

## **The Execution Quotient™: The Measure Of What Matters**



**“Execution is THE great  
unaddressed issue in the  
business world today.”**

**–Ram Charan**

FranklinCovey (NYSE:FC) is a global leader in effectiveness training, productivity tools, and assessment services for organizations and individuals. FranklinCovey helps companies succeed by unleashing the power of their workforce to focus on and execute top business priorities. Clients include 90 percent of the Fortune 100, more than 75 percent of the Fortune 500, thousands of small and mid-sized businesses, as well as numerous government entities and educational institutions. Organizations and individuals access FranklinCovey products and services through corporate training, licensed client facilitators, one-on-one coaching, public workshops, catalogs, over 180 retail stores, and [www.franklincovey.ca](http://www.franklincovey.ca). More than 3,000 FranklinCovey associates provide professional services and products in 39 offices and in 95 countries.

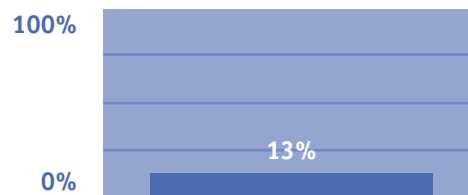
## Focus and Execution: Keys to Profitable Growth

*Now CEOs are wondering how to catch the next big wave of profitable growth.*

*The answer is probably right under their noses. The next wave of value creation they can generate themselves is just by sharp focus on the core of the business and precise execution on core goals and targets. And this wave never ends.*

Sustained profitable growth eludes most companies. A recent study of 1,854 public companies found that during the boom decade of the 1990s, only about one company in eight grew at least 5.5% in revenues and earnings while earning cost of capital (see figure 1). Yet more than 90% of companies projected returns well above these levels.

**Figure 1. Only 13% of public companies are truly profitable**



**Percentage of companies sustaining profitable growth for a decade**

In other words, even in the booming 1990s, about nine of 10 companies failed to consistently deliver results even at the low end of their own projections.<sup>1</sup>

So what does it take to be among the 13% of companies who create value over time? How do you get to be one of the few who grow consistently and profitably?

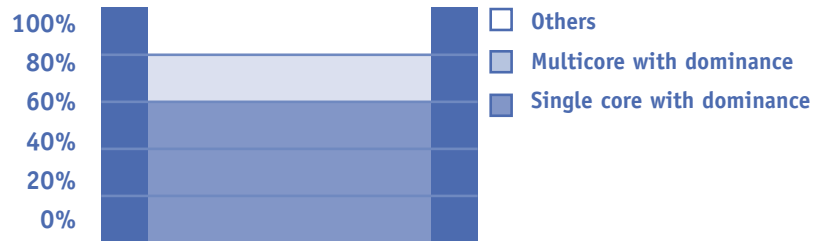
The answer is twofold:

**Focus on the core.** Four out of five of the long-term value creators focus sharply on the things they do better than anyone and that bring the biggest payback (see figure 2). By focusing on what they do best, they end up dominant. Ironically, it's narrow mental focus on the core mission, the core business, or the core economic drivers that produces expansion.

**Execute with precision.** Value creators avoid the "fatal distractions" that blur focus at every level of the organization. The main problem here is leaders who keep shifting priorities, who allow the many *good* ideas and opportunities to eat away at the *core* ideas and opportunities. Or when they *do* get focused, they fail to follow through.

<sup>1</sup> Zook, C. and J. Allen, *Profit from the Core: Growth Strategy in an Era of Turbulence*. Boston: Harvard Business School Press, 2001, 11-12.

**Figure 2. Bain Study: Growth companies have core focus in common<sup>2</sup>**



**Business focus of companies that sustained growth for a decade**

The Bain research (figure 2) demonstrates that leaders who succeed over time focus on a handful of core priorities and require disciplined follow through. “A leader who says ‘I’ve got 10 priorities’ doesn’t know what he’s talking about,” says management consultant Ram Charan. “He doesn’t know himself what the most important things are. You’ve got to have these few, clearly realistic goals and priorities, which will influence the overall performance of the company.”<sup>3</sup>

The ability to distinguish the “wildly important” priorities from the merely important is key to sustained growth. But that’s only half the story. The other half is execution. Charan says, “Clear, simple goals don’t mean much if nobody takes them seriously. The failure to follow through is widespread in business, and a major cause of poor execution.” Many leaders fall victim to the execution gap—“the gap between promises they’ve made and results delivered.”<sup>4</sup>

## Closing the Execution Gap

Closing the execution gap is key to achieving profitable growth over time. The great value creators focus sharply and execute relentlessly. They close the execution gap by unleashing the incredible power of a disciplined team of people who are tightly focused on a few clear core objectives.

