

## The Bar Has Been Raised

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Before examining into how to set organizations to deal with this constant changed world, let us take a look of the new demands being placed on organizations. What, precisely, is expected of a successful organization in this tough business environment? Or, put another way, exactly what is meant by the widely used term, "world Class"? Since every organization offers a unique service or product line, "world-Class" performance must be defined at a level higher than specific deliverables. It means superior performance in every aspect of its work.

In the most general sense, there are two types of performance: (1) efficiency in routine operational tasks gained through productivity improvements and cost savings, and (2) effectiveness in creative tasks reflected in quality, flexibility, customer focus, and innovation.

Both must be delivered year after year in a rapidly changing business environment.

This definition of performance, while comprehensive, is still vague. To take it to the next level of detail, consider the expectations arising from five fundamental changes in the business environment:

- **Agility:** A volatile business environment demands that organizations be capable of rapid shifts in their strategies, as well as of commitment to traditional long-term visions.
- **Intimacy:** Clients expect their suppliers to invest in partnerships, to know them well, and to contribute directly to their strategies.
- **Diversity:** While people have in common many aspects of their administrative work, missions are diverse; and based on their unique missions, individuals and small groups sign up for unique business strategies. This means that organizations must tailor their offerings to each unique client.
- **Competitiveness:** Increased competition means that organizations must learn to do traditional tasks much more efficiently and better.

- **Competence:** The competition for talented employees has grown fierce, and attracting and retaining good people is extremely difficult.

Each of these changes in the business environment demands new levels of performance from organizations.

### **Agility**

With the volatile nature of business strategy, long-term plans are obsolete shortly after they are written. Over-emphasis on planning can damage an organization's responsiveness. Instead, organizations must learn to grab windows of opportunity and formulate strategies on the fly. Strategic planning must not be a once-a-year event; it must be a continual, dynamic process.

Flexibility must extend to an organization's finances and capacity. If clients want to spend more than was planned, a world-class organization expands its supply to match funded demand. In the short term, capacity can generally be augmented through the use of vendors and contractors. In the long term, every organization must forecast its market and develop its infrastructure in advance of clients' demands. If capacity is not expanded, clients will either resent the organization as a constraint to their businesses, or they will simply take their money elsewhere.

And, of course, a fast-paced world demands a high pace of innovation. In order to beat their competitors to market with new concepts and technologies, most organizations must reduce the time from ideas to marketable products (the "cycle time").

### **Intimacy**

Clients expect a close partnership with their suppliers -- a relationship built on service and mutual respect. Strategic partnerships extend beyond a simple commitment to doing business together. In partnerships, suppliers are expected to contribute directly to clients' business strategies.

First and foremost, a world-class organization must serve, not control, its clients. While this is obvious to companies which must compete in the open market for business, internal service functions often attempt to use monopolies and policies to disempower business units. A world-

class service function, on the other hand, guides clients by earning their business and their respect, not by inhibiting or opposing them.

An organization must lift clients' vision of the business value of its products and services, and help clients understand how to use its products and services in a strategic manner. This amounts to a marketing mission, as relevant to internal service functions as it is to whole companies.

An organization must help individual clients diagnose their business strategies and discover high-payoff opportunities to apply its products and services. Too often, organizations settle into a comfortable "order-taking" mentality. But it's not enough to satisfy clients' demands. Value is created at the very beginning, before a job is defined, when clients decide what products and services to buy and how to use them.

An organization can ensure its strategic alignment by actively facilitating this initial diagnostic process. It must help clients discover strategic applications, envision new business strategies enabled by their products, and justify investments based on strategic value (not just cost savings).

Note that this does not mean that an organization should decide on behalf of client's what products and services to produce. A world-class organization proactively helps clients discover opportunities for themselves, and then responds to their purchase decisions.

