

SUSTAINING SUCCESS IN A CHANGING WORLD

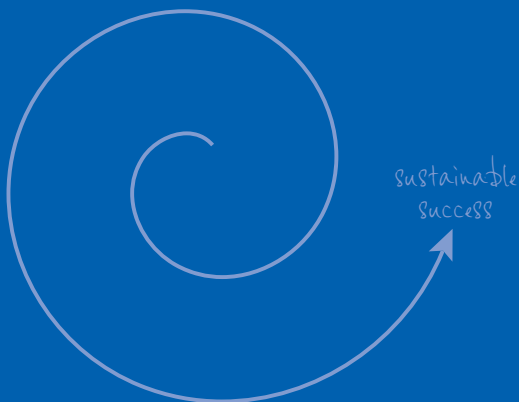
SEVEN ELEMENTS OF SUSTAINABLE SUCCESS

TELOS
PARTNERS

OVERVIEW

What if every business performed optimally. Their customers loved products and services as offered. Orders were delivered on time, every time. People were highly engaged and motivated. Processes, infrastructure and working practices supported high quality outcomes consistently. Partners and suppliers were exceptional and the service received first class. And all of this is achieved over and over again as the company responds to ever changing environments.

'Impossible' you may say and you might be right. But at the same time shouldn't it be the aim of every business to try and achieve the optimum?

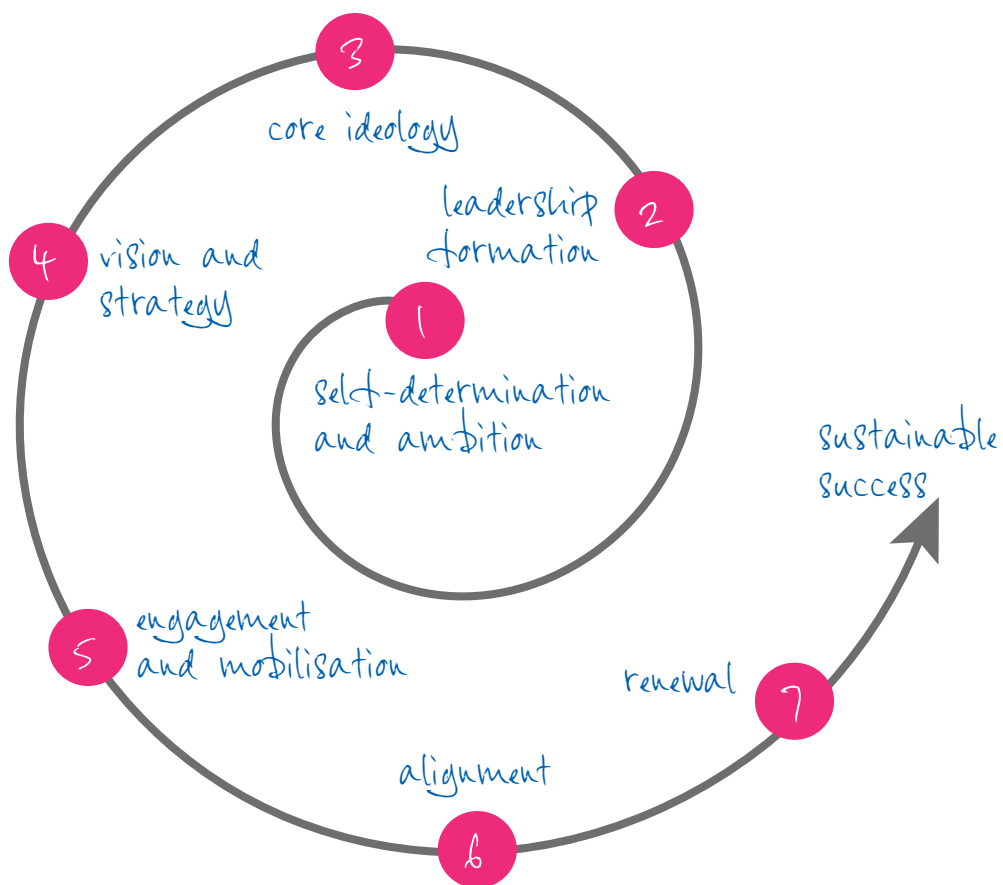


THE SEVEN ELEMENTS

For over twenty years, we have been working with organisations that are striving to perform optimally over time; meeting the needs of their current stakeholders and assuring the ongoing success for future stakeholders. Through that experience we believe we have witnessed the components that lead to sustainable success^[1]. These components by themselves might not provide all the answers, but they do provide a framework for a business to find its own way.