John Kotter of Harvard Business School verifies this success pattern in his classic studies of highly effective business leaders.<sup>5</sup> Observing the daily work of general managers noted for getting results, he finds that they have these things in common—they focus totally on a limited agenda of clear core objectives, and they keep their people constantly and measurably moving forward on those objectives.

It sounds simple. Pick the two or three things that are “wildly important,” that are absolutely key to success, and then get everybody focused and executing on those core objectives. But execution remains a major challenge for most organizations.

“It is possible to be busy—very busy—without being very effective.”

–Stephen R. Covey

<sup>2</sup> Zook, C. and D. Ledingham. “Winners Narrow Their Sights to Expand.” Bain & Co., Nov. 9, 2002.

<sup>3</sup> Bossidy, L. and R. Charan, *Execution: The Discipline of Getting Things Done*. Crown Business, 2002, 69.

<sup>4</sup> Bossidy and Charan, 71, 7.

<sup>5</sup> Kotter, J. *What Leaders Really Do*. Harvard Business School Press, 1999.

At FranklinCovey, we've been measuring this execution gap since the late 1980s. In conjunction with some of our key training workshops, we've conducted profiles on about 500,000 people—including more than 50,000 managers—from thousands of organizations worldwide. This vast database, including input from training participants' work associates (roughly 2.5 million respondents), consistently points to a remarkable paradox. Respondents report that their managers are admirably hard workers; in fact, in rating managers on 77 items, they say "work ethic" *tops the list*. But at the same time, the *lowest* ratings are always on issues relating to execution, as table 1 shows:

**Table 1. Managers work hard but fail to provide focused direction**

My manager . . .	Ranking
Is a hard worker	1
Prioritizes work so our time is spent on the most important issues	74
Sets clear expectations when assigning tasks	75
Plans ahead to reduce having to work in a crisis mode	76
Provides feedback on our group's performance	77

(Source: FranklinCovey Profile Center Aggregate Report, 2002)

Clearly, although managers are perceived as busy and hard working, their ability to stay focused and get results is not so highly regarded. This intriguing paradox led FranklinCovey to try to answer the question: what makes organizations good at executing?

## The Execution Quotient

With the help of McKinsey & Company, FranklinCovey has developed a measure of these factors of execution. We call it the **Execution Quotient**, or **xQ™** metric. An organization's **xQ** score is the measure of how well people focus on and execute the "wildly important" goals. Along with traditional financial metrics, we believe that the organization's **xQ** score is possibly the most important gauge managers should watch.

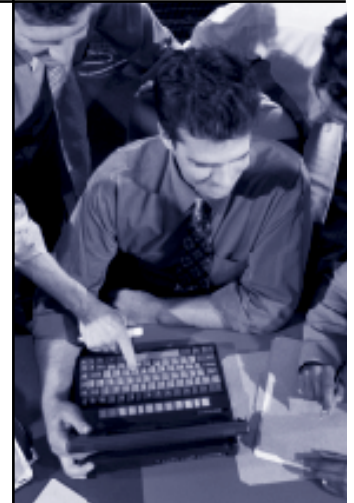
The **xQ** metric is calculated on a scale of 0 to 100, where 100 indicates that everyone is fully focused and executing with precision. To figure an organization's **xQ** score, we take a census of everyone in a division or company, asking them 31 carefully designed questions about their individual focus on key goals and their ability to work synergistically with others toward them. These questions can be lumped into two general categories—Focus and Synergy:

### Focus ("I" questions)

- I know what the wildly important goals are.
- I embrace the goals.
- I know what to do about them.
- I follow through on them.

