

the **EXCELLENCE** *files*™

Workbook and Action Guide

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For Purchase Evaluation Only
Please return with
videocassette after reviewing.



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Introduction

When we began production of *The Excellence Files*, our goal was to illustrate the latest trends in management thinking. We were looking for what the most highly admired corporations and government agencies were doing to prepare for the next century. The film provides viewers with the first in-depth, on-screen look at successful business strategies since *In Search of Excellence* was introduced in 1985.

During the 86 minute program, seven companies and one government agency are presented. Each was chosen by peer review (such as *Fortune* Magazine's Most Admired Companies), or because the organization had received significant accolades from the media and academia.

This workbook is designed to supplement *The Excellence Files*. It will provide trainers and participants with additional information on each organization, as well as an overview of key lessons found in the case study (or "file"). Exercises and questions are included to generate ideas for implementing these lessons in your organization.

Each organization profiled in *The Excellence Files* has mastered the fundamentals. They all deliver quality products, provide superior customer service and are continuous innovators. What, then, are the elements that make them special? Three themes emerge:

First and foremost, there is a focus on people. Timberland, USAA, Whole Foods Market, Southwest Airlines, BankBoston/Work Family Directions, and Rubbermaid are all shown attempting to create environments where employees will

feel committed to the company's mission and can give it their all. In each case, these organizations realize that superior service, innovation and quality come from motivated and committed workers.

No less important is the need to have a focused strategy: Coca-Cola has developed a clear and hugely successful strategy as a result of its disastrous launch of new Coke in 1985. Southwest has a simple strategy – to provide efficient, no frills service to short-haul, direct flight passengers. Rubbermaid concentrates on innovation and speed.

Finally, each realizes the need to be open to change. Almost every one of the CEO's we interviewed emphasized the need to be nimble and entrepreneurial. Every organization must be willing to adapt quickly to changing market realities.

Strategic vision, flexibility in the face of change, and working to develop a committed workforce are essential requirements for competitive success in the years ahead. This workbook will help focus you and your organization around these driving imperatives. To help accomplish this, each chapter provides you with the following elements:

Knowledge check: This section recaps the key lessons from the file, as well as providing in-depth review of the case study.

Discuss/Debate: Each of the files in the program delivers a wealth of information on organizational strategy and behavior. We have provided discussion questions, as well as observations, for debate to help participants focus on the key lessons.

Reflection: As a precursor to the application exercise, a reflection exercise is provided, allowing participants to reflect on a core concept.

Application: An application exercise is included to allow participants to develop strategies for putting key lessons from the program to work in their own organization.

Additional suggestions for training are included at the end of the workbook.

The Excellence Files contain many lessons. Most trainers and educators will find many relevant teaching points in the eight files that will bring to life key training objectives and provide springboards for discussion and in-house exercises. The program also provides a powerful motivation for managers and leaders who are looking to encourage change and provide leadership and incentive for employees.

Trainer's Notes

This guide is for use with the video, *The Excellence Files*, a documentary film profiling the strategies of eight organizations preparing themselves for success in the 21st century. Lessons from the case studies can be drawn by watching these organizations in action and comparing them to your own. This workbook and trainer's notes should provide you with additional ideas for creating an educational experience based on the key management actions shown in *The Excellence Files*. Each "file" in the video is paralleled in the workbook with a chapter that includes a recap of the key learning points, additional information on key concepts presented, and suggested questions for discussion.

Audiences

The accessibility and range of the messages in *The Excellence Files* make the program useful in many different organizational settings and situations. The companies profiled represent the cutting edge in certain modes of management activity and will provide your audience with a wealth of great ideas for coping with new challenges. Audiences who will find the video particularly useful include:

Senior Management: The innovative concepts presented in *The Excellence Files* represent some of the latest thinking on ways to achieve corporate success. In addition, the input of the CEOs at some of America's most highly admired companies provide a unique perspective on leadership for senior management.

Mid-Level Managers and Front-Line Supervisors: Managers at all levels need to have a solid understanding of the key concepts presented in this program to better cope with the new realities of operating in a changing world.

Organization-Wide Training: It is important for each and every employee to develop a skill base and prepare for the future. Employees need to align their capabilities with the needs of the company and the industry. Moreover, they must be aware of how the current work environment has profoundly affected companies and corporate strategy.

Students of Business or Organizational Change: It is rare to be able to view standout operations of eight of America's leading organizations. The issues raised in *The Excellence Files* are integral to understanding the changes affecting organizations everywhere. These case studies and expert discussions provide teachers and students with insights that simply have not been available until the release of this film.

How to Use The Excellence Files

This video and print package includes a number of elements to help you meet your training goals. The concepts presented in this program will represent a paradigm shift for many employees. For example, the concept of teams having hiring and firing authority will most likely lead to discussion and debate regarding major changes in your organization.

The following is a list of action steps you can take in planning and conducting a course using *The Excellence Files*. You may want to modify these items to accommodate time constraints, intended audience needs, and training goals.

Advance Preparations

There is a great deal of information in each of the eight "files." View the program in advance of the training session at least once.

Arrange to have a VHS videocassette player and a monitor available for the training session. If you have more than 20 people attending, be sure to order at least a 25-inch monitor. Remember to encourage participation. The management issues presented here can trigger strong feelings and concerns, as well as good ideas. Getting everyone involved will help build consensus on the issues and ownership of the solution.

- ✓ Obtain one guide for each participant.
- ✓ Test your equipment in advance and adjust color, sound, etc.
- ✓ Bring writing materials for each participant.
- ✓ Determine in advance which of the eight “files” you will focus on.

Sample Training Session

Pre-screening Preparation.

Welcome people to the training session and give them an overview of the program. You may want to address the concepts presented in this program in the context of your own organizational goals.

Screening

Show *The Excellence Files*. You can watch the program in its entirety or focus your training session on specific segments.

Post Screening Discussion

Use the themes from the program as a catalyst for discussion, including:

- ✓ Don't be complacent
- ✓ Continuous learning
- ✓ Strategic focus
- ✓ The changing nature of teams
- ✓ Move fast
- ✓ Be open to change
- ✓ The value of the individual/building a committed workforce
- ✓ Balancing the four constituencies of employees, customers, shareholders and the community

Second Screening

You may find it valuable to rescreen the program after discussion.

Counter Reference

In order to facilitate the training process, you may want to set the counter on your VCR to move it to specific files in the video. First, make sure your tape is fully rewound and the VCR counter is set to 000. At normal playing speed, or fast forward, run the tape and note the counter reading that corresponds to the beginning of each segment. We suggest that you use the Enterprise Media logo as the starting point.

