

# THE DONALD COOPER CORPORATION

Speaking and coaching internationally on management, marketing and profitability



## Management tool #A-4:©

### As business owners, leaders & managers, our 1<sup>st</sup> job is 'clarity':

Regardless of what anyone tells you, as business owners, leaders and managers, our first job is 'clarity'. Without 'clarity' at every level of our business there can be no clear focus, compelling value, Team commitment, urgency or accountability. And 'clarity' begins at the top. If the leaders of the business are not clear about the 9 things listed below, who else in the organization could possibly be? Lack of clarity, urgency and accountability are three of the biggest challenges in many businesses today...but it all starts with 'clarity'.


I'm sorry that there are '9 clarities'. That's a lot. It would be so much easier if there were just 3 or 4 ...but there aren't. Management is complicated.

Using the boxes on the left, have each of your management and supervisory Team (yourself included) rate the business from their perspective, on a scale of 1 to 10 (with 10 being 'we're very clear'), on each of these 9 'clarities' listed below. Collect the completed sheets then summarize and analyze the results. Is there agreement, or are there very different views of the organization? Is there 'clarity...or not so much? Do you and your staff agree on the degree of clarity in the business in each of the '9 clarities'? Often, the 'boss' thinks that there's absolute clarity...but no one else sees it that way.

Then, use the 'calculator model' on the next page to determine your businesses total **Clarity Score** out of a possible 100%.


**The 9 'Clarities:** Rate your business on each 'clarity', on a scale of 1-10 in the boxes below:

- 1.** Clarity about who our **target customers** are and what life's really like for them. What they value, what they fear and what they really want from us. When buying, using, maintaining or disposing of what we sell, what are they really trying to do, what do they need to know, how do they want to feel and about how much do they expect to pay?
- 2.** Clarity about the **compelling customer value and experiences** that we commit to always deliver. Compelling value and experiences that will give us a clear competitive advantage and make us the 'wise choice' for our target customers. Value and experiences that will 'grab' our target customers, clearly differentiate us from our competitors, make us 'famous'...and grow our bottom line.
- 3.** Clarity about how and where we will effectively **brand, market, promote and sell** our compelling value story in a crowded, cynical and competitive market. There's no point being the 'best' if we're also the 'best kept secret'. Every market, including ours, is over-served and under-differentiated. That's reality. So first we have to be a story and then we have to tell our story.
- 4.** Clarity about the extraordinary **bottom line** that we commit to generate. A bottom line that generates funds to reinvest in the business, pay our staff well and provide our investors with a competitive rate of return.

-  5. Clarity about the extraordinary **future that we commit to create (our Vision)**. How our business must be different and will be different in 3 to 5 years. How big must we be? How big do we want to be? How 'good' must we be to be a market leader? How good do we want to be? Are we willing to do the work to become what we must become?

How might our business model have to change? What are the disruptive market-related, technology-related or societal changes coming down the road that could change how we do business, who our competitors are, what our customers value? What could replace us?


**Note:** There's huge confusion about what a **business Vision** is, what it isn't and whether it even makes sense to have one. Businesses waste thousands of dollars to create vague, airy-fairy 'aspirational' Vision Statements that achieve nothing. To be effective, your Vision Statement should be a clear, specific and measurable, 1-page statement of what you commit to become in 3 to 5 years. It will inform, focus, challenge and inspire you and everyone on your team from top to bottom...and contribute considerably to your 'clarity'.


-  6. Clarity about how we will get to that extraordinary future. Specifically, each year, what decisions will we commit to make and what action will we commit to take (**our annual Mission**) to get to our 3 to 5-year Vision?

**Note:** For help in creating:


- a) a clear '**Statement of Purpose**',
- b) a 3 to 5 year '**Operational Vision**' on one piece of paper,
- c) an annual '**Mission**'...and,
- d) a specific, detailed step-by step '**Commitment to Implementation**'...

...for your business, you can purchase our 34 page, step-by-step '**Vision Critical Guide**' as a downloadable PDF, for just \$24<sup>00</sup> at donaldcooper.com.

-  7. Clarity about how we will **manage more effectively** to improve clarity, commitment, urgency, accountability and profitability throughout every part of our business. Clarity about individual and departmental responsibilities. Specifically, for every action that we commit to take, what will be done, by whom, by when, at what cost, measured how and rewarded how? What systems, processes, training, technology, equipment and facilities do we need to be innovative, cost-effective, customer-centric and profitable?

-  8. Clarity about the **talent, team and organizational structure** we need to make all of this happen. The employment experience and career opportunities that we commit to deliver in order to attract, lead, engage and retain a dedicated top-performing team...and how we will measure performance and deal more effectively with non-performance. The real battle in business today is the battle for 'talent'.

Then, that talented team must work within an organizational structure with clear responsibilities, authority and accountability.

-  9. Clarity about how we commit **to behave** along the way. The values, ethics and standards that we commit to live by and the culture we commit to create.

