Doing What Matters
How to Get Results That Make a Difference
– The Revolutionary Old-School Approach
by James M. Kilts

Your job as a leader requires you to make decisions every day. However, the key to succeeding at business, whether you are the CEO of a multibillion-dollar global company or an entrepreneur just starting your small business, is knowing how to make decisions that get results that truly make a difference.

James Kilts, former CEO of the Gillette Company, Nabisco, and Kraft, and founding partner of the private equity firm Centerview Partners, has learned through years of leadership experience how to quickly recognize what is important in business and how to swiftly decide what action to take. With his book, Doing What Matters, he teaches readers his "Revolutionary Old-School Approach" to business that allows leaders to quickly size up and address any business challenge with confidence and clarity.

In section one, Fundamentals, Attitudes, and People Matter, Kilts shows leaders how to decide what is really important. He helps leaders set goals and outline strategies for reaching those goals.

In section two, Leadership Matters, Kilts explains how processes and leadership philosophy can make or break the success of any organization. Through a look at team selection, fundamental processes, and leadership function, you will learn what really matters to a company’s success and what can be ignored.

In section three, The Future Matters, leaders are coached on proper long-term planning procedures. According to Kilts, finding a balance between short-term performance and long-term strategy is essential to any organization’s success. With his focus on functional excellence — an element of strategic planning that relies on innovation — leaders can learn how to structure growth and construct a successful business vision.

Finally, in section four, Doing the Right Thing Matters, Kilts takes a look at doing the right thing when it comes to media relations. Since corporations depend on public opinion this is not an area of business you can ignore. With tips and suggestions for how to speak with and react to the news media, Kilts helps individuals navigate these tricky waters.

Doing what matters means getting the results that matter. And the first step in doing what matters is learning the fundamentals that can make a real difference in business.

Section One: Fundamentals, Attitudes, and People Matter
According to Kilts, one of the biggest impediments to success in business is the failure to recognize and understand what really matters. No matter what your position in a company, or in life, there will always be times when you are faced with copious amounts of information and numerous options regarding a single issue. By developing the skill to recognize what truly matters you can shift your focus to the pertinent information and quickly choose the best option or course of action. In order to help leaders develop this skill Kilts has devised a set of questions that will help eliminate options and highlight the information that really matters. He calls this process the fast-track quick-screen elimination process. The basis of this process focuses on reducing the issue at hand to its simplest terms and involves two distinct steps.

First, you must be able to zero in on the key points of the issue. The key points will be the areas of the decision that will affect your bottom line. Find these points by asking yourself fact-based questions about the issue that require fact-based answers, and strive to give these answers in simple terms. For example, if you are attempting to decide whether to keep or discontinue a product line Kilts suggests that you look beyond just sales and earnings numbers and focus on market share and current promotional practices. Don’t just ask if the product is selling poorly — ask why. In other words, is the product moving slowly due to a disinterest by the public or due to lack of marketing and brand recognition? If it’s the latter, a surge of marketing dollars and ads could turn the product into the big seller it was envisioned to be.

Secondly, decide whether you need further analysis before a decision can be made, or if that analysis can wait until later. For example, if you have decided that a certain product’s sales are slipping due to a lack of strategic marketing and not a flaw in the product, you can quickly decide to rev up the product’s marketing campaign with ads focused solely on brand recognition. This short-term solution can help boost sales while you conduct a more in-depth analysis of why the previous marketing techniques were not working. By following up with a detailed product analysis later (by asking questions like what promotional techniques are working for the competition, what attributes about the product promise to bring in the most sales and what long-term sales approach will ensure steady sales and long-term growth of the product market?) you can truly rejuvenate the product and add to your company’s overall success.

To help keep your focus on the fundamentals, Kilt recommends choosing three to five core concepts that will direct the operations of your business. If you are the CEO of a corporation your core areas of focus may include increasing revenue growth, expanding marketing effectiveness and increasing product development. As a mid-level manager one of your core concepts may include the elimination of unnecessary costs in order to gain the company savings that it can put towards increased product development. For example, can you streamline the shipping processes, or better align various departments to eliminate extra work?

Once your fundamentals are chosen and documented you need to align your organization’s attitudes and people with those core objectives. Begin aligning the attitudes of everyone involved by keeping everyone abreast of the actions and
financial climate of your company. Issue daily sales reports so individuals can see the results of their efforts. Hold weekly staff meetings to sustain motivation and address inconsistencies. Insist on reports from management and other key people about the actions undertaken in the past seven days and an account of steps to be taken in the next seven days to keep the direction of business in line with the fundamentals.

In order to ensure that everyone understands that people matter to realize your core concepts you need to let your stakeholders know that you value their opinion. For this to work, and for it to help you make decisions that really matter, you need to focus on all of the people involved in sustaining your business — this includes customers, investors, suppliers, and employees.