000 Enterprise Media Logo

_____ *Open.* Introducing the key theme of the program:
Developing strategies to manage change.

_____ *Southwest Airlines.* File Title: Company Culture:
Out of the Ordinary.

_____ *Defense Personnel Support Center.* File Title:
Changing the Government Way.

_____ *Timberland.* File Title: The Value of Community.

_____ *Rubbermaid.* File Title:
Streamlining for Global Competition.

_____ *Whole Foods Market.* File Title:
21st Century Teams.

_____ *USAA.* File Title: Future-Proofing the Business.

_____ *WFD (Work/Family Directions).* File Title:
Building a Committed Workforce.

_____ *Coca-Cola.* File Title:
From Trouble: Marketing Opportunity.

_____ *Conclusion.* Providing a brief recap of the key
lessons presented in the 86 minute program.

File 1: Southwest Airlines

Company Culture: Out of the Ordinary

Knowledge check

Key Lessons & Overview

- ✓ Have fun and allow people to be themselves.
- ✓ Resist bureaucracy, avoid hierarchies, and focus on core issues.
- ✓ Put employees first, superior customer service will follow.
- ✓ Strategic hiring and training are critical to building a committed workforce.
- ✓ Stick to a simple, focused strategy.

There is little doubt that CEO Herb Kelleher and Executive Vice President Collen Barrett have created an organizational culture that defies traditional business thinking. There is also little doubt that Southwest Airlines is an outstanding corporation by almost all business measures.

Herb Kelleher began Southwest with a simple strategy: to provide passengers with short-haul, direct flights at a reasonable cost. To keep costs down, Kelleher cut out meals, frills and first class. This simple, focused strategy has formed the core of Southwest's success.

In addition, the 20-minute turnaround (which, as we describe in the film, arose out of necessity), has provided Southwest with an additional strategic advantage - it is able to keep the planes in the air more than its competitors, further enhancing profitability.

All of this, however, wouldn't happen if the people at Southwest weren't motivated and committed to the airline. Herb Kelleher has realized the power of the "intangibles," such as fun and respect, and in the process has built a workforce that is the envy of his peers. As stated in the program, Kelleher believes that if the company takes care of employees, they will then make sure that the customer is well served. If these two interest groups are satisfied, then the company will be profitable and the shareholders rewarded.

Kelleher and Barrett reinforce the commitment to people in various ways. When you visit Southwest Airlines' corporate headquarters, you don't see fancy artwork hanging on the walls; you see pictures – thousands of pictures of employees and management in celebrations, birthday parties, and other events. These pictures subtly, but clearly, illustrate the people focus of Southwest.

Herb Kelleher also has a remarkable memory for names. Many of the employees we interviewed mentioned that they were amazed that Herb remembered their names after only one meeting. In simple ways like this, Kelleher shows that he values and respects the people who work for Southwest.

Finally, Southwest Airlines spends a tremendous amount of time and effort on hiring. Not only does the company read and evaluate every resume submitted, but they also carefully screen potential new hires. Each new hire is interviewed by a team of three employees drawn from a pool of management and staff. All three must agree that the candidate has what it takes to be a committed and motivated Southwest employee for that candidate to be hired.

The company vigorously resists bureaucracy. Herb Kelleher and Colleen Barrett encourage people to get things done and not "go through channels." As Herb stated in our interview:

I have often said that to be successful in business, you do not have to walk around all day looking like a brick and so we give people the opportunity to be themselves. I mean, if you have a good sense of humor, use it. If you like to crack jokes, do it and speak frankly and forthrightly at all times because we cannot afford the bureaucratic, hierarchical tangle of

people going through some kind of minuet dance and if you want information, go to the people who have it and just ask them directly. Do not go through channels to get it which takes up a lot of time. Basically, we give people the opportunity to be themselves, to be individualistic.

All of this adds up to a culture where people work very hard and have lots of fun, while Southwest has grown into one of the most profitable and successful airlines in the world.

Discuss/Debate

Herb Kelleher uses the philosophy of putting employees first. Even in a situation where the customer is dissatisfied, the employees come first. According to Kelleher, this is one of the keys to success and one of the reasons for Southwest's outstanding service record. How does your organization rank employees, customers and shareholders? Do you follow Herb Kelleher's approach? If not, discuss changing your philosophy to reflect it.

Southwest is extremely selective in its hiring, both in evaluating resumes and in the actual interviewing. Do you look for people who share your organization's philosophies? Do you have employees at different levels interview potential new hires? Discuss your hiring philosophy in light of Southwest's.

Fun is a part of the organizational philosophy at Southwest. The company regularly celebrates people and tries to foster an atmosphere of fun. What role (if any) does fun play in your organization? Do you think that celebration and fun should play a more important part? Discuss changing your corporate philosophy to create a culture that celebrates people more. What would you have to do to effect this?

Southwest resists bureaucracy wherever possible. Is your company hierarchical? Do you have rules and processes for everything? Are they necessary? Do they get in the way of efficiently getting things done? Discuss what you can do to "de-bureaucratize" your organization.

Reflection Exercise: What Would Herb Do?

Imagine that Herb Kelleher is hired to lead your department, division or organization. How might the culture around you change? What specific changes might Herb make? What effects might the new cultural influences have on your customer service, your product quality, your productivity or profitability? What changes would he make in the overall business strategy?

Application Exercise: Bridging Culture Gaps

An organization's culture is comprised of a distinct constellation of beliefs, values, work styles and relationships. It is the social glue that binds members of an organization through shared behavior and emotions.

In the following exercise, bridge the gap between the culture at your organization and the culture at Southwest.

Step 1: Define Southwest's culture. On the left side of a whiteboard (or flip chart) list the cultural characteristics of Southwest Airlines. Use the culture questionnaire (below) as a guideline in creating this list.

Step 2: Define your culture. On the right side of the whiteboard, list the cultural attributes of your organization. Create your list in the same manner in which you create the list for Southwest using the culture questionnaire below.

Step 3: Create a strategy for change. Review the cultural characteristics of Southwest and circle those attributes that might be effective in your organization. To evolve a culture, current systems need to be modified, or new systems need to be created to encourage new behaviors. For example, if an organization decides that it wants its employees to be more customer-focused it might change its training and development program, its recruiting and staffing process or its socialization model for new members. For each circled cultural characteristic list the system (or systems) within your organization that

need to be changed to evolve that attribute into your culture, and then develop a list of action steps to begin changing those systems.