### Synergy ("We" questions)

- We remove barriers for each other so we can execute.
- We support and help each other to execute.
- We trust one another to move forward together.
- We account to each other for our commitments.



"A leader who says, 'I've got 10 priorities' doesn't know what he's talking about. He doesn't know himself what the most important things are."

—Ram Charan

Only about half the typical organization's time and resources are deployed on key organizational objectives.

xQ Survey Findings

The average **xQ** score of corporate America and the U.S. government was calculated by Harris Interactive, the administrators of the Harris Poll Online, in a survey of 11,045 people from hundreds of organizations. The typical national-average **xQ** score is 51/100, indicating that the American worker is only semi-focused and semi-executing. Imagine a football team where fewer than half the players know what the play is, only about one-fourth of them know their specific assignment in that play, and only 20% of players hope the team will score a touchdown.

This paper drills down to the reasons for this alarming **xQ** score, which is at the root of the widespread failure to execute core organizational goals.

### Focus on Focus

First, the **xQ** Survey measures the focus of the organization's workforce on the wildly important goals. Focus has four basic drivers:

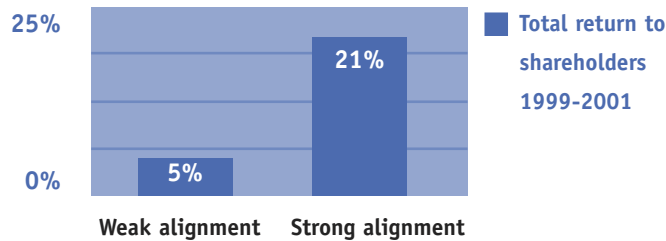
1. **Clarify the Wildly Important Goals.** Do workers know what the organization's few wildly important goals (WIGs) are? Are they clear on those goals, do they understand them, do they understand that these goals are "wildly important" and must take precedence over the "merely important" or the "merely urgent"?
2. **Embrace the Wildly Important Goals.** Do people buy into the WIGs? Do they feel emotionally engaged by these goals? Do they feel ownership for them, passion for them, involvement in setting them? Do they buy in to the realism and feasibility of the goals?
3. **Translate the Wildly Important Goals into Action.** Do people know what to do about the WIGs? Are they clear on their own individual roles in achieving the wildly important goals? Do they know how to turn goals into daily tasks? Do they have the necessary tools and resources? Do they know how their behavior must change to achieve the WIGs?
4. **Perform with Discipline.** Are people actually executing on the WIGs? Is there clear, visible progress, or are people and work teams stuck in the water? Are the WIGs monitored and are tasks assigned to ensure they're getting done?

Does it make any difference to the bottom line if people are mentally focused on the organization's most important objectives? On the face of it, clear focus should make a difference, but just how big a difference?

In 2002, Watson Wyatt, a global consulting firm specializing in the financial impact of workforce practices, conducted a study of 12,750 U.S. workers to determine how aligned they are to organizational goals. Watson Wyatt then correlated the alignment results to stock values, defined as "total return to shareholders" (TRS, the sum of share price and dividends.) The correlation between high focus and value creation is dramatic: The increase in TRS since 1999 is **FOUR TIMES HIGHER** in companies with high levels of goal alignment than in those with low levels (figure 3)<sup>6</sup>.

<sup>6</sup> *WorkUSA 2002: Weatherin the Storm.* Watson Wyatt Worldwide, 5.

**Figure 3. Correlation between employee alignment to goals and total return to shareholders**

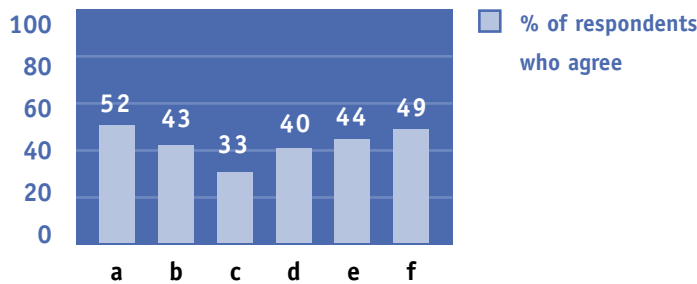


Clearly, intense focus on key goals pays big dividends. So how do most organizations perform on the four crucial drivers of focus?