In Telos, these seven elements have become the 'swirl' - an image which demonstrates the dynamic needed in all enduring organisations. Businesses that pay attention to each of these seven elements, seem to enhance their ability to sustain their success over time. They do it in their way, not by the slavish adherence to others' wisdom or knowledge but by using their own wisdom and knowledge to make their own way. And it was our observation of others' wisdom and knowledge that led to the formation of this model.

We will examine each of these elements in turn and propose a series of questions that could help to identify areas that might need to be addressed to assure an organisation's own sustainability.



2

1

Self-determination and ambition

Successful change is typically anchored by an individual who has the ambition and determination to lead the change in spite of any perceived obstacles.

6

1. SELF-DETERMINATION AND AMBITION

Ideas come and go and it takes an individual to pick up an idea and turn it into reality. Entrepreneurs spot an opportunity and strive to make it work to meet the needs of potential customers and turn the activity into a business. Social entrepreneurs spot a societal need and strive to garner resources to meet it. While over time an ambition may be (and needs to be) shared, the power of the single individual as a force to stick with an idea when at its most vulnerable is fundamental to success.

Not only is ambition important at the start of an enterprise, it continues to be a factor throughout the journey for all long-term organisations. Once up and running the organisation grows and develops not just its offer, but systems, processes and behaviours to enable its ongoing success. It is this founding ambition and the ongoing desire for people within the organisation to continue to chart its own course that is understood and developed by those organisations that intend to last. Every successful organisation flirts with failure as it progresses and it is in these dark days that the driving ambition remains important. However, without that single key individual the organisation might continue to operate for a time directionless and through sheer inertia, but ultimately will lose its way and be acquired or disappear.

So the question is who is that person in your organisation who has the driving ambition?

'What do you think about this business? I know it's a bit tatty and underperforming, but it's been around for over 130 years; it's going to be great!'

'My trustees have just informed me that unless we can raise sufficient funds to continue into next year, they will resolve to wind up the business. I am not going to let that happen'

or

'I know this business has been important to the country for centuries, but my responsibility is to the shareholders and we have extracted a fair price for the business'

We will return to 'ambition' and the, often unreasonable, drive for ongoing self-determination as this is the one element that cannot be imposed by others on an organisation; it has to come from within.

Questions: ambition

1. Is there someone in the leadership who cares about the enduring success of the organisation and is prepared to dedicate themselves to assuring it?
2. Are they aware of the current realities that form the current context for the organisation?
3. Do they have a clear view of what future they want for the organisation?
4. Have they a realistic view of the organisation's capability to determine its future through its own efforts, managing risk and optimising opportunity?
5. Do they have the skills to harness (but not limited by) heritage and are they prepared to commit to a role as steward?

Leadership formation

2

That individual assembles the right team around them who are capable and committed to face the challenge together.

2. LEADERSHIP FORMATION

It's awful lonely as the single driving force holding the flickering flame of ambition. Successful organisations ensure that others are recruited into the ownership of the life-blood of ambition.

In the earliest days of an organisation's life or rebirth, this will not necessarily be a leadership team but could be other individuals who are showing an interest in the ongoing performance of the organisation. Over time, these individuals will either form into a team with all sharing ownership of the ongoing success of the organisation or will move onto to pastures new. The intense energy around the emerging belief system will mean that those who don't believe in its future will leave, being replaced by people who do believe.

We have observed that organisations that see themselves as ongoing enterprises pay attention to, and invest in, the way their leadership teams form and maintain their collective belief and energy. They ensure that it is a given to have high performers in leadership positions and focus on the behaviours necessary to make them leaders. They prepare them to engage others and to encourage behaviours for success, not just focusing on performance. And they invest in leaders becoming a team; it is not a given that they will work together effectively from day one.

The most successful organisations are those that are really strong at building teams in the truest sense - a small number of people with complementary skills who are committed to a common purpose, set of performance goals, and approach for which they hold themselves mutually accountable^[2]. To achieve this takes time and commitment. In addition to alignment and commitment to each other, the team needs to find and explore ways of working and behaviour that supports the growing ambition and common performance goals. If not worked on and nurtured, the result is that many of the common dysfunctions of a team^[3] arise and they drag down its performance and ultimately that of the business.