Culture Questionnaire

1. *Communication Patterns:* Is organizational communication restricted to those at the top or is information shared at all levels of the organization?
2. *Leadership:* Are the goals and performance expectations of the organization clear, or are they ambiguous?
3. *Organizational Climate:* Is the atmosphere within your organization open or closed, authoritative or democratic, repressive or developmental?
4. *Individual Initiative:* What is the degree of individual responsibility and freedom?
5. *Management Support:* Do managers provide clear communication, assistance and support to their subordinates?
6. *Unity:* Are the different departments, units, or divisions encouraged to work together?
7. *Identity:* Do members of the organization identify with the organization as a whole rather than with their particular work group?
8. *Control:* Does the number of rules and regulations within the organization or the amount of supervision used to oversee employees stifle performance?
9. *Technology:* Are technologies adequate for performance? What is state-of-art and how does your company compare?
10. *Reward System:* Are reward allocations based on employee performance or more arbitrary measures?

11. Risk Tolerance: Does the organization tolerate risk, or is it risk-averse?

12. Conflict Tolerance: What are the norms for dealing with conflict? Are employees encouraged to air conflicts openly or to suppress their feelings?

File 2: The Defense Personnel Support Center

Changing the Government Way

Knowledge check

Key Lessons & Overview

- ✓ Change is inevitable, important and beneficial.
- ✓ Change needs to be approached as an evolution that is gradual and constant, not as a revolution.
- ✓ Change doesn't happen without support from the top.
- ✓ Sometimes you have to throw away old assumptions and ways of doing things in order to genuinely improve processes.
- ✓ You have to support people in the process of taking risks.
- ✓ Benchmarking other successful approaches can be helpful in deciding how to change.

The Defense Personnel Support Center provides food, medical supplies, and clothing to the U.S. military. Over the past decade, DPSC has transformed an obsolete procurement and storage system into a business operation that would be the envy of many modern organizations.

The support center is located on an Army base in South Philadelphia. Until a few years ago, it followed a centuries-old pattern of military procurement. One branch of the Armed Forces, the Army, for example, would write up elaborate specifications for desired goods; then the center would select contractors to provide the goods, based on a rigid system of sealed bids. It would buy items based on forecasts of

demand and store huge quantities in its large depots. Local bases also had warehouses, crowded with goods for everyday use and stacked to the ceiling with items that might be needed in a mobilization for war.

The center's employees led the revolution to modernize its antiquated procurement practices by imitating, and, then in some cases, surpassing, the standards of customer service and just-in-time inventory management developed by the private sector. By 1995 virtually all of the center's customer orders, vendor confirmations, delivery invoices, and vendor payments were handled electronically. The government no longer had items specially manufactured if they were available commercially. Retail level goods were bought at low prices and delivered quickly to customers.

Another innovation for DPSC was to alter its view of its internal customers. Prior to the changes, the word "customer" was never used and the level of service reflected this attitude. After the changes, DPSC not only began to call supply officers customers, but the agency actually began to treat them like customers.

DPSC created teams to develop and implement innovations. These teams benchmarked from existing systems and processes in the public and private sector to create their innovations. Each new idea was tested in a small area. The successful ideas were implemented system-wide.

How do you create revolutionary change and innovation as a leader? DPSC's Bob Molino provided insights into four steps:

I don't think that you start off, wake up one Monday morning and say, I'm going to reengineer this entire business practice – I don't think that's how it happens. I know that didn't happen in my case. We started off with more realistic pieces of it.

And actually, there are really four distinct parts. First of all, in our case, you have to deal with the business practices themselves: how are we actually doing our business here and can we do it better? And for us, that meant moving from buying things one at a time to getting into corporate con-

tracts and long-term arrangements and using best value factors which we had never done before.

The second piece has to do with changing relationships – starting with your customers, to bring them in and understand what they need better than we did before. And to change your relationship with your vendors, to treat them as trusted partners rather than as antagonists to be dealt with. Government procurement, I think, has been characterized by arm's length contractors awarding to low bidders and receiving marginal service. And that's been going on in the procurement process that has remained relatively unchanged since 1860.

So, to talk about changing relationships with vendors and developing trusted partnerships sounds simple, but it really is a radical departure from how we did it before.

The third level has to do with jobs and organizations. When you change how you're doing business and you change how you're relating to your partners, your jobs change. And the organization has to change to do that.

For instance, people who used to do inventory management, keep track of inventory held in the large depots and warehouses, when you move to direct vendor delivery and just in time inventories going to the customer directly, bypassing your depot system, you've got to change their job. What does an inventory manager do now? An inventory manager no longer keeps track of things on his shelf, but keeps track of business arrangements and who has what, and causes the business arrangement to satisfy the customer's needs.

And lastly, you move to the level of reengineering the culture of the organization. I think people who haven't been here, say for the last five, six, or seven years or are coming through the first time, walk around and talk to the people here and feel a sense of excitement and a sense of pride in what they're doing. I think you'll see what I'm calling entrepreneurs at work. And I think that's a radically dif-

ferent environment from the one that I came into in 1986, where we had government servants doing their government jobs, in a very kind of... government way.”

It is clear that government agencies are being asked to change the way they do their jobs - and in the process achieve higher levels of efficiency and service - much like the private sector. Managers must communicate about change on a regular basis and understand that change can be threatening to people. Most important, change needs to be approached as a gradual and constant process – the actual changes can be revolutionary, but the approach must be evolutionary.

Discuss / Debate

The issue of taking risks has special dimensions in the public sector. In the private sector, managers can assume a certain amount of risk as a part of doing business. In the public sector, risk is more difficult. Being answerable to politicians and the public (as well as the press) presents unique challenges. Clearly, Bob Molino and the team at DPSC were willing to assume risks and challenges to change the way the government did business. How can your organization manage the risks that come with change? Discuss ways in which the risk factors can either be controlled (or made public up front) as a part of managing and taking risks for change.

DPSC is, in many ways, the ultimate bureaucracy. They were guided by rules in everything that they did. Many of these rules were made with the best of intentions, designed to insure quality and reduce the possibility of graft and theft. In the process, the rules became the manager's reason for existence. Over the years, the mission became clouded and impeded. Are there unnecessary rules in your organization? Do they actually serve your mission or do they get in the way? Do the rules work? Discuss the rules that you operate under and review if they are really necessary.

In some cases, it is necessary to radically change the way you're doing business. At DPSC, the managers revolutionized the way in which food, medicine and clothing were purchased and delivered to customers, even though they had been operating the same way for

over 120 years. Part of the lesson here is to remain open to ideas and not dismiss new approaches. Have you reevaluated your operations recently, or are you doing things the way you've always been doing them? Do you need to change?

Reflection Exercise: Enhancing Supplier Relationships

Focus on a relationship your department or company has with an outside vendor or consultant that needs betterment. Referencing the issues presented in the film, think about ways the relationship might be improved, and then contemplate the impact the enhanced relationship might have on your organization.