Finding a linkage between clients' business strategies and an organization's products is, essentially, sales in the very best sense of the profession. Sales is as relevant to an internal service department as it is to any business as a whole. Both must proactively help clients succeed by facilitating a strategy-driven discovery process.

An organization can also add value by helping various clients discover common interests, and facilitating the formation of client consortia to share solutions. This not only saves clients' money; it builds synergies among business units. To help clients make the best use of its products and services, an organization is expected to support its product line with training, customer service, and repair. Furthermore, as strategic partnerships grow, clients expect added-value services that give them a competitive advantage, such as just-in-time delivery or custom electronic data interchange.

In other words, clients demand mass customization -- i.e., the quality and service of custom products at the price of mass production. Of course, an organization must form clear agreements (contracts) with clients, and must fulfil every agreement. To meet every commitment, it must never make a commitment it cannot keep.

Since clients are the beneficiaries, they must take responsibility for justifying the products and services they use. Within corporations, a service function must help clients defend the budget for its products and services (even if the budget is channelled directly to the service organization). Similarly, an internal service function must help *clients* set priorities within its available resources. Too often, internal service departments are given a fixed budget and then expected to do everything clients ask of them all year.

Of course, this is impossible, and clients become frustrated with staff deciding priorities and repeatedly telling them no. A world-class organization makes clear to client's what resources are available to them, and then helps clients make purchase decisions within available resources.

### **Diversity**

Each corporation has a unique position in its market, and hence a unique set of strategies. Furthermore, each client has a unique mission, and hence a unique role in the corporation's strategies. To align with clients' strategies, organizations must focus on what is *different* about clients, not what they all have in common.

Organizations must dispel the "one-size-fits-all" mentality. Common solutions address common problems, and typically all that every client has in common is administrative work.

To deliver strategic value, an organization must customize solutions to fit clients' unique needs, rather than just build commodity or companywide solutions. Tailoring products and services is essential to strategic alignment.

To respond to unique clients' needs, an organization is expected to offer a broad product line. Providers that wish to remain their customers' primary source have no choice but to be full-service vendors that offer the broadest possible range of products and services. If the product line is limited, clients will develop the habit of buying from competitors.

Furthermore, a limited product line forces an organization to become "a solution in search of a problem." Conversely, organizations that offer a broad range of products can focus on solving clients' business problems in a business-driven rather than product-driven manner, and provide whatever products are needed to address their clients' unique needs.

Similarly, offering a range of qualities and levels of value allows clients to select a price-point appropriate to their needs.

Even in small organizations, a broad product line is essential. Of course, it's quite all right to broaden one's product line through partnerships with vendors. This is far better than sending clients to competitors or appearing product driven.

Beyond offering a diversity of products, when considering a particular client's request, an organization is expected to offer options. With each option, an organization must give clients all the information they need to choose. This is the opposite of an internal service function that makes decisions for its clients since "they know their profession best." It's the essence of customer focus.

## Competitiveness

In addition to learning new skills to align themselves with clients' strategies, organizations must respond to increasing competitive pressures. Global competition is forcing once-complacent companies to dramatically increase their performance. Similarly, internal service functions are facing tough competition in the form of outsourcing and decentralization, and can no longer rest on the laurels of past monopolies.

Clients' increasing reliance on partnerships brings increased scrutiny of their suppliers. WalMart, for example, examines its suppliers' financial practices and makes "suggestions," such as the elimination of corporate jets and reductions in executive compensation, to bring their prices down.

Similarly, within corporations, everyone is interested in "helping" managers of internal service functions manage their businesses. Organizations can no longer say, "This is too complex for you to understand . . . . Leave the decision to us." Instead, it must run its businesses in an open, impeccable manner.

In increasingly competitive markets, every organization must find a way to "do more with less." It must do everything in its power to keep its prices (i.e., costs) competitive.

At the same time, amidst burgeoning technological change, an organization must proactively keep its products and services up to date. Continual investment in innovation is essential to delivering competitive value, and to staying in business.