'My first task was to identify those in the senior leadership that wanted to be part of the journey. It was a necessary up-front investment in ensuring that we could work together to transform the business'

'Creating a space where we could honestly and openly discuss how we wanted to progress the business was fundamental. Getting everyone's views on the table meant that our decision making was more accurate'

or

'Teams are all very well, but I needed top class individuals to be able to make things happen. We needed pace and so it was hire and fire until I got the right people'

Besides creating a high performing leadership team, it is also critical to develop leaders and this is more than a leadership development programme. It will be through a series of activities: exposure to significant opportunities or threats, interaction with key stakeholders, informal discussions in team meetings, mentoring with key players, exposure to other organisations and so on. Nor is leadership development kept until promotion to the highest echelons is on the cards. It is an ongoing commitment to the development of all within a defined framework of capabilities and behaviours.

'Technically he could probably do the CEO's job, but we really need someone who gets the culture and the need for reinvestment in the future'

'He was our top performing sales guy, but he had to go because of his attitude to others in the business. It was all about him and nothing about the business'

or

'I guess it was always a risk in promoting him, but he was our top performer and he would have resigned if he hadn't got the top job. We couldn't afford the risk of him joining a competitor'

Questions: leadership formation

1. Are key positions in the leadership team filled by individuals who share a view on the enduring success and are prepared to play their part in its achievement?
2. Do they have the skills to contribute successfully to the leadership of the organisation?
3. Do they have attitudes aligned to the core ideology of the organisation?
4. Is there openness and transparency within the team to enable them to engage fully in the development of the organisation, challenging where necessary?
5. Is there a commitment by the leadership team to the ongoing engagement of the rest of the organisation?



3

core ideology

Real clarity of purpose and values is essential to enable change to occur without threatening the identity of the organisation.

2

On day one, the core ideology is simply the belief system of the founding entrepreneur and this will have a significant impact on any culture that will develop within the business. But over time, it needs to develop into a shared belief system: a shared view of the purpose of the organisation, the principles (values) that will guide its decisions over time, and the behaviours that people are expected to display.

There have been countless studies each concluding that a shared purpose and lived values (key components of an organisation's culture) are essential to the sustainability of a business^[4]. We observe a number of reasons for this. First, it helps to engage both the emotional as well as rational energy in people as they come to work. They are working for a purpose broader than making money and it releases the discretionary energy that is in their gift to apply to their workplace. Second, having a clear set of principles helps organisations to respond to difficult situations and make the 'right' rather than tactically convenient decisions. Third, because of the high shared belief in the business, accompanied by appropriate support, it provides the basis for a healthy culture: one that supports learning, creativity, collaboration and appropriate risk taking. This all builds capacity in the organisation and crucially enables a greater level of delegation, leaving the leadership with time to think about the future and focus on priorities.

1

Purpose, values and behaviours authentically articulated and lived form the basis for a culture that can endure. Often described as the 'soft' side of business (probably because it is difficult to attach commercial value to it directly) but we believe it is 'hard', it needs an investment of effort to embed it. But the results are worthwhile. Don't take our word for it, as Howard Schultz the CEO and founder of Starbucks said "When you're surrounded by people who share a passionate commitment around a common purpose, anything is possible"^[5].

Nothing distinguishes an organisation like its actual culture. Take two businesses in the same industry and, despite the commonalities, a wander around their facilities will reveal different behaviours and ways of thinking about what they do, and how they do it. Culture is one of the very few things that no competitor can copy. Whereas a competitor can copy a strategy, business model and your products and services, copying a culture is not possible.

3. CORE IDEOLOGY

PURPOSE, VALUES AND BEHAVIOURS

Imagine a whole organisation with a set of actionable and measurable behaviours valued by external and internal customers alike. We believe that enduring organisations understand that systems, processes and organisation is not enough. In fact, the systems, processes and organisation needs to be built around the culture required for commercial success, not the other way around^[6].

'I found it extraordinary that after years of providing what can only be described as a workaday experience for customers, when we started to explore the desired culture, our people demonstrated a passion around hospitality and all we had to do was capture the spirit'

'Tapping into what is really important to people has released an energy in the business that has led to improved productivity and a happier work environment. Our culture is key to our ongoing competitive performance'

or

'We have done the obligatory purpose and values and we have posters all over the shop. But when the chips are down, it's all about shareholder performance and we can't always observe the espoused values'

Questions: core ideology: purpose and values

1. Is the reason for the organisation's existence and are the key principles clear to all people in the organisation?
2. Is the purpose 'human' (how we make our difference in the world) and beyond just profit?
3. Has the purpose been clearly articulated capturing the essence of why the organisation is important to all stakeholders?
4. Are the key principles (values) that guide all decisions clearly articulated and relevant to the ongoing success of the organisation?
5. Is the **expression** of purpose and values revisited regularly and confirmed or rearticulated, engaging the views of all key stakeholders?