Application Exercise: From Bureaucratic to State-of-the-Art

The benefits of improving a business process are many. Typically, the list includes higher levels of customer satisfaction and product quality, decreased costs, and increased productivity, market share, profitability and revenue. In the exercise that follows your goal is to focus on a bureaucratic business process in your department and transform it into a state-of-the-art process.

1. *Review* the film and make a list of the tactics used by the team at DPSC to reengineer their business processes. Some of the tactics you might consider include: empowering vendors, deleting unnecessary process steps and focusing on customer needs.
2. *Identify* a business process in your department that needs to be improved. Focus on a cumbersome process that is not adding to your bottom line or increasing your customer satisfaction index.
3. *Map the business process.* Using index cards, write one process step on one card, and then arrange the cards in the order the business process currently occurs.

4. *Analyze and improve the business process.* Using the tactics presented in the film analyze your business process. For example, you may want to delete any unnecessary steps that are not value-added, and modify or develop new steps for those that do not facilitate higher levels of customer service or increased productivity and profitability. Look for breakthrough opportunities. Write notes on existing index cards to improve a step, delete those cards that no longer fit the process, and create new cards to add new process steps. Or, delete all of the cards and start with a clean sheet of paper.
5. *Create a strategy for change.* After you have created a map of your new, state-of-the-art business process, the next step is to develop a strategy for implementation. Use the change management techniques discussed in the film to draft an actionable implementation plan that specifies tasks, resources, and the timing of events.

File 3: Timberland

The Value of Community

Knowledge check

Key Lessons & Overview

- ✓ Winning strategies can include community outreach.
- ✓ Timberland considers its commitment to the community an investment.
- ✓ Involving your employees in the community is one way to build commitment and gain motivation.
- ✓ Community involvement also delivers benefits in customer relations.
- ✓ Think about developing the “whole person” in each employee.

In today's competitive environment, businesses have a constant challenge: how can they differentiate their products and the company from the competition. These days, product quality, competitive price and superior service are taken for granted – every retailer and manufacturer needs them to remain in the game. So what are the new competitive differentiation factors? One that is emerging on a fairly widespread basis is corporate responsibility. Broadly defined, this includes a commitment to an organizational atmosphere embracing of diversity that allows people to feel empowered, and a corporate philosophy that contributes to community well being. Increasingly, these factors are providing competitive advantage by appealing to customers in a competitive retail environment and employees in a tight job market.

Timberland is an example of a company committed to this level of corporate responsibility. But the story for Timberland is not that it

has made a commitment to larger corporate responsibility, it is the value that the corporation (and subsequently their shareholders and customers) has derived from it.

Timberland is a family-owned company noted for its tremendous growth in the competitive world of clothing. They attribute their success to three factors:

1. The manufacture of high quality products
2. Leveraging that quality into brand development and into a wide range of products
3. Creating an organization that allows people to remain committed to their communities as part of their “whole person” strategy

Timberland calls this commitment “Boot, Brand and Belief.” The company has been trying to create an environment where employees feel more committed to Timberland through its efforts to recognize and support outside interests and values of employees. This commitment was put to the test in 1995.

1995 was a bad year for Timberland. A decade of rapid growth hit home, causing the company to re-focus and lay off employees. These tough times, however, did not stop Timberland from continuing the commitment to the community. In fact, in some ways, the consistency of the external commitment and the employee’s involvement helped to reenergize and refocus on the larger goals of the business.

Timberland bounced back from its problems and has recorded steady growth ever since. It attributes its success, in part, to its outreach to the community. How? According to COO Jeff Swartz, this gives employees the opportunity to feel valued for more than just their work. Because of their service, the company values them and as a result they feel more invested in the company’s success. In addition, the planned community projects serve another function. As people from different departments join in company-sponsored community service, they increase interdepartmental communication and socialize in a setting away from work.

Today, Timberland continues to build on its creative commitment to the community through its partnership with City Year, a national youth service initiative that unites young adults age 17-23 from

diverse backgrounds for one year of full-time community service. City Year is the first youth service corps launched entirely through private sector support. Timberland started out donating boots to City Year in 1989, and in 1995 committed an unprecedented \$5 million investment over the next five years.

Timberland's commitment has extended beyond mere philanthropy. The company and City Year collaborate often in many community service projects. The result of this effort: two separate organizations, one corporate, one non-profit, each of whom is stronger due to a creative collaboration. Jeff Swartz says that there is a difference between being smart and being wise: Timberland and Schwartz are plenty smart, but it is their community collaboration that is helping the company become wise.

Discuss / Debate

Timberland's commitment to the community is part of its strategy for success. They see it as helping to create a stronger bond with employees. Are there opportunities in your organization for people to get involved in ways that show how the organization values its employees and its community simultaneously? Discuss ways you can increase activity in this area.

Timberland's planned community projects provide a different benefit to the company. When employees from different departments join on projects, they improve communication and mutual respect, benefiting the company through improved internal bonds. Discuss ways in which you can get involved in projects outside of the office to provide a similar internal benefit, while at the same time helping the community.

One point for debate is the entire concept of community involvement. Discuss in a group whether there is a benefit to the company being engaged in community projects.

In the film, there is a brief segment where City Year trains Timberland employees on leadership skills. Using the poles of a compass, they create a language that allows people to better understand

and communicate with others. If there are communication problems in your organization, do you use specific communication exercises to improve teamwork? Try some.

Reflection Exercise: Creating the Essence of Your Company

Timberland is about “Boot, Brand and Belief.” What words best describe your organization’s philosophy? Think about the products or services your company offers, its culture and business philosophy, and then take out a sheet of paper and write a few individual words or a short phrase that best represents the essence of your company.

Application Exercise: Balancing the Equation

The film states that, “Usual financial modules stop at the shareholder. They do not take into consideration the employees, the customer and the community.” Timberland is an organization that constantly tries to balance four ideals: shareholders, employees, customers and community.

List these four ideals horizontally across the top of a whiteboard (or flip chart), and then think about your organization in relation to each of these ideals. Where are you focusing your efforts? Does your company favor the shareholder, the community, the customer or employees? Assign a percentage to each ideal, and make sure that the percentages add up to 100%. (The percentages should represent the value you place on the ideal.) How balanced is your equation? Try to balance it by developing tactics that will place an equal amount of emphasis on each of the four ideals.

File 4: Rubbermaid

Streamlining for Global Competition

Knowledge check

Key Lessons & Overview

- ✓ Knowing who your competitors are and what they are trying to do helps set the context for daily work.
- ✓ Competition is ever present. You have to be aware of the competitive environment in order to succeed.
- ✓ Speed is becoming increasingly important in being an effective competitor.
- ✓ Teams can be a powerful tool for innovation and success in the marketplace – particularly as an organization grows.
- ✓ Big companies can learn from entrepreneurial management styles.

