

# LEADERSHIP INSIGHTS

For Winning Leaders and Companies



William W. Rutherford  
Chairman and CEO

## Is Your Team Thriving In This Up-Cycle? ...Or Are The Good Times Wearing A Bit Thin?

With the U. S. economy booming in most business sectors, and certainly attaining a high water mark in the energy industry, investment capital is abundant and revenue growth is strong. It feels great to be back on the upswing. We've been through some tough times and these are the conditions we've looked forward to. Let the good times roll!

**So why aren't we having more fun?** It appears that most of us under-predicted the strength and longevity of this upswing, and it's creating a set of significant challenges. Still reeling from the effects of 9-11, SOX and down-sizing efforts of preceding years, we are now faced with renewing *and* growing our businesses, both at the same time!

What's going on? We find ourselves hiring again -- while backfilling the loss of some key contributors. We are expanding our roof-lines and escalating our capital projects -- while trying to push more work out the door. We are demanding more from our product and service providers -- while their availability and capability are stretched to the limit. We are expecting more throughput and delivery capability from our supply-chains -- while stretching them around the world. We all know how this will end up, so what should we do to make the most of the present, while preparing for the back side of the cycle?

**Improving Process:** We find that most companies have an excellent opportunity to improve the quality and quantity of work output from their most capable professionals. Our analysis typically finds these individuals spending less than 40% of their time on what we would wish them to do (and what they wish to do) and more than 60% of their time gathering, reworking and waiting for data, administering what's requested, and reacting to crises ...and this is after removing meeting time (much of which is felt to

be unnecessary) and time for internal and external collaboration.

We are all quick to recognize the strategic importance of improvements that effect these most "value-creating" team members. A successful approach has a selective focus on those areas where the opportunity is greatest and insures full implementation of freshly designed high-value solutions. Our team members will appreciate these enhancements, especially in the most work-challenged parts of our organization.

**Improving Recognition and Morale:** We also find that during this upswing, most of our team members need more recognition, more appreciation, more understanding and more empathy. Our management teams need to find ways to compensate for the tension

repeat this process over and over when temperaments can least afford it. More structure, carefully selected and applied sparingly, can provide most of us with substantially more capacity and improved morale as well.

**Improving Innovation:** During upswings, we typically don't think of the healthy role that innovation can play in business improvement, yet that's where it often provides the most significant impact. Time constrained organizations are quick to identify and define changes that demand implementation. Busy teams value *priority* and have less tolerance for activities that are no longer necessary (work elimination). With some assistance, they can quickly provide a sense for what can be accomplished far differently to create the greatest value.

**Improving Gross Margins:** Supply-side cost represents one of our largest expenses. During periods of cyclic expansion, these costs experience the earliest and largest degree of price inflation. Countering this cost growth is our ability to better integrate our suppliers' technical capa-

bility and knowhow, which in many organizations can be under-appreciated and under-utilized. With supply-chain agreements in place, support and delivery capability can become more manageable, freeing time for more critical work. With so much to gain, working together more effectively across our value-chain has become a competitive must.

Improvement during an "up-cycle" will have significantly more impact than waiting until the downside arrives. In most cases, our workloads will demand enhanced capabilities.

With proper implementation, these improvements offer us the opportunity to grow our productivity and gross margins faster than our cost structure. Let the good times roll!

### African Proverb

Every morning in Africa, a gazelle wakes up.

It knows it must run faster than the fastest lion or it will be killed.

Every morning a lion wakes up.

It knows it must outrun the slowest gazelle or it will starve to death.

It doesn't matter whether you are a lion or a gazelle.

When the sun comes up, you better start running.

and stress that the increased workloads have brought. Retention bonuses can be important when recognizing our *critical few*. However for most, it's celebrating the little accomplishments, day-in and day-out, that are most meaningful. They may need a bit of prodding from above, but many of our managers and executives can become more capable in this important area.

**Improving Structure:** It can seem a bit counterintuitive, but *more* structure is needed as workloads increase, along with improved clarity of roles and responsibilities. We know that increasing workload pressure may degrade quality and oversight, and at some point even reduce quantity. When our organizations don't get it right the first time, they have to do it again. Some areas typically

We can help you identify the opportunities to improve your success, design the most effective plan and help your team implement sustainable results. Give us a call and let's discuss.

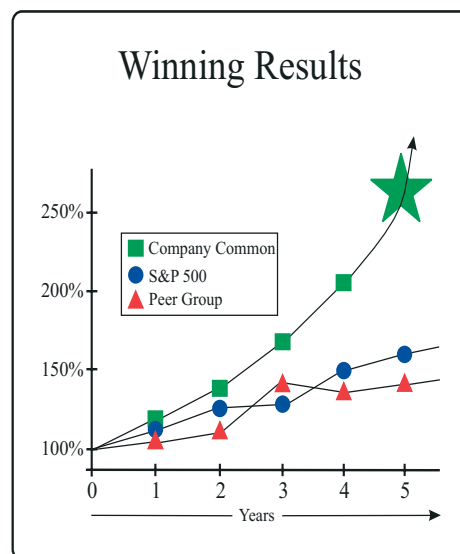
## William W. Rutherford and Associates

[www.WWRutherford.com](http://www.WWRutherford.com)

**W**illiam W. Rutherford and Associates believes in helping successful leaders of well-managed companies achieve improvements in their competitive position. We understand the many factors that make improvements increasingly difficult in today's world: global competition, maturing products and services, organizational complexity, rapidly changing marketplace dynamics and sourcing options and the growing impact of technology. Company performance options that many organizations have begun to consider are fast becoming a basic requirement for their on-going viability.

Today's leaders typically know those areas critical to their success. They want to do what is required to significantly improve their organization's performance and affect cultural change. Past efforts to design and implement strategies to realize this vision have often been less successful than expected. Internal organizational issues, personal agendas and inadequate skills and capabilities have been problematic. In some cases employees lack of varied industry and "outside-their-function" experience further contribute to the challenge of making meaningful progress.

**Our Approach:** At *William W. Rutherford and Associates* we start with the leader's desired improvement and build a customized approach to achieve it. "Measurable, sustainable results and improved competitive position are a must" is a frequent comment. "We need a new, more robust approach" is another. Leaders tell us that with our assistance they make faster, more significant progress in today's increasingly competitive world. They say that we have "energized their organizations for achievement" and "substantially reduced the time required to successfully attain these results" and "created the environment for accelerated growth and learning." Significant improvement initiatives are a lasting and rewarding hallmark of successful leaders.



### William W. Rutherford and Associates provides leaders with:

- The attainment of significant, measurable and sustainable goals.
- Strategic and operational achievements leading to business performance breakthroughs.
- Organizational learning, tools, skills, measures and the confidence to accelerate future gains in competitiveness.
- A sustainable legacy of success for their businesses and stakeholders.

*William W. Rutherford and Associates* works together with leaders and their organizations to make otherwise difficult company, industry and market demands achievable. Experience has shown that both tangible and intangible benefits are needed to accomplish the new level of business performance needed to "win" in this environment.

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Helping Leaders Improve Their Company's Performance