



Increasing Performance and Sustaining Gains in the New Norm of Volatile Conditions

Frequently Asked Questions from Customers: Part 1 of 4

Utilizing an Enterprise Model to Succeed

Executive Summary

In 2013, MainStream GS' public and private sector customers are facing looming fiscal cliffs, budget reductions, fiscal uncertainty in overseas markets, periodic furloughs, temporary shutdowns and more. Many are calling this the 'New Norm' because it's unclear when we'll reach stability and predictability.

MainStream GS believes that in order to adjust to the New Norm organizations need to take an Enterprise approach to how they operate. This Enterprise approach provides focus regarding how the organization aligns its critical resources in a manner that most efficiently and effectively delivers value to the organization's customers. MainStream GS utilizes an Enterprise Model approach for increasing performance and sustaining gains. This Enterprise Model approach looks not only at the core processes that deliver value to the customer, but also looks at how an organization supports and enables value generation and how the organization, through its governance system drives both efficiency and effectiveness, removing barriers to success.

MainStream's Enterprise Model Aligns Three Critical Processes	
<i>Processes</i>	
Core	What your organization does
Enabling	How you support what you do
Governance	How you lead and manage your organization

Throughout 2013, MainStream GS will publish a quarterly series sharing our learnings and experiences on what it takes for an organization to "increase performance and sustain gains" in the New Norm of volatile conditions. The series begins by addressing the question: "Despite

all the uncertainty objectives are still in place that must be achieved in 2013. How can organizations focus on driving towards success to achieve those objectives in the New Norm?"

"If you don't know where you are going, any road will take you there." – Lewis Carroll

Many, if not most, organizations are so consumed with dealing with and reacting to the stresses and challenges they face in their daily operations that they fail to pause and think about what exactly it is that they are trying to achieve, or what it will take to adjust to the New Norm.

Restate Your Organization's Mission

The first thing organizations need to do is to pause and redefine their mission or what they are in business to do. The reason it is important to refocus the organization on their mission is because organizations tend to be separated into various departments, each with a function to perform. As individuals trained in the various functions, people tend to look at the work they do in terms of that function and not in terms of how that function fits into the overall picture.

As pressure from the New Norm forces organizations to look at ways to get more efficient, departments will tend to execute efficiencies in terms of their parochial view of their function. This often has the overall reverse affect of sub optimizing the organization as a whole. Getting everyone to think in terms of the mission helps to focus and align the organization more in terms of value streams, designed to execute that mission. As the organization looks to become more efficient, they begin to do so in terms of how they can efficiently execute their combined mission, not their individual function.

“Organizations that enjoy enduring success have core values and a core purpose that remain fixed while their organization strategies and practices endlessly adapt to a changing world.”
– James C. Collins

Create a Vision for the Near Future

Once everyone agrees on what the organization is there to do and how what they do fits into the overall picture, the leadership needs to define where they are trying to take the organization over the next five to ten years. Having what MainStream GS terms an “operational vision” forces everyone to ask the question, “If this is where we are going, how are we going to get there?” That in turn leads into defining and understanding the barriers the organization faces, including those barriers resulting from the New Norm.

Develop Strategies to Overcome Barriers

When the environment changes as it has in this New Norm, organizations need to be able to evaluate what changes they need to make in order to operate effectively within the new environment. Too many organizations believe they can continue to operate as usual and that by working harder or faster they will find a way to weather the storm. What they really need to do is to redesign their organization in a manner that is better suited to meet the challenges or barriers they face in achieving their objectives. This could involve a physical reorganization, or more of a virtual reorganization regarding how the various elements of the organization work together.

It is important to recognize that organizations are enterprise systems designed to deliver value to their customers. They are comprised of more than just core processes changing the form, fit or function of material or information. They are also comprised of the management or governance processes which are there to understand, evaluate and drive the organization, as well as the enabling processes that are there to support the organization in executing its core processes.

When defining what needs to change in order to operate effectively in the New Norm, organizations need to look at the entire enterprise and how it supports, or interferes with the efficient and effective flow of products or services; then develop strategies, plans and initiatives that will effect change throughout the enterprise and position it for success.

There are numerous tools and methods for establishing an organization’s Mission and Vision, just as there are numerous tools and methods for developing and executing strategic plans. Whether an organization adopts Hoshin Kanri, Balanced Scorecard, or one of any number of methods; whether they use Lean, Six Sigma, Theory of Constraints or any other improvement methodology is less important than recognizing the need to change and taking steps to make that change. The key is to shift from being reactive to changes in the environment to proactively taking steps to develop and execute strategies that will position the organization for success.

Summary

Thriving in the New Norm begins with pausing to:

1. Restate your organization’s mission
2. Create a vision for the near future
3. Define the barriers the New Norm is placing between the organization and its goals
4. Develop strategies to overcome those barriers, leveraging the pressures of the New Norm to create the impetus for change, and focus the entire organization on driving to success.

Our next quarterly update will discuss methods used to transform strategies into executable initiatives, define measures of success and develop governance that establishes accountability and provides resources to enable success. Future updates will also address the impact volatile conditions have on the culture of organizations and strategies to help guide your organization to success in the New Norm.

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