4

vision and strategy

The leadership team works with a widening circle of key staff to develop a shared vision and strategic framework for success.

4. VISION AND STRATEGY

Many see 'vision' as the same as 'purpose' and then there is 'mission' and 'corporate objectives' to contend with. While semantics may be less of an issue these days, we distinguish 'vision' as a picture of some point in the future which can be described fully (what the business will look and feel like in, say, 5 years from now). Sustainable organisations are clear about their desired direction of travel and can articulate it in some detail. They are also clear about the source of their sustainable competitive advantage^[7]:

do customers come to them because they are distinctive in their service, or because of their product leadership, or because they are operationally more efficient than their competitors?

They also have a healthy regard to their end markets and do not take for granted that their customer base will remain unchanged. The often-quoted buggy whip company that remained focused on its products even as motorised transport grew in importance would be a case in point. But today with markets changing rapidly as new technology takes hold and as new competitors enter the market with apparent ease, we need to build capacity to spend time creating the future alongside the day to day effort that is required to manage the business.

In some ways, the strategic development process is the same in any organisation: rigorous analysis of market data; understanding of customer needs and how they might be changing; a clear sense of the home team's strengths and areas where development is needed; area of greatest weakness, (the limiting factor to the organisation's progress) and the development of an operating framework to optimise performance. In an organisation focused on the long-term, the strategic development process is combined with the ongoing development of the culture, ensuring that the changes demanded by a strategy to, say, enter a new market, is matched by the energy required to implement. It will also fit with the business's purpose and values. In this way, the vision and strategy will tap into the needs of all stakeholders, present and future, considering how wealth (not just expressed financially, but to include for example intellectual and relationship capital) can be created. And then how can the financial result be distributed fairly between customers, employees, suppliers and other partners, management and shareholders. And because the goal is to sustain their success indefinitely, there will be rigour around the impact of their wealth-creating activities on the community and the environment.

'I used to think that good results could be matched with good management but studying our progress over many years, I realise that it is quality end markets that lead to commercial success. And of course it is good management that spots the changes in these end markets and steers the company accordingly'

'All very well meeting the needs of current shareholders, but what if that means the company's ability to meet market demands in future will be impaired? We have had to reinvest significantly to restore the company's capacity to sustain its success for shareholders and everyone else to compensate for the over distribution to shareholders in the recent past'

or

'My job is to optimise the short-term returns to shareholders; that is what I am paid for and there are countless ex CEOs that have ignored this message'

Questions: vision and strategy

1. Is there an articulation of what success will look like to each stakeholder and the steps needed to achieve it?
2. Is success defined more broadly than in financial terms?
3. Do the organisation's key markets provide sufficient scope for the ongoing success of the organisation?
4. Does the business model build on the unique strengths of the organisation, differentiating it from its competitors?
5. Does the business model mitigate known weaknesses, recognising the scarcest factors for the organisation to optimise their use?

5 engagement and mobilisation

The whole organisation is fully engaged by enabling them to participate in the debate, to explore implications together for their specific areas of work and to feed in their ideas.

5. ENGAGEMENT AND MOBILISATION

Purpose, values, vision, strategy can all be confined to the leadership ranks of any organisation but the development of the business will remain constrained without a well-defined and resourced approach to involve and engage everyone. It is also well understood that an engaged workforce drives increased business performance to both the top and bottom line^[8].

Our experience of long-term organisations suggest they spend a significant amount of energy on involving the whole of their workforce through a variety of means such as workshops, town halls, tool box talks and similar. Through this engagement process they enable people not only to take on the required changes but also help shape them to make sure they will actually work. With technology available to most, it is now much easier to involve large numbers in different locations. But still we see attempted engagement through broadcast only. Technology permits two-way communication, on-line discussion groups and mass engagement initiatives (for example an on-line Digital Jam to involve everyone in the business). No excuse for just sending out the well-honed message by email attaching selected slides from the recent leadership conference. The temptation to 'transmit' needs to be resisted.

If you look deliberately, and with appropriate focus, you will always find people who are demonstrating the characteristics you want everyone to demonstrate. Working with these role models and through socialisation techniques to spread them further (a viral change approach) can be a powerful way of involving everyone in the development of the business. These 'champions' can be a very powerful engine for change and can accelerate progress significantly.