Rubbermaid is the leader in the consumer plastics industry.

The company has been hailed for its innovation and creativity... and year after year has been listed as one of the most highly admired companies in America. Recently, however, Rubbermaid has come under pressure from three different areas: international competition, retailers demanding lower prices, and increasing costs of raw materials.

How is Rubbermaid meeting this challenge? In addition to streamlining and simplifying operations, they are putting even more emphasis on teamwork. Specifically, teams now act like entrepreneurs: working on innovation, marketing and winning shelf space. At the same time, these teams are given all of the advantages that come from

working for a larger company.

How is this new strategy working for Rubbermaid? *The Excellence Files* lets viewers compare how Rubbermaid and a competitor from Israel, ZAG, are each developing strategies and features to win shelf space and market share for a new line of toolboxes. Each team discusses issues like color, size, international markets and features – an unprecedented look at the realities of competition.

Who will win in this global battle? Rubbermaid believes that part of the strategy for success is speed. Companies that beat their competition to the market will win over and over again, according to CEO Wolfgang Schmitt.

Discuss/Debate

Tough competition—usually global—is an increasing reality for businesses everywhere. Whether it is across the street, across the country or across the globe, your competitors are working around tables and in conference rooms talking about exactly the same topics that you are talking about. What will distinguish you from your competition? At Rubbermaid, they believe that it is speed and features. Is that it for you? Discuss in your group what the distinguishing characteristics are that separate you from your competition.

Teams are the tool Rubbermaid uses to create an entrepreneurial spirit within a huge corporation. Teams at Rubbermaid have a significant amount of autonomy, and also have a tremendous amount of responsibility. How much does your organization use teams to distinguish itself? How much autonomy and authority do teams have? Do they need more?

Wolfgang Schmitt states that “fast companies will beat slow companies every time.” How fast does your organization operate? Are your competitors faster? Discuss ways in which you can speed up your operations. Would communication help? How about autonomous teams?

Reflection Exercise:

Presenting Fast-paced Innovation

Here's the situation. A small, innovative company is beginning to eat away at your market share and the price of your raw material is escalating. You have been charged with developing a presentation that focuses on the skills of fast-paced teams. You are to deliver your presentation to the product development leaders in your organization. Review the presentation in your mind. How would it start? What team skills would you focus on throughout the presentation? How would the presentation end? Reference the segments in the film that show the teams at Rubbermaid and Zag.

Application Exercise: Getting There First

The film states that "Fast companies beat slow companies every time," and that, "The market rewards those that can get there first."

How could your company increase its speed to market? On a whiteboard list the strategies Rubbermaid and Zag uses to stay competitive. Then, develop a list of ways that your organization can pursue fast-paced innovation. Use the list of Innovation Strategies below to get started.

Innovation Strategies /Thought Starters

- ✓ Build an innovation campaign at your organization
- ✓ Appoint a chief innovation officer
- ✓ Develop a mechanism for sharing new ideas, for example, create a dedicated Lotus Notes database
- ✓ Set up an innovation center
- ✓ Adjust your performance management system to reward new ideas

File 5: Whole Foods Market

21st Century Teams

Knowledge check

Key Lessons & Overview

- ✓ If you want to attract committed, highly qualified workers, you need to offer them a level of control and authority.
- ✓ Contests and rewards help spur team achievement.
- ✓ Like Southwest Airlines, Whole Foods Market believes that satisfied employees deliver outstanding customer service.
- ✓ World class customer service depends on people genuinely interacting with customers.
- ✓ Teams, acting as entrepreneurs, can be effective managers.

Many might argue that the grocery store business would be the last place to look for revolutionary ideas about management and teamwork. Consider Whole Foods Market. Anyone who works here quickly learns that “teams” dominate and prevail at all levels of the business. Only teams have the power to approve new hires for full time jobs (it takes a two-thirds vote and a 30 day trial to become a permanent employee); each department is a profit center operated autonomously by a team; leaders in each store also make up a team; additionally, store leaders in each region form a team, as do Whole Food’s six regional presidents.

Whole Foods Market is focused on providing an attractive and inviting environment for customers. With beautiful displays of produce

and aggressive sampling of products, its stores feel more like a fine greengrocer from another era. At the same time, the company attracts a very diverse range of employees. We met people who had left professional management jobs in hospitals and banks to work at Whole Foods. Some had owned their own businesses, others were fresh out of high school. This diverse group shares one primary characteristic: each person derives pleasure from interactions with the customer.

It is clear that Whole Foods Market is able to attract a high caliber of employee – (how many people in the cheese department of your local grocery would use the word “Byzantine” in a sentence?) They do this by delegating genuine management authority in an environment where employees interact proactively with the customer.

Interestingly, this has a real payoff for the company: the employees provide solid, personalized service that delivers exceptional levels of customer satisfaction and retention.

It is likely that some elements of the management philosophy that drives Whole Foods Market are a product of the 1960’s era when natural food cooperatives began to bloom. The service Whole Foods’ employees provide requires them to spend more time meeting and talking with customers. The result is a group of customers who look forward to the experience of shopping and spend more time in the market – and in the process, buy more food.

Discuss/Debate

Whole Foods Market uses teams to manage different departments. Part of the reason they are able to do this is they hire committed and well qualified people. Discuss how comfortable you are with the concept of ceding management authority to teams. What kinds of responsibility do you feel comfortable giving them? Can you give more? Discuss this management style.

Whole Foods Market is known for superior customer service. This comes from a diverse group of employees who take the time to interact individually with each customer. Do you emphasize individualized service with customers? Do you look for sales and service people

who genuinely enjoy interacting with customers? Discuss ways in which you can provide increased personalized service for your customers. How can you make your customer feel special? How can you find personnel who excel in this area?

Michael Massaro says that managers establish the guideposts for the employees and allow them great freedom within those guideposts to serve the customers. What are the guideposts in your organization. Do you permit freedom within those guidelines? Is the answer is no, what can you do to allow this to happen?

Reflection Exercise: Pondering Power

Whole Foods believes in employee empowerment. Management wants employees to do their jobs like they are running their own businesses. Imagine that the level of empowerment has been significantly increased at your organization. How might this effect your behavior and the behavior of those around you? What impact might this have on your company's customer satisfaction, product quality or profitability?

Application Exercise: Exploring Friendly Competition

Whole Foods believes that "friendly competition" brings out the best in people. Get a small group together at your company to explore the concept of "friendly competition." Discuss how this approach might increase morale and initiative.