Ask customers what they value most about your company. Ask investors how they feel your company compares to the competition. What are your company's strong points? What attributes are seen as detractors to investing? Ask your suppliers how they would rate your business based on their knowledge of your competitors. Ask your employees why they like working for your company, what they see as the organization's most positive attribute. Use the information to improve the processes that make your fundamentals work. For example, the manager who's fundamental concept was to cut costs, could take suggestions from suppliers on how bulk ordering, although more costly upfront, could actually save the company money in the long run.

**Section Two: Leadership Matters**

Choosing the right team is never an easy task. However, with the right guidelines and a well-defined set of required job skills in hand you can increase your chances of choosing the right employees every time.

Every position in an organization, from production line worker to CEO, requires a specific set of job skills. When choosing your team, spend some time researching, identifying, and evaluating these specific requirements. For example, no matter how talented, intelligent, eager, and business-minded a person is, he will never be a star assistant if he lacks the ability to file and type. If a job candidate doesn't have the skills to meet every one of the required key needs, continue searching until you happen upon one who does.

Once you find a candidate with the right skills, you need to see if they have the right attributes. No matter what position you are trying to fill there are a few key attributes that will be necessary for the employee to possess in order for him or her to perform at an acceptable level throughout their career and form the foundation for promotion and further success. According to Kilts, the right employees are action-oriented, enthusiastic about the job, intelligent, and business savvy. The right people also possess good decision-making, communication, motivation, and organizational skills.

In order to help you find the right employee Kilts suggests that you look at the following three things during the interview process. First, pay attention to the
candidate's previous track record. An action-oriented person focuses on solutions and will have multiple results and accomplishments to show for their efforts.

Second, determine their decision-making style and business savvy by asking for examples of bad decisions they have made in the past. According to Kilts, good decision makers also make mistakes. Business savvy individuals will have an example of when they made a poor decision and how they corrected it once they realized they were on the wrong path.

Finally, confirm the candidate’s communication skills by really looking at their resume, cover letter, and the words they use during the interview. Good communicators don't just praise their own accomplishments and offer standard answers. Good communicators present an idea, provide the facts to back it up, and explain in clear terms why they feel the information is important.

The important thing to understand about leadership is that no matter how talented or action-oriented your team; your company will never succeed unless it has tangible, concrete processes in place for how business needs to be done. As a leader it will be your responsible to construct those processes.

Effective processes create alignment within a company and foster accountability. To create your processes start with your company's annual objectives and goals. Pinpoint what steps must be taken annually, quarterly, monthly, weekly, and daily to achieve these goals. Spell those steps out to your team and institute a process that tracks ongoing success and adherence. For example, if an annual objective includes cutting production costs then certain team members need to be responsible for researching, tracking, and aligning manpower usage, materials usage and waste, machine maintenance and upgrades, and downtime costs. These same members must be held accountable for the information they gather and the action steps they take through performance reviews, weekly reports, and quarterly presentations.

You have your team and your processes in place, now how can you ensure that they are successful? According to Kilts, you need to possess and portray the right leadership philosophy. Your team will only believe in your processes if they can believe in you. And, your team will only stay focused, accountable, and enthusiastic if you are. As a leader your key functions will be to set direction, allocate resources, and provide support. As you set your own day-to-day goals, quarterly action steps, and annual performance objectives keep these key functions in mind and make sure that you are hitting them consistently and continuously. Review processes and make changes when necessary, supply the resources (whether in training, monetary funds, or manpower numbers) necessary for employees to achieve their own objectives and goals, and keep the lines of communication open by answering questions, inviting feedback, and keeping promises.

Once the right people have the right process and the right leadership, it is time to align your actions with the numbers that matter in business. No matter how motivated your people are, how disciplined your leadership style is, and how on-
target your processes seems to be, none of it matters if you aren't hitting the right numbers for business success.

An organization's health is determined through a focus on the numbers — costs, rate of growth, overhead growth, total revenue, and market share. Doing what matters means keeping your focus on these numbers and directing the actions of your organization according to where these numbers need to be. Leaders need to strive to set attainable and sustainable rate of growth targets, not just focus on hitting a high mark for two or three years in a row. They also need to keep continued focus on costs. Day after day, year after year, costs must be controlled and maintained at a level that keeps your business competitive. Effective leaders also strive for long-term zero overhead growth. By always containing overhead (not just during budget cuts), organizations can avoid financial difficulties during hard times. Finally, by tracking total revenue and market share, leaders can detect impending problems and revise processes and objectives before a company's financial health is in jeopardy.

Section Three: The Future Matters

A common mistake that individuals in any type of business situation make is losing sight of the future. They focus so much of their time on short-term growth, putting out fires and quick cost-cutting, that the wrong processes are inadvertently put in place. Quick fixes are hardly ever geared towards long-term, sustainable growth. This is why Kilts stresses the importance of a business roadmap for every manager, supervisor or top-level leader within an organization. And, to ensure that their roadmap works, he stresses the need for attention to three key areas — financial, strategic, and functional excellence.

