



August 2009 - Leadership Letter (41)

“THE BREAKTHROUGH COMPANY!”

Hello Everyone ...

Thanks to Mike Flannery, CEO of Woolpert Inc., and writer Loy Wiley for suggesting this 2008 book to us. Mike and I used its Chapter 10 to help with their strategic planning.

Billed as *Good to Great for the small company*, it reflects the good research of former dean and CEO (twice) Keith McFarland as he sought answers to his own management dilemmas.

Keith began looking at **7,000 companies and winnowed them down to nine firms** that made a "breakthrough" into major growth; companies like ADTRAN, Chico's, Fastenal, Intuit, Paychex, Express Personnel, and SAS.

Every chapter contains gems for the leadership of all kinds of businesses ... services, manufacturing, transportation, technology, whatever.

I hope you enjoy the attached summary. I'm **sure** you'll enjoy Keith's well written, clearly illustrated, fully documented and enjoyable book!

All the best,

Mel

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THE BREAKTHROUGH COMPANY

by Keith McFarland

Crown Business

New York, 2008

McFarland's study of nine "breakthrough" companies, out of 7,000 small firms, identifies all the keys he could find that helped them become large and successful. Six are public, and three are still private.

Not interested in building a big firm? How's about a very profitable and people-oriented firm? Here are some of those keys:

- It's less about being in the "right" or "cool" industry; more about acting on available opportunities.
- How employees feel about the company is a significant driver of success. Is your "bus" attractive?
- As the company grows, you **must still find ways** to ...
 - give customers what they want,
 - keep costs low, and
 - react quickly.
- Build networks of support (scaffolding) around the company ... partners, suppliers, funders, external board members ... that you can count on.
- Enlist "insultants" ... key people inside the company who can and do think outside your box, push new perspectives, help avoid myopia and inertia (think GMC). However, "insultants" are also very good at getting people to listen seriously!
- Recognize there are three places a leader has the most leverage for creating success in his/her firm: **strategy, people and execution.**
- "Traditional strategic planning is dead." We agree. Yet **strategy** is more important than ever before!
It needs to involve your key leaders, create learning, and be done/updated frequently.

To this recipe, we would **add** that your strategic planning also needs to result in ...

- clear vision/aspirations.
- recognition of competitive edge.
- no more than three goals.
- some sort of "measure" for each goal.
- strong supporting strategies for each goal.
- **annual** action agendas, by each business unit, each year!

One of the best business books of 2008! Thank you Mike and Loy (of Woolpert) for recommending it.



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