Engagement of the workforce is only part of the story. Engaging, and not just communicating with, partners, customers and investors is increasingly important. Sustainable organisations ensure that their story is clear to all stakeholders.

It is clear to us that stock markets are not necessarily short-term. The market is excellent at processing the data they have in order to determine a market price at which they are willing to trade. Absent a story of where the longer-term value lies, they will respond to the short-term data readily available to them. Customers too will want to know where its suppliers are heading and if playing for the long-term will want to ensure that they are dealing with long-term thinkers.

Long gone are the days when you could create one story for shareholders, another for customers and yet another for the workforce. An authentic core message, the essential truth for all stakeholders, is now an ongoing requirement for sustainable organisations.

'Our marketing department spent months on developing a new brand for an emerging service and good fortune ensured that we had time to engage our front-line people in the values we were promoting. I say 'good fortune' because they reflected the underlying belief system in the company. Our people engagement process ran in parallel with the launch program and the business exploded!'

'Face time with the CEO has been our preferred way of engaging our people and it takes an enormous commitment from him to get the coverage we need. He has not missed one monthly employee award event since he started'

or

'I make sure the leadership of each business understands the direction we are taking, but most of our workforce are on the shop floor and they are not interested in a strategy that they cannot influence.'

Questions: engagement and mobilisation

1. Are all internal audiences engaged in the development of the organisation and involved in the creation and maintenance of the organisation's purpose and values?
2. Are role models of exemplar behaviours identified and engaged?
3. Is the strategy clear to the workforce so that their role in its achievement is understood?
4. Is there a feedback loop so that opinions can be gathered, questions posed and questions answered?
5. Are leaders at all levels of the organisation skilled and equipped to engage and mobilise?

alignment

6

Organisation structure, processes and behaviours are systematically aligned to the new direction across the organisation.

6. ALIGNMENT

SYSTEMS, PROCESSES AND ORGANISATIONAL STRUCTURE

The foundations for success are in place: the business is clear on, and committed to, a core ideology and a credible vision and strategy to achieve it; everyone in the business is on-side and there is an excitement around the joint enterprise. But this is not sufficient to sustain its success. This is where the rubber hits the road! Are we prepared to invest in systems, processes, organisation structures and, very importantly, behaviours that will enable us to deliver consistently promised outcomes to all our stakeholders? Do we talk about the long-term and measure long-term progress and outcomes as well as assuring our immediate performance?

It is here that we see an emergence of 'operating frameworks' that are deliberate in creating a space within which everyone in the business can flourish, safe in the knowledge that the boundaries have been set and that within those boundaries each is able to operate autonomously. Cast the boundaries too tightly and people will feel constrained and overly controlled; cast them too loosely and the precision needed to operate successfully may be compromised. It is for each organisation to make up its own mind on the level of required control or the degree of autonomy to be enabled. Here is an example of a framework in use with a number of organisations with which we are working:

We have covered two of the boundaries and partly covered a third. You wouldn't be prepared to give your discretionary effort to an organisation if you were out of step with the strategy or the fundamental belief system in operation. But the link between day to day behaviours warrants additional exploration.

'You can't see 'values' you can only see behaviours' and we would agree with this position. But the next logical step of linking desired behaviours with each value needs examination. We have observed that most organisations do not apply the precision that is needed in order to define the behaviours that are required not only to honour the espoused values but also support their commercial aims. Too often the behaviours are seen as 'nice to have' rather than 'essential to commercial success'.

And this is where 'soft' becomes 'hard' once again. Not just that it is difficult, but that it needs a more rigorous, data driven approach to examine the behaviours that need to be embedded throughout the organisation if it is to be seen to be living its values *and* delivering its commercial objectives. Once the desired behaviours have been identified and codified then are we ready to look at the alignment of success measures, reporting processes and lines, reward and recognition mechanisms and all other systems and processes to assure ongoing success.

A sustainable business is more likely to define the desired behaviours and support them with relevant systems and processes than to shoehorn behaviours into an otherwise unsupportive set of systems and processes.

What about systems, processes and structures? Compared to other businesses those that are focused on long-term sustainability are clear on what are their core processes and how their governance works. These processes and the supporting structures are not defined to the nth level of detail. Rather they are there to guide and enable, supported by an understood strategic direction and performance driven behaviours. As the business develops these processes and structures change, but when supported by an engaged and committed workforce the ability to adapt and progress is undertaken relatively smoothly.



