

PERFORMANCE- BASED STRATEGY

Tools and Techniques for
Successful Decisions

This 'how-to' guide has worked well and will work for any group seriously wanting to change direction, change culture, and deliver results. The authors have done a very good job in a straight-forward, understandable and, most importantly, executable way to provide the roadmap to develop a strategy for your organization that will work, and with a deep commitment to communication, lead to results early in the first year of execution.

— Doug Oberhelman, Former Chairman and CEO,
Caterpillar Inc.

It is rare to see practice and theory combine as completely as they have in this book. Having had the pleasure of working with Steve and his team, and more importantly, having benefited directly as an investor, I can attest to the quality of his work. What is so terrific about this book is the clarity of thought and broader framework the authors provide as a scaffold for their very practical advice.

— David Steinglass, Partner,
Northlane Capital Partners, LLC

Your key customers and partners will also want to know if your strategy is sound. These tools will give the user command of their situation, and provide a powerful way to communicate it to both internal and external stakeholders.

— George Taylor, CEO,
Professional Cowboy Rodeo Association

The authors take the esoteric out of strategy development, which can be paralyzing for many leadership teams. Their actionable tools enable companies to quickly improve their strategy and ultimately their company's value. I have seen first-hand the power of these techniques in practice, and the results were amazing.

— Arthur R. Monaghan, Co-Founder,
Granite Equity Partners LLC

At a time when development of strategies in organizations is characterized by broad-brush, jargon-laden, vacuous discussions, this easy-to-read book reminds readers that crafting meaningful strategies is a challenging task that mandates paying attention to details. The authors also make the tools come alive by providing interesting anecdotes related to the particular tool in question. In brief, strategic decision makers and students of strategy can benefit greatly from reading this book.

— Dr. B. Ram Baliga, Professor of Strategy and
International Business, Wake Forest University

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Successful Decisions

BY

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INVESTOR IN PEOPLE

*To the memory of my father, Dr. Larry James Fairbanks.
I miss you every day.*

SCF

To Kathy, Alex and Andrej, for making me a better person.

AAB

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Foreword

Steve and Aaron have addressed “strategy” in a simple and understandable way. Too many strategic consultants make it too hard. It’s not. As the authors so eloquently point out, if you know your markets and your business, using the practical tools discussed in the book will lead to results in a fairly short time. That’s also my experience — do it quick, measure it as often as practicable and keep communicating, consistently. Far too often I would visit a Caterpillar plant or office and see “strategy” on the walls from years before, and some with pictures of prior management teams. How can leaders expect their team to execute a strategy if they don’t know what it is, understand it, and then live it?

This “how to” guide has worked and will work for any group seriously wanting to change direction, change culture, and deliver results. The authors have done a very good job, in a straightforward, understandable, and most importantly executable way to provide the roadmap to develop a strategy for your organization that will work, and with a deep commitment to communication, lead to results early in the first year of execution.

I particularly was impressed by “The 90-day Bucket Tool,” in which “Get it Done” is the driver. This is absolutely imperative in a company that needs change, and rapid moves reinforce leadership’s commitment to that change.

I applaud Steve and Aaron in compiling a lifetime of learning from a very practical academic and a proven turnaround CEO. This is a strong combination and one that has impressed me. I’ve no doubt this book will change how companies think about

strategy, from development, execution, coordination, and most importantly — results.

This book, *Performance-based Strategy: Tools and Techniques for Successful Decisions*, incorporates tried and true philosophies, exercises, and tactical recommendations to guide any kind of organization, of any size to identify and implement a strategic direction and then *deliver results*.

There are unknown quantities of books, articles, and scholarly academic productions written over the years to do what this book actually does — know your business, know your markets, know your customers, and then devise a direction based on deep core knowledge. All of this won't work unless all levels of management truly believe and then communicate to all constituents. This includes all the leaders, team members, key suppliers, and key customers! Everyone in the chain has to be knowledgeable and then believe in it! Then deliver!