1. Ask the members of the group to pretend that they have been hired as consultants to improve team performance by introducing competitive activities and measures within your organization. Ask them to develop a short presentation that outlines their recommendations.
2. Have each member of the group present their strategies.
3. Maintain a list of the strategies that might be useful for your com-

pany on a separate flip chart.

4. After everyone has presented, hold a discussion to finalize a list of the strategies that could be implemented within your company.
5. Develop an action plan to implement the strategies.

File 6: USAA

Future-Proofing the Business

Knowledge check

Key Lessons & Overview

- ✓ Winning the 100 yard dash by 90 yards is a valid objective in any business or team.
- ✓ Resting on laurels is a ticket to disaster.
- ✓ Satisfied employees are a key factor in delivering outstanding service.
- ✓ If you want employees to be flexible and able to change with shifting business realities, it is vital to have a focus on continuous learning.
- ✓ Workplace amenities can make a big difference in morale and performance.

USAA is one of the largest insurance companies in the United States. Policyholders “own” the company and are passionate about “their” company. USAA services military officers and their families. It has a customer loyalty and retention rate that is the envy of other insurers in the United States. USAA is aware that they are at the top, but they’re not resting on their laurels. They are trying to stay ahead by “Future-Proofing” their business. How do they do it?

At the core, we find three elements: continuous learning at all levels, use of technology that empowers the front line, and a culture that is never satisfied with the status quo. The mission of every employee at USAA is to strive towards ever-faster, ever-better customer service. It all begins with USAA’s headquarters.

The USAA headquarters houses the majority of the 16,500 employ-

ees on a 286 acre campus. Employees are provided with the following range of services to meet their specific needs: five cafeterias, health clinics, fitness facilities, stores, post office, travel agency, day care, precooked dinners for sale to employees and their families, and outdoor recreation facilities. All of this is driven by the concept that a happy employee will be better able to deliver outstanding service to his or her customer (or “member” in the USAA terminology).

But the attention to the employee doesn’t merely involve the extensive amenities. One of the core strategies USAA embraces is the concept of lifelong learning. With an intense focus on training and an aggressive promotion of continuous learning, the company’s 77 classrooms are almost always full, day and night. At any given time, over 30% of USAA employees are involved in education. Does this work? You bet it does. Janice Marshall is a classic example of an employee who took advantage of USAA’s education programs. Now President of USAA Buying Services Inc., she started in 1967 as a file clerk. Since 1971, when USAA began to pay for continuing education, Janice has attained her college and graduate degrees from schools in the San Antonio area.

Why does USAA have this passionate focus on learning? It all boils down to an almost obsessive commitment to their members. There is a pervasive belief that educated and empowered employees are the key to delivering superior customer service, which is a critical competitive differentiation for USAA.

Another aspect of the USAA commitment to learning can be found in its new leadership program. USAA saw a need for mid-level managers to develop new skills and adapt to the changing work environment. In a program located at the Darden School of Business at the University of Virginia, all of USAA’s 1,200 property and casualty managers go through an intense, week-long training program designed to reawaken their potential, enhance coaching and mentoring skills, and give them a new perspective on their jobs. Managers have returned to their offices with a renewed commitment to the company and to those they manage.

USAA, however is not complacent with this success formula. With organizational bylaws that prevent soliciting the public at large for

their core property and casualty business, they are determined to retain every existing member. They do this by listening and responding to member feedback instantly. One tool that they use for quick response is the ECHO system. ECHO stands for “Every Contact Has Opportunity.”

ECHO provides each of the 3,000 customer representatives the opportunity to immediately input member feedback, both positive and negative. This feedback is routed to the division responsible for that specific function. ECHO allows USAA to quickly and decisively respond to customer concerns, thus giving USAA the attributes of a small, nimble company. ECHO feedback is compiled in weekly reports that are reviewed intensively by senior management. This allows for longer term analysis and responsiveness towards any problems that might indicate system wide solutions. ECHO is also a reflection of USAA’s growing commitment to empowered employees.

All of this adds up to an impressive formula that works. The company’s legendary customer service is directly attributable to a corporate culture that focuses on empowering, satisfying, and continuously educating employees, and an obsession with listening to the customer and acting on feedback.

Discuss/Debate

Continuous learning is one of the tools USAA uses to “Future-Proof” the business. Management believes that educated workers will better serve customers and will be better able to move within the organization to meet the changing demands of the business. How much do you emphasize education in your organization? What can you do to increase the level of education?

USAA has created alliances with local colleges to provide education for employees. What can you do to create alliances with local educators to enhance the atmosphere of continuous learning?

USAA aggressively tries to avoid being complacent, notwithstanding its success in the insurance and financial services industry. They do this through “Future-Proofing” their organization. The concept of

“Future-Proofing” is an interesting one. Discuss threats to your organization. What can you do to prepare for the future?

USAA also invests in providing employees with a comfortable working environment. This is another part of the strategy for bolstering employee satisfaction and thereby stimulating superior customer service. Discuss this philosophy and approach. Do you agree with USAA? If so, what more can you do to increase employee satisfaction?

Reflection Exercise: Getting Buy-In

One of the ways USAA future-proofs itself is by educating its employees. At the training session in the film, the topic was how to get “buy-in” from your boss. Think about an upcoming event when you will be challenged to obtain someone's buy-in. Plan the interaction from start to finish. How will you begin the conversation? How will you present your case? What topics will you cover, and in what order? What tactics will you use? What obstacles will you be faced with? How do you plan to overcome these obstacles?

Application Exercise: Future-Proofing Your Company

USAA believes that in order for a company to stay competitive, it must Future-Proof itself. Get a small group together at your company and explore the concept of Future-Proofing. Review the film and make a list of all of the Future-Proofing strategies used by USAA. Then, using USAA's strategies as a starting point, develop a future-proof plan for your company.

File 7: WFD (Work/Family Directions)

Building a Committed Workforce

Knowledge check

Key Lessons & Overview

- ✓ Stress is managed and addressed in successful organizations.
- ✓ It is vital to build a workforce that is committed to the company.
- ✓ Work/family issues provide an opportunity for companies to differentiate.
- ✓ The “soft” issues are becoming key strategic issues allowing companies to attract the best employees.
- ✓ Human resources should be thought of as a balance sheet item.

The workplace in America is undergoing some of its most radical changes ever – and nowhere is this more evident than in the emergence of Work/Family Directions. Work/Family Directions is a Boston-based company, led by Fran Sussner Rodgers, that has arisen out of two different organizational “revolutions” which point the way to the new realities that businesses are facing. The first revolves around changes that have happened in the business climate itself - driven by global competition and the accelerating pace of change. The second can be found in the workforce. The composition of the workforce is changing rapidly - not only on terms of gender, and ethnic mix, but also in the expectations of workers themselves.