'This business is about total customer satisfaction. How can we make the right decisions and encourage the right behaviours without a clear understanding of what the customer wants and will want?'

'We have developed a common framework across the whole of our group so that we can share best practice and collaborate to meet the needs of our customers wherever they are in the world'

or

'We measure what matters and that means our systems and processes are designed first and foremost to provide an accurate read on our financial performance'

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Questions: alignment

1. Have the behaviours that are required to achieve commercial success, and aligned with the organisation's values been defined?
2. Have these behaviours been embedded in the key recruitment, development, performance management, reward and recognition systems?
3. Does the organisation's operating framework (systems and processes) align with the purpose, values, vision and strategy so that the link is evident?
4. Are the measures of success for the organisation broad enough to embrace success with all key stakeholders both currently and to support ongoing success?
5. Is there a process for regular review of operating procedures to ensure they remain relevant to the ongoing success of the organisation?

renewal

7

The organisation embeds the learning and builds the capability to adapt continuously so that change is sustained.

7. RENEWAL

The final component, or as we have learnt, the next step on the journey to sustainable success is renewal. By this we mean the constant ability of the business to rejuvenate and reinvent itself as market and customer conditions and demands change. It can be seen in many ways: businesses that consistently have smooth succession of key leaders; those businesses that respond effortlessly to changing generational and technological landscapes; or organisations that are renowned for their ability to constantly innovate and adapt. While this is the last component in many ways it is the one that underpins all the others.

This idea of renewal is not a well-developed feature of many businesses and we have witnessed organisations fall for one of the many pitfalls:

- Hurried senior appointments that have led to regret just a short time later.
- Focus on a big finish for a retiring chief executive with a compromised business having to recover over the subsequent periods.
- Decisions made in the present that compromise future key relationships.
- Aggressive financial reporting leading to reductions in investments, training, safety and similar with a significant risk in deterioration of capacity to deal with the future.
- Outsourcing based on cost rather than an improved response to customer needs.

Sustainable organisations have a way to constantly learn and progress. They hold a strategic direction (see vision and strategy) but yet recognise they will need to adapt as unforeseen circumstances in a VUCA (volatile, uncertain, complex, ambiguous) world. They know the importance of an operating model (see alignment) yet build in flexibility and personal freedom to deal with situations that could never be pre-envisioned. There is a continuing commitment to purpose and values (see core ideology) while keeping an eye on customer needs and expectations, not to mention the needs and expectations of their current and future stakeholders. People and other stakeholders are fully engaged (see engagement and mobilisation) and provide the energy and commitment to make miraculous performance happen. Then their job as leader is to assure the ongoing development of the organisation (self-determination and ambition) through seamless succession and generational transition. It is the renewal activity that pulls the whole 'Swirl' together and distinguishes the short-term players from those truly dedicated to the ongoing success of their organisation.

Because of the criticality of leadership to the whole sustainable model, the approach to succession at the top-most levels of organisations needs careful consideration. Too often succession planning is left to the identification of an individual who would take over in an emergency plus a further nomination for a more permanent appointment if time permits. The former will have been judged as having sufficient skills to act in the interim and the latter probably with development needs in order to be able to step up at the right time. Under the guise of good governance the board will then take a role in ensuring any internal candidates are benchmarked against the talent available in the market and routinely pitched against external candidates for the most senior roles.

Effective succession is not just a process. It needs a culture that enables everyone to address “what next?” for themselves and their teams. Even so, we believe the process can be improved and the risk of a poor appointment managed better through ensuring the current leadership creates a space to examine succession regularly. Not the last item at the end of a crowded management agenda, but a dedicated event to look at:

- Existing team dynamics to ensure that open conversations are possible on personal ambitions, strengths and areas needing development
- Realistic time scales for service from existing executives
- Likely needs of the future business and skills required for ongoing success
- Risks associated with the appointment of each potential successor
- Plans to socialise the leadership behaviours required to lead the business beyond the term of any individual.

Whether the new leader comes from inside or outside the organisation, companies that plan for CEO succession more carefully are more likely to be better performing companies in general^[9]. Therefore, much rests on the confidence of the existing leadership to express a view of what will work for them without fear of accelerating their exit! A trusting, if challenging, relationship between the CEO and the board will be a pre-requisite for these discussions to take place as part of the regular board interactions.

Taking an even longer-term view, we believe that there is much to be gained by examining a cohort from each generation to create time and space for future succession conversations. Not the traditional high-performance programmes but a deliberate process of engaging people from across the business in activities that are outside of their normal day to day activities.