*Clarify the Wildly Important Goals*

Obviously, people cannot execute goals they neither know nor understand. To ensure that core goals are widely understood, several conditions must be met. Ideally, respondents should be able to say yes to the following six standards of clarity.

**Figure 4. Which of these statements are true about your organization’s most important goals?**



- a. We have decided what our most important goals are.
- b. We have clearly communicated those goals.
- c. People get recognized and rewarded for doing things that support those goals.
- d. The key goals are emphasized regularly.
- e. People clearly understand those goals.
- f. People clearly understand what they are supposed to do in support of those goals.

xQ results show (figure 4) that in the typical organization, fewer than 50% of people agree on these factors, which means that they are seriously out of focus on key goals. Indeed, only a third of respondents feel that they are recognized or rewarded for supporting those key goals. The story is even more alarming than that, however. All six of these standards are clearly essential to consistent execution, but the number of people who agree that all six apply in their organizations is abysmal—only 16% (figure 5). The same number, 16%, say that *none* of these standards apply in their organizations.

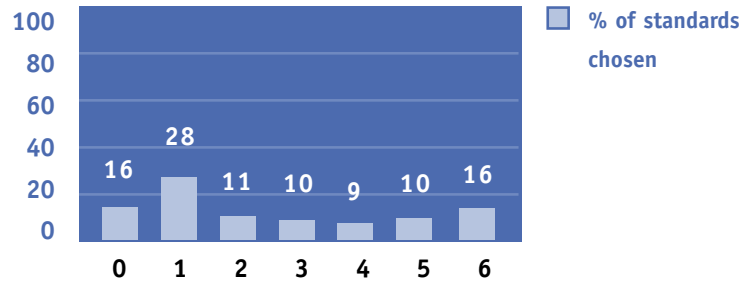
“In the absence of clearly defined goals, we become strangely loyal to performing daily acts of trivia.”

–Unknown





**Figure 5. How many of the standards of clarity apply in your organization?**



Every member of the organization should be able to say that all six standards of clarity apply. Until that day, employees will lack the sharp focus on key goals needed to execute.

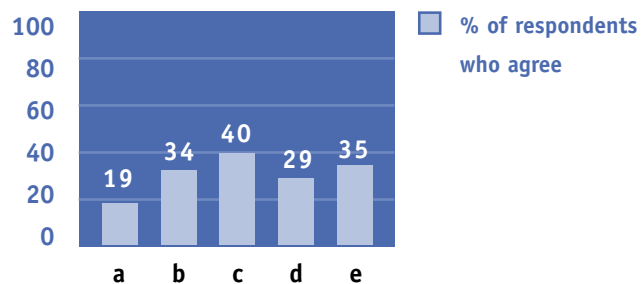
*Embrace the Wildly Important Goals*

It's one thing to understand clearly the "wildly important" goals; it's another to buy in to them. Execution is at risk if people don't feel committed. So how many workers are energized, excited, and committed to the key goals of the organization?

Again the picture is not encouraging. When asked, people respond that they do not feel committed to the goals (figure 6).

Only 19% of respondents, fewer than one in five, feel any level of passion about organizational goals, and most disagree that those goals will even bring measurable economic payback. Workers often feel uninvolved and unengaged in achieving key organizational objectives. The picture becomes even more alarming when we realize that only 5% of respondents feel that all of these standards are met in their organizations (figure 7).

**Figure 6. Which of the following is true of the goals set in your organization?**

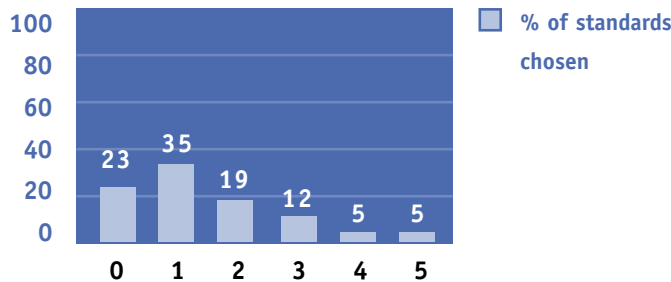


**We set goals that:**

- a. We have passion about.
- b. Will delight our customers if we achieve them.
- c. Give us measurable economic payback.
- d. Are timely (that is, it is the right time to set the goals).
- e. Are really achievable.