Your financial roadmap should focus on improving short-term financial performance. You need to achieve financial gain early on so that you can support the actions required to sustain long-term growth. This is where you concentrate on reaching financial stability, because if your finances aren't stable you may never get the chance to move on to innovation and growth. For example, a great way to bring in some quick cash and set the processes for future financial gain is by looking at your current accounts payable/receivable procedures. By decreasing the time it takes to collect outstanding payments and increasing the time your company has to make outgoing payments, you can net a short-term increase in available cash.

Your strategic roadmap should also focus on processes and operating procedures that can produce short-term gains in order to supply the means to achieve long-term results. This is where you turn your focus to the strengths of the company and only the most critical issues. For example, if one specific product is a top-seller then you can increase production in that area to pay for improvements in production of another product that holds promise for future significant sales. The money gained from increased production can go to new equipment to produce the next "big seller" at a cheaper cost with better quality control.

Finally, your functional excellence roadmap will provide the foundation for what
your company can and will achieve with the right capabilities and best cost in place. Once you have the cash on hand to increase production capabilities, jump start marketing campaigns, or undertake any other growth producing processes, you need a plan for the long-term. This is where the Functional Excellence roadmap comes in. According to Kilts, cost reductions and capability upgrades put you in a position to deliver on innovation. Once your company is geared for change you need to concentrate on three types of innovation — continuous improvements, big-bang innovation, and incremental innovation.

Continuous improvements are the day-to-day gains that you achieve that keep your company current with competition. These innovations can include changes to product packaging to make it more fresh, changes in a product's formulation to include “popular” fragrances or colors, or small changes in design that add an extra benefit, like a more comfortable handle.

Big-bang innovation is the periodic introduction of the blockbuster product or service that helps you quickly surpass the competition. Examples of these types of innovations include a new shipping method that saves the company 20% in shipping costs, or a new product that fills a niche and offers more combined benefits than anything of its type currently on the market.

Finally, incremental innovation is the element that provides sustained product interest and long-term financial growth. This type of innovation can be seen when a product is continuously improved over time to showcase new capabilities, better ingredients or formulations, and increased benefits. As an example of this type of innovation Kilts explains the improvements added to an already existing razor at Gillette that led to increased sales and sustained long-term market share growth. First, the company changed the color of the razor from blue to red. Then, they gave it a fresh, hip new name — the Mach3 Turbo Champion. Then, they reinvented the packaging and the marketing campaign to illicit feelings of power and performance by featuring racecar-driver champions behind the wheels of red super-charged cars. In the end, they took a slow growth product, gave it a new face, and hit on a long-term winner.

Section Four: Doing the Right Thing Matters

In the previous three sections Kilts has explained how to do what matters, however, in this section his focus turns to why we must do what matters and how important this is to media relations and your company's reputation. Why should fundamentals, people, processes, and philosophy matter to the success of a business? Because first, according to Kilts, every corporation has a social responsibility to the public. And second, the media can do much to influence public opinion, and that public opinion matters to every business, large or small.

So, how do you navigate these waters? To answer this question Kilts offers five guidelines that will help you navigate media interviews, press releases and impromptu run-ins with reporters.

First, Kilt stresses the importance of being prepared. "There is no such thing as a
casual or informal meeting with the media." Keep in mind they will always have an agenda so make sure that you do too. In order to handle both chance meetings and pre-planned interviews Kilts recommends that you always have prepared key messages on hand. These messages need to focus on the positives of your business and the issues you want the public to concentrate on. Once you have these key issues identified, rehearse their delivery, keep your answers and comments about the issues short and direct, and always keep your guard up.

Secondly, if the interview is preplanned, agree in advance on subject matter. Without an agreement the reporter can ask anything or delve into any topic. Decide on a list of topics and the scope of the questions so you will not be surprised and falter.

The third thing that you need to remember about media relations is that reporters are always looking for something new and interesting. They will ask for and expect forecasts and predications about your business or financial health. Strive to provide them with positive news but never promise what you are not 100% sure you can deliver. For example, never promise a 6% annual revenue growth until you are absolutely sure you can achieve it.

The fourth thing to remember about reporters is that communicating is a core part of their job, so your communication skills may not be as sharp as theirs are. To keep from being misquoted, having your answers taken out of context, or being misunderstood, make sure that you practice answering the agreed upon questions so that your words are clear and confident, that you have a positive answer for most questions so that you do not end up evading an issue or dancing around the issues, and that you use short answers that are simple, direct, and abundantly clear.

Finally, remember that where the media is concerned, less is usually more. Unless you have a real need to arrange for a meeting, press release, or media interview, it may be best to pass until another time in the future. For example, unless you have a new product to launch, a new formulation to broadcast, or a new division to introduce, it may be best to lay low until you have substantial news to report. Without new and positive news to focus on the media may just dig up something you feel would be best left alone for now, like slow quarterly growth, slight loss of market share, or major changes in key personnel.

**Conclusion**

*Doing What Matters* is not just a template for business success. Rather, it's a mind-set for meeting challenges, solving problems, and shifting a company's processes for long-term, sustainable growth. Start small, focus on the fundamentals, adhere to the suggestions supplied by Kilts, and soon you will see real change that gets real results in your business.