‘We see the appointment of our chairman as critical and whether internal or external, we ensure that not only do they have the skills and character for the role, they share our ambition to ensure that the business endures, whatever!’

'I left a balance sheet strong enough to support the following year's operating performance so that my successor had time to settle into the role and set his direction. I would expect him to do the same when he moves on'

or

'My job is to run the business today and ensure that there are candidates available from within the business that the board can consider when looking at my successor. It is their job to appoint the CEO'

Questions: renewal

1. Is there a stated commitment to the renewal of the organisation backed by a process to assure the future for generations to come?
2. Does the leadership team operate in an open and honest way, able to discuss succession with an independent mind-set?
3. Does the culture enable everyone in a leadership position to think of their own successor?
4. Has the organisation demonstrated resilience and a capacity to tough out difficult stages; are there stories told of events where the organisation took the right, not necessarily convenient, action?
5. Does the leader of the organisation understand the need to take personal responsibility for the transfer of a long-term ambition?

THAT'S THE JOURNEY, WHAT'S THE SECRET?

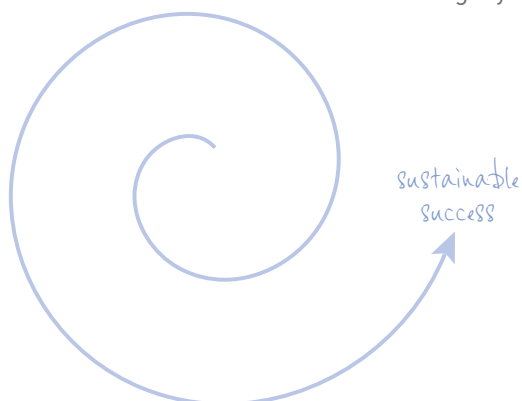
We said we would come back to ambition. The final step in the journey is to connect 'renewal' to 'ambition'. If there is a 'secret' to sustainable success it lies in the transfer of the 'spark' from one set of leaders to the next. If the outgoing leadership does not see the organisation's endurance as their responsibility, there will be a risk attached to the subsequent appointment. If the new leadership is not inducted to a belief system (core ideology) that includes the endurance of the organisation over time, then there will be a risk of a short-term agenda focused on immediate success to the detriment of its longer-term health. To repeat our earlier point, ambition is not something that can be imposed, it has to come from within.

In essence 'The Swirl' represents an ongoing and continuous organisational journey. This journey needs to combine both the rational and emotional elements that will appeal to and inspire people in the business and the key stakeholders without which the business could not exist.

There might be another 'secret' and that lies in the genius of 'the and'. If, as you read this paper and examine the quotes that we have derived from actual situations from the last 20 years, try substituting 'and' for 'or'. There is truth in all the quotes and sustainable organisations learn to master the ambiguities in their trading lives and chart a course which will best serve all stakeholders in the long-term.

And perhaps there is a final 'secret'. Investing in an enterprise that will have a lasting and positive effect has an appeal to many. It will attract people and enable them to bring their whole selves to work, learning, creating, improving, sharing and collaborating. Who knows, a step towards delivering outstanding customer service; getting orders delivered on time, every time; having partners and suppliers who provide exceptional service every time and all the time.

So we don't have all the answers but we do know that the businesses who seek to answer questions on inheritance, stewardship and legacy seem to perform better than the ones who don't.



A FINAL WORD

Building a sustainable business is difficult and it is not a surprise that many companies do not survive. Nor is there a right nor necessarily a duty to survive:

- They may become time expired; their purpose may have been fulfilled.
- They may need to combine with another organisation in order to flourish and will have identified a 'like-hearted' organisation with which to combine.
- But where there is an ongoing purpose yet to be fulfilled and where an independent future is judged to be the best way of fulfilling it, great care is needed in attending to the health of all its relationships over time. An emphasis on one class of stakeholder, can lead to the destruction of wealth over time.
- Not for everyone, but real opportunities for those who value legacy and heritage and want to make their difference.