*Doug Oberhelman,
Former Chairman and CEO, Caterpillar Inc.*

Acknowledgments

From Steve Fairbanks

The genesis of this book began one day at a corporate meeting about 10 years ago. I learned that Dr. Ram Baliga, Professor of Strategy at Wake Forest University, was in attendance. I corralled him between the meeting and dinner to review a just completed strategic plan for the company I was with. I asked him for his honest feedback — or any comment — since I rarely got the chance to consult such an academic expert on strategy. He remained quiet as I reviewed a series of tools I used to complete the plan for the constrained and failing organization. I thought I'd laid an egg. When finished he simply said, "Why are you asking me? This is one of the best uses of strategy tools I've ever seen — and would you consider coming to Winston-Salem and presenting these to my MBA students." What an honor. And I actually got invited back! My thanks to Ram for his generous support and eventual contributions to this book.

A year later, I was reacquainted with another business school professor, Dr. Aaron Buchko from Bradley University. Upon learning of my speaking with WFU's MBA students, and my subsequent sharing of that presentation, he similarly asked if I'd come to Bradley and share it with his Executive MBA students. Again, another honor and multiple repeat annual visits. The tools seemed to resonate even more strongly with the EMBA's — those students with full-time executive jobs under a variety of time and resource constraints. The feedback from them was very encouraging. It was Aaron who first suggested that the presentation would actually

make a great book. We both served on a company Board together, and after a couple of years of pushing, and to get me off-center, he said “Look, I’ll co-author it with you. This stuff needs to get out into the public.” After I completed my last turnaround project, I took him up on his offer. And I’m glad I did. Having worked with Aaron in the past, I always described him as a great academic thinker who actually understood the real world. That combination has been vital to this book. He has also turned out to be a great writing partner. My sincere thanks to Aaron for his indispensable help on this project and friendship over the years.

Along the way, I have been blessed to work with a wide variety of people and have endeavored to learn something from each boss, peer, and associate I’ve met on the shop floor. Without you, the tools in this book could not have been honed to the point that we felt they were mature enough to share. My hope is that your efforts here will truly help others. Rest assured there is a little bit of all of you in this book.

I’d like to thank Don Rimes for not only being a great mentor, but seeing something in me worth investing in and starting me on my servant leadership path. Likewise, I am indebted to Ken Blanchard and the Lead Like Jesus movement for helping me evolve further on that journey, and I would also like to thank Jim Mudd and Phil Hodges for showing me an incredible kindness at a particularly difficult time.

In my Private Equity life, I am thankful to have crossed paths with David Steinglass, Art Monaghan, and Brett Keith, all leaders in their respective firms, for their help, encouragement, and support as owners and Board members. I would also like to recognize and thank Judy Bland, Randy Ingram, Bob Kuch, Maria Oelke, Jeff Ingles, Earl White, Luke Livingston, and Rodney Crim — as executives and team members I was honored to count you as colleagues. I’d also like to recognize Greg Flint and the Anderson Center, an executive training group in St. Cloud, MN, for their thinking on the definition of strategy — which we adapted herein to round out our vision.

I’d like to thank my Mom and Dad for giving me a great foundation in my formative years. My Dad was also a college professor

and I remember walking around the ping-pong table as a kid in our basement hand collating stacks of pages for a book he had written. I've had writing a book on my bucket list ever since and am proud to follow in those footsteps.

I'd also like to thank my children, Craig, Corey, Allyse, and Evan for all their love and support through the years. In addition to their Dad working long hours at times, they also put up with more than their fair share of family moves. I am so proud of the men and women you've become, and the families you have started. I am forever in your debt and now look forward to the opportunity of trying to repay it.

Lastly, and most importantly, I am eternally grateful to my wife Lori. Any modicum of success I've had in the business world pales in comparison to the fact I've somehow been able to hold on to one of the most wonderful women in the world for 36 years. Thank you for your sacrifices, your tireless devotion to our children, your support and patience with me, and for keeping me grounded in those things that really matter the most in life.

From Aaron Buchko

Getting a book together and published is not an easy task and is the result of the efforts of numerous individuals. Trying to acknowledge everyone is like trying to get the speech right at the Academy Awards — you're going to forget someone, and then the music will start playing. Nonetheless, I'd be remiss if I didn't acknowledge some key people who made this possible.

