations isn't the ability to set goals. It is making the goals meaningful and relevant.

Hoshin Kanri is a Japanese term meaning management and control of the organization's strategic direction (compass). It works this way.

- Top management sets the overall vision, annual strategic objectives and measures the success based on critical business needs and an honest assessment of current realities.
- Each level of the company moving vertically and horizontally develops the goals and ensures alignment with strategic objectives.
- Work processes are adjusted to achieve the targets.
- Every associate receives information on how the company is performing, how the division is performing and how each team is performing versus the company's objectives.
- Processes are evaluated and refined to ensure results are achieved.

The goal of this process is to encourage accountability, responsibility and expectation in everyone. And while it is most effective when used across the enterprise, the concepts can be applied to divisions, departments and teams.

Creating discipline: "Metrics bring discipline. Discipline minds lead to disciplined actions and that leads to results."

If it's important, measure it: Results occur when you inspect what you expect.

Three important questions: Here are three questions our clients have found helpful in determining their most important performance measures:

1. What performance must we deliver and results must we achieve to make us valuable to our customers and profitable in the marketplace?
2. What behaviors must we demonstrate to live our values?
3. What must we learn today in order to be better tomorrow?

Process this! An organization's purpose and goals set the direction. Measures focus the energy on outcomes. Processes create habits and habits drive the culture. You can teach skills and concepts. You can even create momentum through inspiration. But investing in skills and inspiration is a waste of money if there are no processes to reinforce your purpose and principles.

The creation and continuous refinement of work processes is a mandatory practice in *Results Rule!* organizations regardless of the industry. People create the systems and at some level the systems influence the people. Over time, processes shape performance. And through continued refinement, they allow individuals and teams to become even more effective.

Chapter Five Summary:

- If you believe it, say it. Articulating your core purpose and principles defines the direction and provides focus. Strategic plans are worthless unless you know where you want to go and the rules by which you want to arrive there.
- Many have great values and wisdom. What makes you unique is the ability to turn vision into action.
- Metrics bring discipline. Disciplined minds lead to discipline action and that leads to results.
- Processes provide structure.
- It is amazing what people will do for meaningful recognition.
- Stories and legends share experience and convey meaning.
- Tools to focus the energy have the power to transform when combined with passion and soul.
- *Results Rule!* isn't an item to put on a staff meeting agenda. The goal is to anchor it in the hearts and minds of everyone.

Chapter Six: Show the Courage of Accountability

“I think our number one problem is that nobody wants to take responsibility for anything – but don't quote me on that.” – Anonymous Manager

The ultimate distinction setting a *Results Rule!* culture apart from all the others is personal and organizational accountability. It starts with the leadership. People want to see what the leader will do. Once they know you are responsible and committed, most will readily join the chase for results.

Accountability for results occurs at two levels: individual and organizational. The two are obviously connected. From an individual perspective it's interesting to note that “if you really want to do something, you'll find a way; if you don't, you'll find an excuse.”

Ram Charan has suggested that 70 percent of the reasons why CEOs fail can be attributed to problems with execution. Mark Murphy, chairman and CEO of Leadership IQ, concurs. He reports that lack of execution, including tolerating low performers and not taking enough action, is much more damaging to your career than strategic blunders.

What a minute. Are you saying accountability and execution are more important than strategy?

In the long run, yes. Core purpose and principles rarely change. Strategies, however, must continually evolve to meet marketplace demands. A mediocre strategy well executed usually wins out over a great strategy implemented with mediocrity. In short, great strategies fail without great leaders at every level.

You cannot hope to influence others to follow without proactive commitment and genuine comfort in taking responsibility for your own decisions, actions, promises and results.

Holding Others Accountable: What is the toughest part of managing people and performance? Most managers agree that it is “holding people accountable and addressing mistakes.” However, most organizations find measurable improvements in numbers of disciplinary actions and retention in addition to performance and productivity improvements once they decided accountability is a positive thing.

The courage to confront is how you make the culture stick. The ability to confront others without being confrontational is so important I want to spend a moment on specifics for holding a conversation. Here are six ideas you can use in a partnership approach to confronting performance:

1. *Prepare first.* Create an outline of points you want to cover. Keep the focus on the performance and results not the person. Describe the expected and actual performance using specifics. Make a list of the good business reasons why the issue must be addressed and the potential consequences if performance doesn't change. Before the meeting, walk through the conversation in your mind. Anticipate issues that could come up. You are more likely to keep your cool if you are prepared.
2. *Bring the issue to the individual's attention in a specific, behavioral and nonthreatening manner.* The first few seconds of the conversation will set the tone so choose your words wisely. Describe what you expected and compare it to the actual performance or behavior you observed. Ask the individual to describe what happened from his/her perspective. Listen and respond appropriately. This is a partnership and the purpose is to solve a problem.
3. *Gain agreement about the nature of the problem and build ownership for results without sacrificing the relationship.* It is surprising how many people fail to ask anyone to agree to do anything differently or discuss a plan to make things better. So go ahead and ask, “I would like your agreement to resolve this in the future. Can I count on you?”
4. *Look forward positively.* There is very little motivating about a conversation that consistently beats someone up for what happened in the past. And if you are convinced the individual has no future with the organization, why don't you terminate him? This is the time to remind the individual of the hopes and aspirations you have for him or her in the future.
5. *Write it down.* Adjust your level of documentation to the seriousness of the issue. If it is something minor, make a simple note to remember the conversation. If it is serious, write a memo summarizing the conversation, agreements, potential consequences for continued performance and your positive expectation for the future. Most people create documentation before the conversation and that's a mistake. How would you feel if someone handed you a piece of paper then said, “Read it and sign it. Now let's have a meaningful discussion?” If your company has a policy about these things, follow it.

6. *Follow-up* to reinforce resolution, provide support and continue to build the relationship. If an issue is important enough to have a conversation, it is important enough to follow up. This closes the loop on the conversation and lets the individual know the solution is equally as important as the problem.

Taking this approach to confronting problems makes it easier for everyone involved. Employees feel they can initiate dialogue with supervisors, knowing that they are willing to talk and to help work out problems, rather than acting as an adversary.

Chapter Six Summary:

- The ultimate distinction setting *Results Rule!* organizations apart is personal and organizational accountability.
- Leadership is the art of influencing the actions and outcomes of others to achieve results. It does not require a position of authority. Accountability is ultimately a leadership issue.
- The members of your team know if you are accountable or not when results are on the line. And those doing a good job appreciate it when those who are not performing are held accountable.
- Fear presents us from confronting performance that does not meet expectations.
- Tough decisions about performance do not require brutal conversations.
- Seventy-nine-cent problems grow into major issues when left unaddressed.
- Value the importance of compliance and embrace the transformation that comes from helping others be in control of their own results.
- There are two types of mistakes – mistakes of the head and mistakes of the heart. Mistakes of the head are learning opportunities.
- The best way to ensure your culture blows the competition away is to engage leaders at every level to be accountable for delivering meaningful results.

Chapter Seven: A Love Affair with Results

Life is a continuous state of transition. That is especially true for organizations. Here are five ideas for maintaining the sense of urgency required to deliver results year...after year...after year:

1. Generate creative tension.
2. Ensure the “important stuff” continues.
3. Set the stage for the future.
4. Respect the past.
5. Recognize this day will end.

My guess is that you know where you need to begin and what you need to do to build a culture that blows the competition away. As a reminder, here are the six things *Results Rule!* organizations do more of or better than other organizations:

1. Tell themselves the truth and value candor and honesty.
2. Pursue the best over the easiest in every situation.
3. Leverage the power of partnerships both internally and externally.
4. Focus the energy to make the main things the main thing.
5. Show the courage of accountability.
6. Learn, grow and improve every day.

All of the good intentions, training and desire are worthless unless you decide to let go of whatever it is that is keeping you and your organization from the ride of a lifetime. So here's my challenge to you. Stop standing in the way of your own success. If you really have a love affair with results, build a culture that will take you there!

Chapter Seven Summary:

- *Results Rule!* organizations strive to solve 100 problems 1 time rather than 1 problem 100 times.
- Culture can be an anchor or an accelerator. Build one that continually anticipates and adapts.
- The problems and challenges of the future will require a different level of thinking.
- Integrity matters. Be willing to walk away from opportunities that are not consistent with your core purpose and principles.
- Building a culture that constantly blows the competition away is hard and ongoing work. It is not a self-fulfilling prophecy.
- *Results Rule!* leaders and organizations have an edge – a deep passion for competing, contributing and yes, winning. It's being dissatisfied with the status quo, always reinventing and never resting on your laurels. It is caring so much that you work your tail off to deliver better results tomorrow than you did today.
- Identify the things that are holding you back from building the culture you want and let them go.

Message from Gary Tomlinson:

I hope you enjoyed reading this book report. It's important to understand that this book report should not take the place of you reading; "*Results Rule! – Build a Culture That Blows the Competition Away*". Randy Pennington's book contains a lot of stories, models and examples that are not contained in my book report. You can learn more at www.resultsrule.com.

Enjoy the education and wisdom contained within this book report and feel free to share it with other because the "illiterate of the 21st Century will not be those who cannot read or write, but those who cannot learn, unlearn and relearn."