**Figure 7. How many of the standards of commitment apply in your organization?**



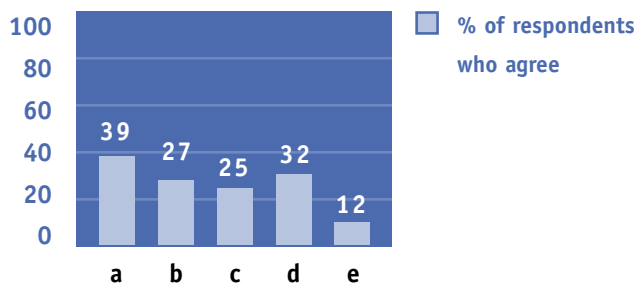
Note also that 23%, or nearly a fourth, of all workers feel that *none* of these statements are true for them. This deep alienation from key organizational priorities must have a serious impact on execution.

***Translate the Wildly Important Goals into Action***

Workers might understand key goals and embrace them totally, but still lack the ability to execute because they don't know what to do about them. For example, sales professionals are often highly motivated people who understand their sales targets, but lack an understanding of the behaviors needed to get there. Or service delivery people might commit to a quality-service goal without translating that goal into the daily tasks needed to achieve the goal. Execution requires a clear definition of the tasks and behaviors necessary to achieve the goal.

By their own account, American workers generally fail to understand their roles in achieving key organizational goals (figure 8).

**Figure 8. Which of the following is true of your organization's business goals?**



- a. My organization's mission is translated into a few clear goals that are most important to our success.
- b. My organization's most important goals are translated to the goals of my work group.
- c. The goals of my work group are translated into my individual work goals.
- d. My individual work goals are translated into daily tasks.
- e. My individual tasks are reviewed at least monthly with my manager.

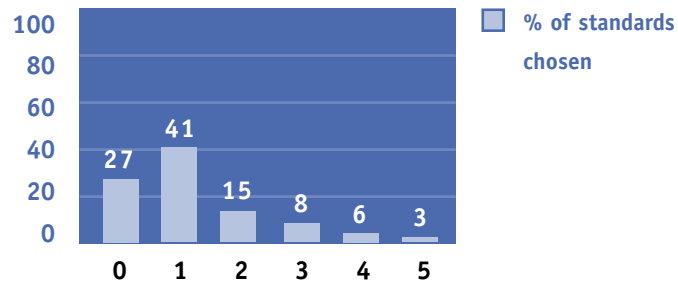
“It’s awfully important to know what is and is not your business.”

–Gertrude Stein

Work-group goals are tied to organizational goals for only 27% of respondents, while only one in four agrees that individual work goals have any connection to work-group goals. To top it off, managers review the progress of only about 12% of workers at least monthly.

No wonder workers feel disconnected; but the true magnitude of this disconnect only comes clear when we see how few agree that any of these standards apply in their organizations (figure 9):

**Figure 9. How many of the standards of “translation to action” apply in your organization?**



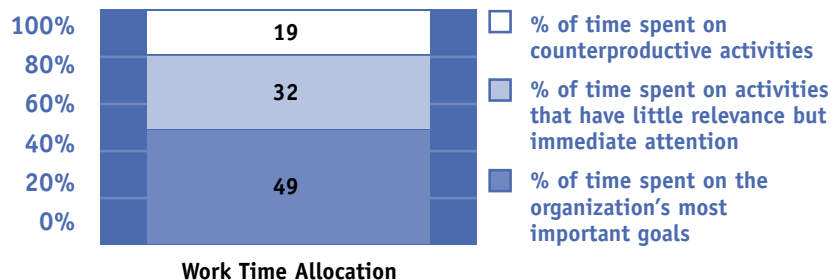
Only 3% agree that there is clear line of sight between their own work and the organization’s top priorities, while a whopping 27%—more than one in four—feel that there is *no* line of sight between themselves and those priorities.