Work/Family Directions, or WFD, is helping businesses deal with the convergence of these two different revolutions and, at the same time, it provides business with resources that help organizations maximize

the job commitment and performance of their employees. The core of its effort is to help individuals cope effectively with personal or organizational change by providing tools that allow them to anticipate and prepare for it – in essence to demystify change.

How does this trend manifest itself at the front line? How can employees stay ahead of the curve? At BankBoston, we hear from CEO Chad Gifford about the need to keep people at their best and ahead of the curve. Through interviews with employees on the job, we come to understand how the services can genuinely help individuals – and pay off for the employer – in terms of a committed, enthusiastic workforce.

Discuss / Debate

Both the CEO of BankBoston, Chad Gifford, and Fran Sussner Rodgers believe that work and family issues are not “soft” but have real bottom line impact. Discuss how to build a committed workforce. Do you agree with Chad Gifford and Fran Sussner Rodgers? Are these really “soft” or “hard” issues?

Fran Sussner Rodgers believes that a committed workforce is a vital strategic asset for companies. Discuss ways that your organization currently builds commitment. What more can you do?

BankBoston, Southwest, Timberland and USAA all use different methods to motivate and inspire employees, sharing a common belief that motivated, educated and happy employees are better able to serve customers. Discuss the different ways that these companies motivate their employees. What can your organization do to inspire its people?

Chad Gifford discusses the importance of achieving a diverse workforce. As he says, “Whether they are single mothers, African American, gay/lesbian doesn’t matter.” What does matter is that the bank attracts the best, most committed workers possible. Discuss this philosophy. Do you agree with Chad Gifford? If you agree, what are you doing to promote diversity and commitment in your organization? Do you have a diversity statement for your company. Do you

cultivate diverse groups on your teams?

Reflection Exercise: Who Should Solve Personal Problems?

Take a moment and think about the personal problems you or your co-workers have been faced with over the last year. How were they resolved? Independently, or with the assistance of others? Now, imagine that an organization like WFD was available at the time. Would you have called and asked for help? Do you think that with outside, professional support you could have solved the problems quicker or made better decisions? Or do you believe that employees should solve their own problems without the intervention of employers or third parties?

Application Exercise: Getting Commitment Added to the Bottom Line

The film communicates that for, most companies, the largest budget expenditure is people and that human capital can become a company's added competitive advantage. The real problem, according to the film, is that employee commitment and needs are not on the balance sheet and receive far less attention than they should.

Get a group together and explore ways that you might begin to measure employee commitment and get it on your balance sheet. How could you incorporate the concept into your performance management system or budgets? How might you quantify "employee commitment?" Try developing a formula that could be used to add the item to your balance sheet and to your competitive planning and measurement systems.

File 8: Coca Cola

From Trouble to Marketing Opportunity

Knowledge check

Key Lessons & Overview

- ✓ Focus on your core identity.
- ✓ Brand equity is gold. Enhance it whenever possible.
- ✓ Be willing to take risks, but if you make a mistake, be willing to change and change fast.
- ✓ Keep your strategy simple and act decisively.
- ✓ Think locally in marketing plans.

Coca-Cola is the world's leading soft drink, enjoyed a billion times a day by people all over the globe. The familiar shape of its bottle and the flowing script of its trademark create one of the world's most widely recognized commercial symbols. Coca-Cola was recently listed as the number one company in *Fortune* Magazine's list of Most Admired Corporations.

During the 1970's and early 1980's Coke's management seemed to have lost faith in the soft drink industry. *Business Week* ran a cover story on "The Graying of the Soft Drink Industry" warning that a shifting market spelled doom. The business was in turmoil. Worse yet, Coca-Cola had lost market share, for nearly two decades. Roberto Goizueta faced a tricky situation when he took over as Chairman and CEO in 1981.

Goizueta was not willing to be passive and let market share continue

to slip away. Instead he became obsessed with gathering data and making changes within the company designed to reenergize the brand.

He renewed the company's commitment to soft drinks and introduced Diet Coke in 1982 which was very successful. He also became convinced that the formula for Coca-Cola itself needed to be altered to appeal to changes in consumer preferences. In 1985, the company did change the formula and introduced New Coke—a disastrous product launch. After a summer of customer complaints and press criticism, the company retreated and reintroduced the original formula, naming it Coca-Cola Classic. In the process, Goizueta learned an important lesson about the brand and the customer's attraction to it. He focused on the intangibles, the icons of Coca-Cola Classic and the feelings that consumers associated with the drink.

Today, Coke has rebounded from the 1985 fiasco in a truly spectacular manner. The brand has been reinvigorated and has achieved remarkable growth. The company's marketing focus has been tremendously successful. All of this is largely the product of Goizueta's leadership. When we asked the CEO to share his thoughts on what it takes to build a successful 21st century organization, he replied:

Well, first of all, I would tell anyone who asked me now, 'What do I need to do to build my organization for the 21st century?' I would tell him or her that he's starting too late. It takes a lot longer than three or four years. We have been at it, really, since 1980. And if you go back, since 1976, when we moved the headquarters of our international business from New York to Atlanta.

So first of all, I would say that it takes patience and time. Secondly, it takes moving people. You have to move people around, you have to provide them with different experiences, so they will develop the necessary skills. Thirdly, if you could get people who have worked under at least two cultures, I think that helps. A lot is said about speaking more than one language. I don't think that is as important as thinking in more than one way. If you have somebody who can only

think like things are done in the United States, you run into trouble. Because when you are in Japan, you have to learn to think like the Japanese; or when you are in Mexico, like a Mexican does. Whether or not you speak Spanish or you speak Japanese, is really not important.

Then you have to have a certain sense of humbleness in you, and realize that the world is huge and your company is just a tiny part of it. So consequently, you have to have the skill to be able to operate in an environment where you may not be king. When Coca-Cola started in many countries around the world, we were just a new company, the new kid around the block. You cannot act as the home run hitter when you're batting average is only .100.

So I would say all of those characteristics. And then, remain very flexible. In other words, adapt to the circumstances. You have to have a sense of direction, because if you don't know where you're going you don't want to get there very fast. So you have to have a sense of direction. You cannot change the wind, but you certainly can adjust your sails; as the wind changes, you adjust your sails to take advantage of the wind.

And then you have to be very focused. That is one advantage we have. We don't have to think about where we're going to put our money, because we only have one business, basically soft drinks, that's where all our money is. And when you are very focused and you are flexible, then you can be very fast.

