

# TRUTH 5

## About Predictability

Great Growth Companies have Rhythm



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## Are we doing what we are supposed to?



*A mark of a good manager is how rarely  
he has to extinguish brush fires.*

Great Growth Companies might be exciting places to work, but they are also regular and predictable places. Great Growth Companies are not managed ‘by the seat of their pants’, nor is there an atmosphere of constant crisis management. Predictability is achieved through having a company-wide focus as designed in the Strategic Plan (see *Truth 2*), and by having a system of highly effective and efficient meetings that the whole of the company is involved in at some level.

There are many possible systems. One could be a system of weekly half-hour company-wide huddles, leading to monthly delegated meetings and quarterly plan re-alignment meetings; as well as company-wide revisions of the last quarter and celebrations of wins (see also *Truth 9: About Staff*).

The important things to remember about meetings are:

- Regularity and consistency. If you are going to have a daily meeting, you best make sure it actually happens daily and at the same time, following the same agenda.
- Insist that those who are expected to be at the meeting are there (via Skype if need be), rain, hail or shine, on time and with their phone off for the whole of the meeting.
- Only have people at the meeting who should be there because they have ownership of one or more of the numbers discussed in the meeting.



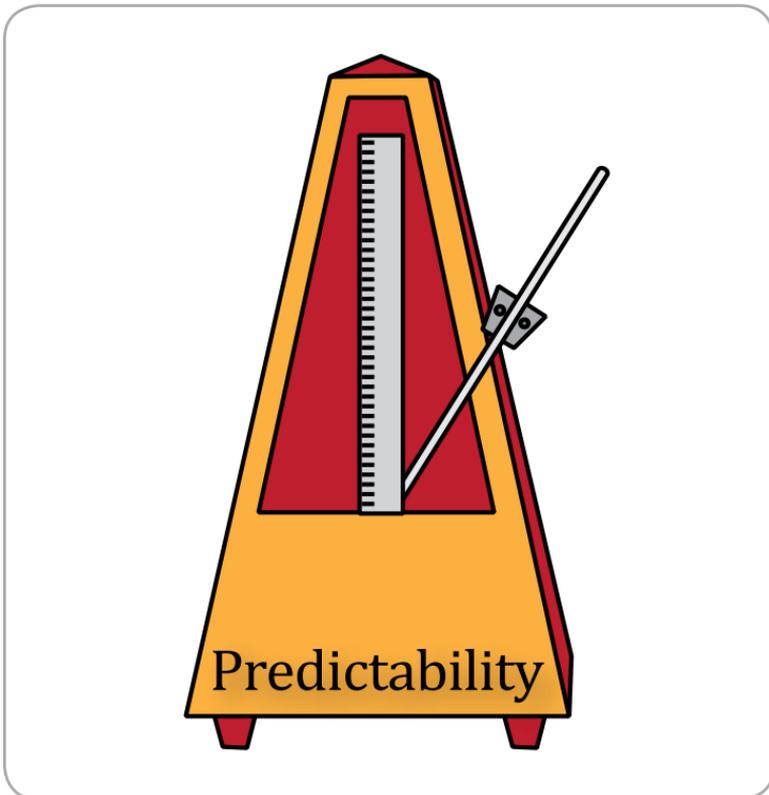
- Have a clear, tight agenda that is followed every time.
- No detailed discussions in the meetings: detailed discussion are to be taken off-line.
- Have a system for keeping everyone accountable, be it through minutes or another method, so that decisions made in meetings are assigned to someone and followed up.

Predictability is about more than holding regular meetings. Great Growth Companies foster a culture of predictability in all their processes such as: Predictability is about more than holding regular meetings. Great Growth Companies foster a culture of predictability in all their processes such as:

- Systematic professional hiring practices, so that decisions about when and who to hire are understandable.
- Regular, professional and constructive performance reviews and coaching with all staff, at all levels.
- Clear career development paths and opportunities.
- Clearly defined and written roles and responsibilities.
- Measurable targets, KPIs for all staff. Clear definition of what constitutes 'Great Work' around here.
- Clear policies, guidelines and expectations around behaviour, with everyone at all levels expected to 'walk the talk'.
- Sensible, understandable and common sense HR policies.