In a fully focused organization, figure 9 would show 100% of respondents selecting all five of these standards. Clearly, this kind of focus is a long way off.

### *Perform with Discipline*

The last driver of focus is disciplined performance. Focused people stay on task without being sidetracked by less important urgencies or petty bureaucratic demands. The **xQ** findings indicate that people are distracted from high-priority work at least *half the time* to attend to non-core activities (figure 10).

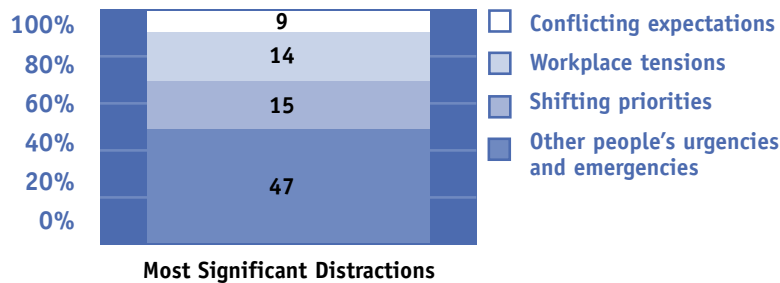
**Figure 10. What percent of your daily work time is spent on the following activities?**



Why do people, by their own admission, spend only 49% of their work time on key priorities? Probably because of the turmoil that results when there is no clear set of wildly important goals and measures. In such an environment, it’s hard to distinguish

what's wildly important from what's merely important, and people have a hard time saying no to whoever is loudest and most demanding. As evidence of this, note that workers list "other people's urgencies and emergencies" as by far the most significant distraction that prevents them from completing their most important work tasks (figure 11):

**Figure 11. Which of the following is the most significant distraction that prevents you from completing your most important work tasks?\***



\*Numbers do not add up to 100% because other causes were too minimal to list.

Where people are crystal clear on what is truly important, there will obviously be far fewer interruptions, and priorities will not shift as readily. When these "fatal distractors" are diminished, execution on key goals will increase.

In summary, organizations will continue to execute haphazardly until they develop the intense focus that characterizes an execution culture. To get there, leaders must ensure that wildly important goals are clear, that people share and embrace them, that they translate them to action, and that they perform with discipline. The **xQ** metrics monitor these drivers of focus.

## Synergy

The second key driver of execution is synergy—the ability of people to execute together where they could not do so alone. High-execution teams are characterized by intense synergy, where the whole effort is clearly greater than the sum of the parts. Stephen R. Covey observes:

Ineffective people . . . experience synergy only in small, peripheral ways in their lives. They may have memories of some unusual creative experiences, perhaps in athletics, where they were involved in a real team spirit for a period of time. Or perhaps they were in an emergency situation where people cooperated to an unusually high degree and submerged ego and pride in an effort to save someone's life or to produce a solution to a crisis. To many, such events may seem unusual, almost out of character with life, even miraculous. But this is not so. These things can be produced regularly, consistently.<sup>7</sup>

"Most of what we call management consists of making it difficult for people to get their work done."

– Peter Drucker



<sup>7</sup> Covey, Stephen R. *The 7 Habits of Highly Effective People*. Simon and Schuster, 1989, 264.

“Very few people work by themselves and achieve results by themselves ... Most people work with other people and are effective through other people ... To manage oneself, therefore, requires taking relationship responsibility.”

–Peter Drucker



Quick, precise execution results when there is “an unusually high degree of synergy.” Examples abound: consider the dramatic productivity and speed of execution of the Manhattan Project team; of the NASA team in getting to the moon; of the four-time world champion Tour de France team captained by Lance Armstrong; or of the team that rescued nine trapped miners at Quecreek, Pennsylvania, in 2002.