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 **Our total score out of a possible 90 points.**

### **Calculate your 'Clarity Score':**

**Note:** To calculate your '**Clarity Score**' out of a possible 100%, total your score for the 9 'clarities' above and then multiply that total by 1111. This will give you your 'Clarity Score' out of 100. For example: If your total score above is 60, multiply that by 1111 to get a Clarity Score of 66%.

**Our 'Clarity Score' is \_\_\_\_%.** The closer our score is to '100%', the more clarity we have in our business. What do the 9 individual 'clarity scores' and the total Clarity Score out of a possible 100% tell us about what needs doing, fixing, clarifying or communicating in our business or department?

- 1.** Do we need more clarity at the top...and in which of the 9 key areas? What action do we commit to take to create this improved clarity? It must start at the top.
- 2.** Do we need more effective and consistent communication in all or parts of the business so that everyone is 'on the same page'? Specifically, how will we achieve this more effective communication? How and when will we measure our improvement? Will it be by using this Biz Tool #A-4 again at a set time in the future?

### **An important note about 'commitments':**

**Note:** You'll notice that throughout the listing of the '9 clarities' on pages 1 & 2, there is consistent reference to 'commitments' and 'committing'.

Most businesses make the mistake of talking about 'goals, targets, aims and objectives'. They have sales 'targets', customer satisfaction 'goals', profit 'objectives' and they 'aim' to be a good employer, etc.

I believe we should replace all of those wishy-washy words, 'goals, targets, aims and objectives', that leave way too much wiggle room to not perform, with one powerful word...**commitments**. We need to stop 'aiming' and start committing.

There's a huge difference between a goal or a target and a commitment. A 'target' is something we hit sometimes and miss other times...and it's OK. It's just a target. A 'goal' is something that we score sometimes and don't score other times...and that's life. At least we tried. But a 'commitment' is something fundamentally different. It feels different, because it is different.

Some folks argue that we're just playing with words here...but it's much more than that. You see, when we change our language, we change our business culture. You can't have engaged, committed and effective staff without clear commitments.

So, please, never again talk about goals, targets, aims and objectives in your business. From now on, in every memo, every meeting, every email and every conversation, talk about your clear commitments to customers, to your Team, to efficiency and profitability, to safety and to your community. You'll be amazed at the difference it will make. We become what we speak.

**Note:** To improve clarity in your business, work with your Team to ask and answer the following 15 questions.

## What's working and what's *not* working in our business?

Use the questions below to improve clarity by finding out what's working and what's not working in your business...and where you need to improve. Set aside 90 minutes with some of the best minds and hearts in your business to consider these 15 questions. Answer and discuss honestly and the results will amaze you. To complete this you may need more than one 90-minute session.

As you examine these 15 key questions, for each idea that you want to explore further and each action you decide to take, be specific about what will be done, by whom, by when, at what cost, measured how and rewarded how. Remember, businesses do not die from a single shot to the head. They die, slowly but surely from a 1,000 uncompleted tasks.

1. Do we truly **understand our various groups of target customers** and are we passionately committed to delighting and amazing them every time? Or, are we trying to please everyone just a little bit or, even worse, have customers become a necessary annoyance that we barely tolerate?

**Discussion :** \_\_\_\_\_  
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2. Do we have the 'right stuff'? Given who our target customers are, which of our products or services are:

a) \_\_\_ clearly world-class,      b) \_\_\_ undifferentiated, boringly mediocre...or,      c) \_\_\_ 3rd rate?

Do our **customer experiences** at every 'touch point' delight our target customers, clearly differentiate us from our competitors and make us 'famous'? Or, are we stressing, confusing, disappointing or frustrating our customers in any way? Do we go out of our way for them? Do we create 'fans'?

**Discussion :** \_\_\_\_\_  
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- 3. Marketing:** What is our clear and compelling value message? Are we consistently communicating that value story to the right people and are we doing that clearly, congruently and convincingly in everything we do? There's no point in being the best if we're also the best kept secret.

Are we using readily available systems and technology to understand, serve, communicate with, thank and build relationships with customers as individuals? Are we focused on doing what we do so well that we become 'famous' to our target customers? 'Famous' is good.

Do we have a Media Database and are we using it to build relationships with the local media, bloggers and key influencers in our market?

**Discussion :** \_\_\_\_\_

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- 4. Pricing:** Are we charging enough or have we taken the lazy approach and made it all about low price? Getting just 5% more for what we sell can improve our bottom line by 60% to 100%. Or, are we greedily over-charging, damaging to our Brand and making us vulnerable to more honest, innovative or efficient competitors? What would we have to do wonderfully to make it **NOT** all about price?

**Discussion :** \_\_\_\_\_

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- 5. Profitability:** Is our business consistently generating a Return-On-Investment (ROI) of at least 12%? (15% to 18% is better). If not, it's a hobby. **Note:** For guidance on how to plan and improve our profitability, check out Biz Tools #B-4, B-5 and B-6.