In every product area, organizations are expected to offer world-class quality. Defects drive clients' costs up, and damage clients' reputations. While every product need not be "gold plated," quality must consistently meet clients' expectations. One aspect of quality is product-line integration. Integration gives clients greater flexibility to mix-and-match products, and the ability to quickly change configurations as their business needs change. It also reduces support costs. Beyond cost savings, integration can create business synergies as an organization's products help clients collaborate with each other.

In spite of technological diversity and unique customer requirements, providers in most industries are expected to design products to work well together. In product design, an organization must both create diverse solutions and, at the same time, integrate its product line by utilizing standards and reusable components.

## Competence

In every facet of business, greater complexity demands a greater degree and diversity of specialized talent. More than anything else, people create an organization's competitive advantage.

To attract and retain a qualified staff, an organization is expected to provide a safe, supportive work environment. It must give people well-focused jobs that don't ask them to be experts at too many things at once. Jobs must be "whole," such that people are accountable for product lines (rather than roles or tasks).

And it must support staff in their professional growth with challenging work assignments and opportunities for professional development.

## In Summary

The pace and complexity of business have grown by orders of magnitude. As a result, ever more is expected of organizations -- of both entire businesses and the service functions within them.

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*Succeeding at strategic alignment in a volatile,  
competitive business environment requires  
dramatically higher levels of performance.*

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The above is just a sampling of the many performance expectations of competitive organizations. Both clients and staff are demanding things of organizations that were unimagined in the past. Clearly, no organization can claim to be excellent at all these things. Nonetheless, this long list of demands is far from unrealistic. "World class" is not just a motivational slogan. Quantum leaps in performance are necessary to survival.

To prosper in turbulent times, organizations must limber up and get in shape. Businesses must learn to be flexible, opportunistic, and capable of numerous simultaneous initiatives.

### About Author



### Prof. Dr. M. Amr Sadik

A veteran, Practical-academic, seasoned and accomplished HR and Management senior executive with almost 40 years with local, regional and global companies in different industries coupled with more than 15 international awards and recognitions. **A MEMBER OF THE HARVARD BUSINESS REVIEW ADVISORY COUNCIL, AN OPT-IN RESEARCH COMMUNITY OF BUSINESS PROFESSIONALS,** and a Fellow member of the Royal Society of Arts, Manufactures and Commerce in UK.

Prof. Sadik is the Co-founder, Vice President, Educators Learning Solutions Ltd, (Educators) UK, and holds different positions such as Regional Director-North Africa for International Association for Quality Assurance in Higher Education, USA, Collegiate Council Member & Professor of HR Management, Global University of Science & Technology, Latvia, Executive Member, Ajeenkya D Y Patil University, International Academic Council (IAC), India, Professor of Management, The George Washington University of Peace, USA, Regional Director-Egypt, Chartered Institute of Management & Leadership, USA, Vice President of Chartered Institute of Leadership & Governance, USA, and last but not least Board & Advisory Committee Member at Arab Trainers Union, Jordan.

In 1998, he was nominated for Professional Excellence Award in HR from "SHRM" in USA, and in 2006 for Sheikh Rashid Bin Maktoum Award in the United Arab Emirates as the Best Arab Manager. The Stevies Award laureate in 2007 as first Egyptian/Arab winner, and who was ranked among the top 20 HR Most International Influential Thinkers in 2014 from UK, 2015 **Peter F. Drucker** in Management, UOSF, Panama.

As writer, he is a regular international contributor at HR-Future magazine in South Africa, and published 3 books in India and Germany. He frequently called in HR conferences and summits to opine in current practices and provide his insights. He is associated as adjunct professor at various business and management schools to teach at post-graduate studies; IPE Management School, Paris-France, Victoria University, Switzerland for Middle East Programs, and Frankfort School of Finance and Management, International Advisory Services, in Germany as HR and Training expert and Consultant.

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