- The Strategic Plan is treated as ‘The Bible’ for all decision making. At all levels of management, The Plan is the first reference for all decisions, actions and policies.

Great Growth Companies practice the opposite of knee-jerk reactions. This doesn't mean that Great Growth Companies are slow and bureaucratic, far from it. Great Growth Companies act swiftly and most often pro-actively. Great Growth Companies are trailblazers, because they are always planning (see *Truth 2*). Because they are always planning, Great Growth Companies are prepared for most things and can make sensible and quick decisions when opportunities arise.





## Anthony, James and Rachel's Excellent Adventure

Once upon a time, a long long time ago in a country not unlike Australia, I worked with Anthony, James and Rachel who owned a civil engineering company with an office in Sydney, one in Melbourne, and 12 staff in addition to the three partners.

The problem the three partners had was that the left hand often didn't seem to know what the right hand was up to, or had been up to last week. The partners and a lot of the staff were forever travelling between Sydney, Melbourne and other parts of the country, and there were a lot of double handling and inefficient work practices of all kinds. What was worse, was that a culture of 'Us against Them' between Melbourne and Sydney was developing and a lot of negative competition took place amongst the various teams.

The partners came to realise that the situation was untenable and hindering their growth potential enormously. They decided to fix the situation by focusing on building better communications and by creating common goals and focus. And by putting in place systems for keeping each other fired up about those goals, and accountable to the agreed outcomes.

After developing a comprehensive strategic plan in a similar manner as described in Arnold's Excellent Adventure in *Truth 2*, the partners instigated a weekly company-wide meeting via Skype, every Tuesday morning at 9.00 am. Attendance at the meeting was compulsory for all partners and staff. The agenda included reporting - on a scoreboard that was visible for everyone - on the key indicators of the health of the company,

and forecasting next week's indicators. All 'live' projects were briefly discussed, and challenges and wins reported.

Once a month the partners would hold a further meeting with the Sydney and Melbourne Senior Associates where more time was spent allocating resources, scheduling projects, and brainstorming difficult challenges.

In this manner and in a very short time they could tell from all indicators that the company was starting to turn around, and that everyone was pulling in the same direction.

Two years later the partners took on a fourth partner, Daniela, and opened an office in Brisbane; another office in Perth followed soon after.

And Anthony, James, Rachel, and Daniela all lived happily ever after.

# Next Steps

1. Answer the next questions in your workbook. Label a new blank page 'Rhythm' or 'Predictability' (see 'Next Steps' at *Truth 1*)
  - When was the last time you met with your whole staff? When will you meet with them again?
  - How often do you meet with your direct managers?
  - Do you have an agenda and a specific timeframe for these meetings?
  - When was the last time you and your management team consulted your Business Plan, Strategic Plan or Marketing Plan before making a decision?
  - Have you identified (in a plan or other such document) who you want to do business with and sell to - and who you don't?
  - Is everyone in your business aware of the written direction and focus of the company?
  - When is the last time you or your business said 'no' to potential business because it fell outside those parameters?

- When you hired your last staff member, did you have a database of prospective employees to call on?
2. Draw a scale across the page as in *Truth 1* 'Next Steps' and rate your business on the topic of predictability and rhythm. How well does your business perform in this area?



3. What is one small step you are prepared to commit to, that will move your business one small increment up the rhythm scale?
4. Write this action down, announce it to your favourite business mentor or coach and agree to be kept accountable to this action by a specific date.

# Resources

- <http://www.thetentruths.com.au/resources/predictability/>
- Verne Harnish writes how Rockefeller had lunch with his top managers every day:  
<http://amzn.com/0978774949>
- Open Book Management introduction video:  
<http://youtu.be/HOfXQI8c2T8>
- The SRC story and Jack Stack's *The Great Game of Business*: <http://youtu.be/Do9zeFpBoPI>
- Zingermans guide to weekly huddles:  
<http://tiny.cc/zingermans-huddles>
- *The Rhythm of Business* by Jeffrey C. Shuman:  
<http://amzn.com/0750699914>
- Harvard Business Review article about business rhythms by Ron Ashkena: <http://tiny.cc/hbr-rhythm>

# Remember

If you spend a lot of time and energy extinguishing brush fires, your profitable growth (if there is any at all) will be hampered.

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