First of all, I owe a huge debt of gratitude to Steve for allowing me to be his wingman on this journey. We've known each other for about 12 years now, and every chance I've had to work with him and watch him in action with a group of executives never ceases to amaze me at his ability to grasp the needs of his audience (whether a management team or students), then take really tough challenges and reduce these to simple tools that people can get their heads around and lead to good decisions and better results. In my view, he is a genius at strategy, and it has been a

privilege to have been able to learn from him over the years we've worked together.

This book would not have been possible without the thousands of executives I've worked with over the years who have been the "test lab" for many of these ideas. Some worked, some didn't; and they let me know which was which! Their time, energy, and effort helped to refine many of these concepts and make these tools better. Some of them are used as anonymous anecdotes; hopefully, they will recognize themselves in the book. I hope that, in some small way, their use of these tools helped pay them back in part for letting me into their companies to learn and work with their people. In particular, I would like to acknowledge a debt of gratitude to Alan Sadler, CEO of Triple S, who has been a true friend as well as a brilliant strategist, and Gordon Honegger, the Chairman of Hometown Community Banks, who is a master at strategic market insights.

Likewise, I've benefitted over the years from my colleagues at Bradley University, especially Dr. Larry Weinzimmer, my "partner in strategic management" and golfing idol, who has helped shape my views of the practice of strategy. My students at Bradley, both graduate and undergraduate, have applied these tools to various situations and helped improve the quality of these techniques in hundreds of classroom interactions; their questions and enthusiasm remind me why I became a professor.

None of us gets to where we are in life on our own, we are indebted to countless people who have influenced. In my case, my biggest influence in management was Dr. Eugene Jennings of Michigan State University. Gene was the most brilliant management scholar and thinker I've ever known. He died in 2016, and I miss being able to have him as a mentor, colleague, and friend to challenge my thinking and development. The management faculty at Michigan State in the late 80s turned me from a manager into a strategy professor, and I particularly want to thank Jim Skivington, John Wagner III, Glenn Omura, Harry Perlstadt, and Michael Moch. Before that, the faculty in the College of Business at Ferris State University set me on a path of intellectual fascination with business management. I've also been blessed to

have had wonderful parents who encouraged me to pursue education and business management as a field of study. They supported us during my days as a Ph.D. student and taught me more about life than anyone else. There's not a day goes by I don't miss them; I know they'd be happy to see my name on the book.

Finally, my family. Kathy, my wonderful wife, has stayed by my side for 36 years, 2 major moves, career changes, and children. Somehow during all of that she managed to get her own Ph.D. as a counseling psychologist, and I've learned a lot from her. She is the solid foundation of our family and makes it possible for me to pursue all of the academic and organizational work, and she was there for me along the path to getting this book done. I can't adequately express my thanks for her support. My daughter Alex, has Dad wrapped around her little finger; she's a terrific person and makes me proud every day that I had a part in her upbringing. My son Andrej is my golfing partner, flyfishing buddy, hockey hero, and friend. It's an honor to be their Dad. They put up with my long hours in the study working on books, articles, classes, etc. I could not be where I am without their support. I'll be forever indebted to them for their love.

Joint Acknowledgments from Steve and Aaron

Aaron's daughter, Alex, spent hours of her time and applied her English degree to read through the manuscript for us while still in draft and make numerous corrections to improve the writing quality. She spent hours going over the book line by line and cleaning up our material, and we can't thank her enough for her efforts. (Aaron did promise her she would never have to read the word "strategy" again in anything he wrote.)

We would both like to extend a special thanks to our team at Emerald. Our Editor, Charlotte Maiorana, believed in the concept early on and went to bat for us in getting the book accepted for publication; her enthusiasm and positive attitude were invaluable in keeping us going through the process. Nick Wolterman, our

Assistant Editor at Emerald, likewise hung in there with us and made sure we successfully navigated through the steps in getting the book into print. They felt the tools and stories were as relevant to today's business world as we do, and we appreciate their hard work in bringing this book to fruition.