And I think that speed energizes an organization. Nothing energizes an organization like speed. Whether it's a baseball team or a basketball team, the most exciting basketball team is the one that runs fast breaks, or stealing second base is very exciting. So speed energizes an organization and you have to be very fast, because change is occurring at increasingly rapid pace around the world. And remember that change is always unsettling, but uncharted change can be demoralizing.

And so I think that you have to adapt to change very quickly, and then move on. And don't look back. That's terribly important."

Discuss / Debate

Roberto Goizueta's leadership style has been hailed as a model of what to do right. The chairman states in the film that "leaders get paid to make decisions, not to always be right. At times you can be wrong and luck comes your way..." Discuss this concept of leadership. When you are in a leadership position, do you act decisively?

There is no doubt that Coke made a mistake in 1985. The master stroke for the company was to learn from the mistake, admit it and act decisively. Moreover, the company learned valuable lessons from 1985 that helped shape its strategy for the next decade. This sounds simple, but many other companies failed to learn from mistakes or started with bad ideas and went out of business. Does your culture allow for people to make mistakes, learn from them, and build? What can you do to institutionalize a level of acceptable risk taking in your organization?

Coke has maintained a very simple and focused strategy, divesting other businesses and focusing on soft drinks. Describe your organization's strategy. Are you focused? What can you do to keep things simple?

Clearly, the brand Coca-Cola is a very powerful one – one that has consumer attachments above and beyond simply the product in the bottle. Does your customer have any attachment to the products and services you provide. What can you do to enhance that association? How can you build your identity in the consumers mind?

Reflection Exercise: Exploring the Power of the Brand

Over the past few years, many organizations have been refocusing their marketing efforts on building strong brand images in the minds

of consumers. Why do you think this is happening? What is the relevance to your organization?

Application Exercise: Building Your Brand

Could the brand image of your organization be stronger? Complete the application exercise below to explore ways to build your brand.

1. Carefully review the film and make a list of the strategies Coca-Cola uses to build its brand image in the minds of consumers all over the world.
2. On a whiteboard (or flip chart) list all of the strategies you discover.
3. Circle the strategies that you could apply at your company and add any new ideas that surface during the discussion.
4. Develop a plan for instituting the strategies.

Application Exercise: Making the Right Strategic Moves

In the mid-1960s, Coca-Cola was losing market share to other companies entering the sugar cola segment of the soft drink industry, a market segment that was shrinking. Twenty years later, Coke reacted to these changing market conditions by reinventing the taste of its product.

Here's the situation. Your company is losing market share to existing industry players who are differentiating their products, and to new industry players who are entering your competitive arena with fresh approaches. In addition, the market segment in which you compete is shrinking. Given this scenario, what would you do? What strategic moves would you make to regain your market share? For example, would you change your product? Change its price? Invent a new product? Change your communication, advertising and marketing strategies? Find new marketing and distribution channels? Redesign your salesforce strategy? On a whiteboard (or flip chart), develop a list of strategic moves that would help you regain your market position.

Conclusion

The Excellence Files contain lessons for the future. Concepts of business have expanded tremendously in the last decade of the 20th century. Doing business now includes much more than delivering excellent service, high quality products and continuous innovation. It is a new kind of teamwork—empowered to achieve business goals and satisfy customer demands. It is companies who are nimble and entrepreneurial in the face of new competitive realities. It is leaders who have a clear focus and act decisively and can learn from mistakes. And it is people: people who are eager to learn, people who are willing to change, committed, motivated and inspired people.

There are several lessons that emerge from *The Excellence Files*:

- ✓ ***Don't be complacent.*** We visited some of the most highly admired organizations – organizations that are at the top of their form and should be comfortable with their position as #1. But we were wrong: Every one of these organizations were dissatisfied, even humble. They seemed to have an institutionalized paranoia, a feeling of always needing to be better.
- ✓ ***Strategic focus is vital.*** Southwest, Coca-Cola, DPSC and other organizations that we profiled all had clear, focused and straightforward strategies. This is key to their success.
- ✓ ***Learning.*** All of the organizations we visited had an almost obsessive focus on learning. Employees in the organizations poised for 21st century leadership are provided multiple opportunities to learn and to expand their knowledge of business, and related fields. Why? It's simple. In a "knowledge economy" the employees who are focused on learning will have the flexibility to contribute quickly and strategically to the organization's needs. Information and learning help insure that companies have knowl-

edgeable workers, who are more flexible and better able to serve the customers, and make decisions that in an earlier era would be the realm of senior management.

- ✓ *Teamwork is key.* The image of teams has changed significantly over the past several years, evolving from a sort of modified sports analogy into a strategic tool for organizational growth. Today's teams are empowered with significant decision making authority. They represent different functions within the organization, thereby enhancing cross departmental communications. They organize and dissolve as specific needs arise and are addressed. The teams at DPSC and Rubbermaid act like entrepreneurs, developing and launching products. The teams at Whole Foods act like managers, taking on personnel issues, buying products and training each other.
- ✓ *Move fast.* If there is one thing that all these organizations share, it is a sense that everything is moving fast and they need to move fast as well. There isn't time to rest in the new corporate reality. Management needs a well rounded, knowledgeable workforce that is poised to meet the challenges as they arise - in many respects, leaping from challenge to challenge. As Wolfgang Schmitt states in the Rubbermaid segment, "fast companies beat slow companies every day and it really doesn't make any difference what size you are."
- ✓ *Remain open to continuous change.* Even the best run organizations develop bureaucracies and processes that, over time become unnecessary or burdensome. In almost every case, these processes were developed to address specific needs or problems that no longer exist. Organizations must be willing to eliminate old ways of doing things and try new approaches. This process is vital to remaining fast and flexible. More importantly, the elimination of unnecessary and burdensome processes frees employees up to be more creative. Change needs to be continual.
- ✓ *The value of the individual/building a committed workforce.* Many of the companies profiled in this film believe passionately that motivated and committed employees are key to their future success. Satisfied, diverse employees are the key to success in the

future. Why? Because the cutting-edge corporations are asking so much more from their people, and the employees are demanding more in return. At Southwest, Timberland, USAA, BankBoston and Work Family Directions, you see different organizations trying different approaches focused on satisfying employees, – workers who, in turn, will deliver the best service and come up with innovative ideas to beat the competition.

- ✓ ***Balance your constituencies.*** Many of the organizations we profiled are constantly trying to create balance between four constituencies: employees, customers, shareholders and the community. This sense of balance is part of an expanded view of corporate responsibility and helps drive employee motivation and commitment.
- ✓ ***Entrepreneurial Lessons.*** More and more excellent companies, even though they may be 30 to 50 years old, or older, are learning from their much younger entrepreneurial brethren. Opportunity-seeking, a strong sense of mission and values, and focusing on one or two areas, rather than dozens, are just some examples.