**Discussion :** \_\_\_\_\_

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- 6.** Do we have a **clear Vision** of what our business must become to be a profitable market leader in 3 to 5 years? Do we have a **clear Vision** of what we, as owners, leaders and managers, want the business to become in 3-5 years?

How 'good' must we be in 3-5 years? How will our business be different...and, realistically, do we have the burning desire, the right business model, the team and the ability to get there?

As leaders, who must we become and how must we grow to take this business where it must go?

Will the **type of business and industry** that we're in and the **specific market that we serve** be a financially and emotionally healthy place to be in 5 to 7 years? Or, is it even now? If not, what's our exit strategy from our industry or market...and what's next for us?

**Note:** For help in creating a clear operational Vision for the future of your business, purchase Donald's complete 34 page **'Vision Critical Guide'** for just \$24 at [donaldcooper.com](http://donaldcooper.com).

Discussion :

- 7. Do we have the right talent, team, leadership and organizational structure** to deliver our value promise, become our Vision and grow our bottom line? Are we recruiting people who fit our culture and values and then are we continually coaching, training, encouraging and communicating with them to help them to perform and to grow? We can't grow our business without growing our people.

Discussion :

**8. Do our culture\*, values, ethics, standards and behavior help us:**

- a) attract, engage and retain top-performers? See Biz Tool #B-19 for tips on this.
- b) make powerful functional and emotional connections with our target customers and key influencers?
- c) encourage and reward proactivity, urgency and accountability?
- d) build our Brand?
- e) keep us 'on side' with the law?
- f) help us have a positive impact on our community and the planet?

\***Note:** Our 'culture' is simply how things are done and how people are treated in our business.

Discussion : \_\_\_\_\_

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- 9. Do we listen** to our front-line people? Our front-line people know stuff and they hate it when we don't ask. When we listen to them we learn from them and we honor them. When we don't listen, we don't learn from them...and we dishonor them. When we don't ask for their thoughts and ideas, they think we don't care. And if we don't care, why should they?

How can we more effectively 'listen' to our front-line people...individually and as a group?

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- 10.** Does everyone on our team **know what's expected of them** and do they have the knowledge, skills, tools, Information and empowerment to do their job wonderfully? Are they energized, proud and committed? Do they share our customers' sense of urgency?

Does everyone on our management and supervisory team take part in setting our financial, operational and customer commitments and the implementation plans and operating budgets that make all of that happen profitably? Or is all of that imposed on them from the top? Or, even worse, do we just make it up as we go along?

Is success celebrated and rewarded...and is non-performance dealt with quickly and fairly? Failure to deal with non-performance is one of the biggest problems in many businesses today. (See Biz Tool #B-21 for '**13 reasons for staff not performing...and whose fault are they?**')

**Discussion :** \_\_\_\_\_

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- 11.** Do we have **the right technology, equipment, systems and processes** to create the world-class operating efficiency and customer service that we need to be service-competitive, price-competitive and profitable?

**Note:** See Biz Tool #A-6 for '9 ways that technology can deliver the competitive advantage you need.'

**Discussion :** \_\_\_\_\_

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12. At all levels in the business, do we as leaders, managers and supervisors **have the information we need** (and the ability to use it) to measure performance and profitability, make good business decisions and proactively communicate with and serve our customers? Or, do we just 'hope for the best' at the end of the year? There's no excuse for not having this information in today's world....and not having it puts us at a huge competitive disadvantage.

Specifically, what financial, management or customer information systems do we need to sell more proactively and manage more effectively...and what authority and empowerment do we need to give others in the business so that information is used more effectively and decisions are made more efficiently?

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13. Do we excel at **timely and effective implementation** in every part of our business? Failure to implement effectively is a big challenge in most businesses today. In what areas of the business must we improve the speed and / or accuracy of implementation of our ideas, initiatives, promises, policies, programs and commitments?

**Note:** The secret to timely and effective implementation for each project or initiative that you agree to and every action you commit to take is to be specific about what will be done, by whom, by when, at what cost, measured how and rewarded how? And then who will follow up to make sure that these commitments are being met?

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14. Continuity of ownership, leadership and management is essential for any business. Do we have a clear **succession plan** for each of the key positions in our business and a well thought-out exit strategy for the current owner(s)? Planning for and executing a smooth, effective and profitable exit for the business owner(s) typically takes 4 to 6 years.

Discussion : \_\_\_\_\_

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15. For us, as business owners and managers, are we building an extraordinary business as part of our **extraordinary lives**...or have we made the business our 'neat fort' where we go to feel safe, comfortable and in control...or to hide from our spouses, our kids and all the other things that we could do, experience and become in our lives?

Discussion : \_\_\_\_\_

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**In conclusion:** Having worked through this Biz Tool, you and your Team should have much improved clarity about all aspects of your business and a list of decisions to be made and actions to be taken. Remember, for each project or initiative that you agree to and every action you commit to take, be specific about what will be done, by whom, by when, at what cost, measured how and rewarded how. And, who will follow up to make sure that commitments are being met?

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