TEN FEATURES OF SUSTAINABLE ORGANISATIONS

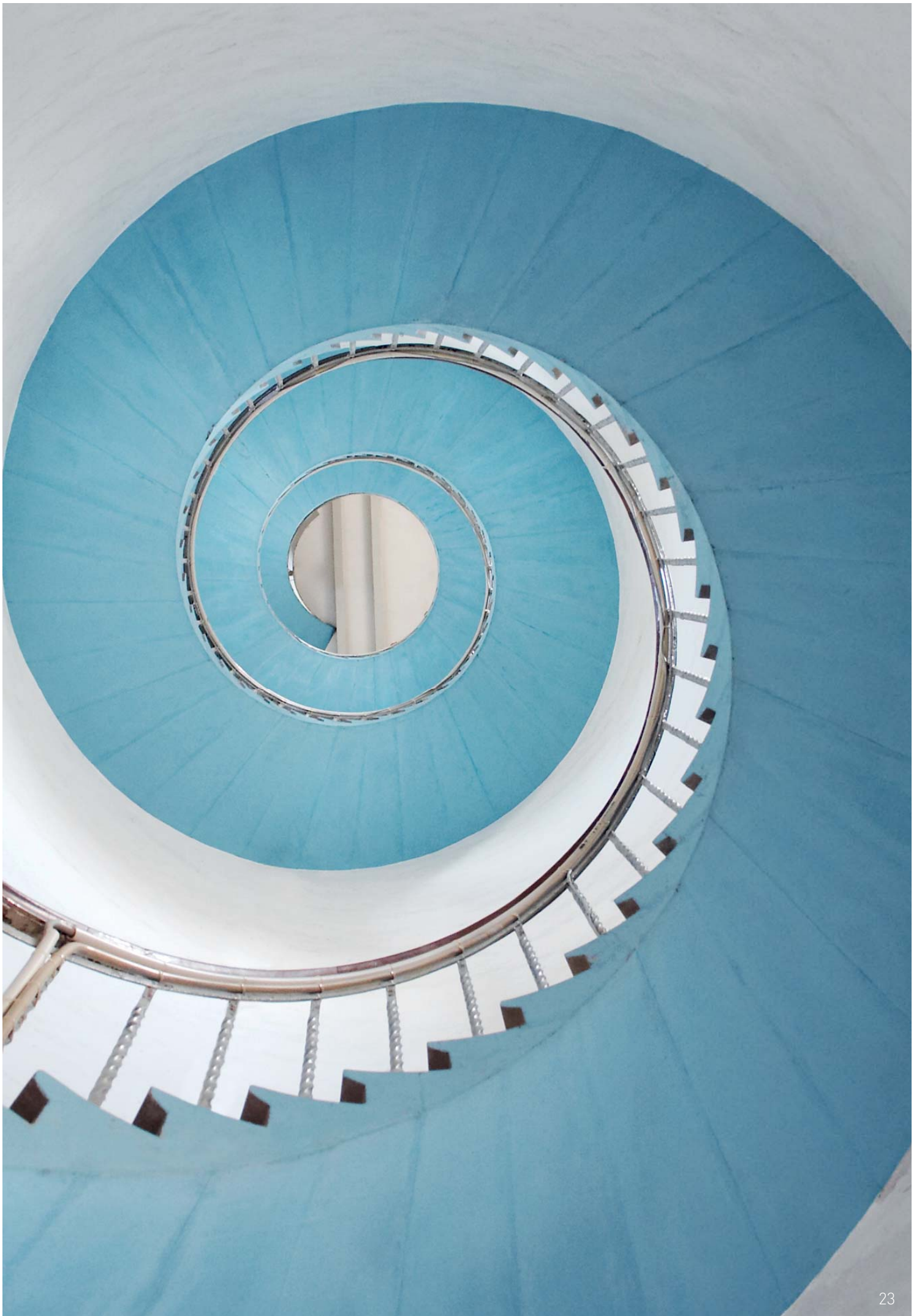
1. An ambitious leader dedicated to the enduring success of the organisation
2. A confident executive team, open and honest in their mutual dealings and dedicated to the engagement of their teams
3. Clearly articulated purpose, understood and enthusiastically adopted by all
4. A continuous process for the attraction, retention and development of talent with a value proposition that will add value to people in the business
5. Fairness and transparency governing well defined behaviours designed to align the corporate values with commercial success
6. A business model that is clear on the wealth (intellectual, relationship, social, natural, human as well as financial) creation process and the importance of all stakeholders in the achievement of sustainable wealth creation
7. An external orientation where it is second nature to collect continuously data and opinions from customers, investors and all other key stakeholders
8. A method of tracking future trends with similar rigour to recording past events
9. A well-defined process for succession and the transfer of ambition to future generations
10. The resilience to overcome difficulties and issues and not detract from the journey.

The author:

Peter Ward is founder of Telos Partners and was a member of the Tomorrow's Company Inquiry which inspired his focus on organisations achieving long-term sustainable success

Endnotes

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