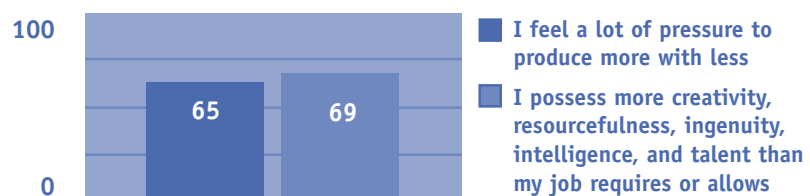
Without a high degree of synergy, execution is at risk. The **xQ** Survey measures organizational synergy levels by asking questions about four basic drivers of synergy:

1. **Enabling Performance on Wildly Important Goals.** Do we feel enabled to execute the wildly important goals? Does the organization educate and equip us to execute? Does the organization actively seek and remove barriers to execution?
2. **Working Together Productively on Wildly Important Goals.** Do we know how to work together on WIGs? Do we have disciplined procedures to stay focused on the WIGs? Do we “clear the path” for each other?
3. **Trusting Each Other.** Do we trust each other enough to move forward together? Can we speak candidly with each other about key issues? Can we hand off tasks to each other without worrying?
4. **Accounting to Each Other for Commitments.** Do we actively and regularly account to each other for the commitments we make? Do managers account to employees when they commit to clear the path? Can we honestly report our good and bad results to each other?

#### **Enable Performance on Wildly Important Goals**

In general, people feel that their organizations do not enable them to perform. Cutbacks in people and increasing workloads pressure them to produce more with fewer resources. At the same time, many feel that their employers don’t take full advantage of their abilities.

**Figure 12. Does the organization make good use of human resources?**

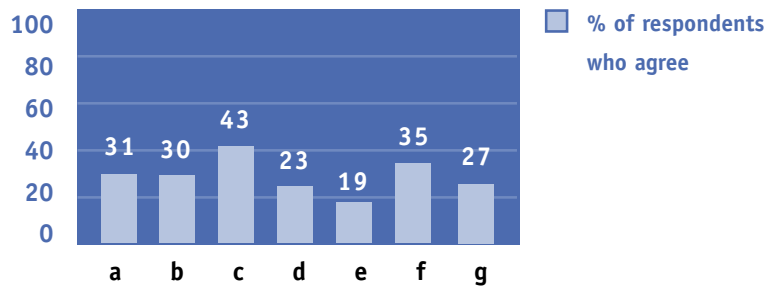


Respondents were asked to indicate their level of agreement with the statements on a scale of 0–100, where 0 indicates strong disagreement and 100 indicates strong agreement.

The paradox here is that most people feel “maxed out” in terms of workload, yet the organization is not making good use of the abilities they have. These numbers are even more troubling when we consider that people are able to spend only 49% of their time on key goals (see figure 10).

Furthermore, people feel that much more could be done to enable them to execute key goals (figure 13). Direction and feedback are particularly lacking, along with recognition of achievements in support of the goals.

**Figure 13. Does your organization enable you to successfully meet its most important goals by . . .**

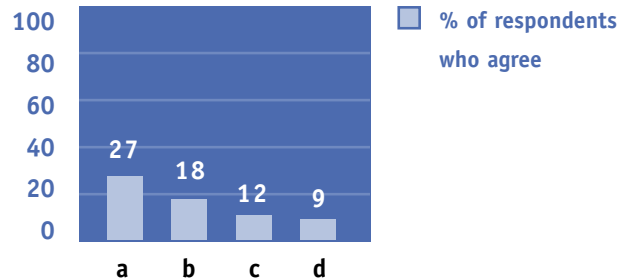


- a. Providing sufficient direction and feedback.**
- b. Training me on what to do in order to meet these goals.**
- c. Providing me with the equipment and tools I need in order to meet these goals.**
- d. Providing sufficient recognition and rewards for meeting these goals.**
- e. Removing any barriers to meeting these goals.**
- f. Empowering me to meet these goals.**
- g. None of these.**

Note especially that only 19% agree with item “e”—Removing any barriers to meeting these goals. This means that four of five respondents feel their organizations could do more to remove barriers to execution. And while 27% selected *none* of these items, only 5% selected all of them (not pictured).

Ironically, the organization often gets in the way of execution by making demands on people that are not relevant to achieving the wildly important goals. The most significant barrier, bureaucratic process, in addition to the other contributing forces, is shown in Figure 14 on the next page:

**Figure 14. Which is the most significant barrier you face in completing your most important work tasks?**



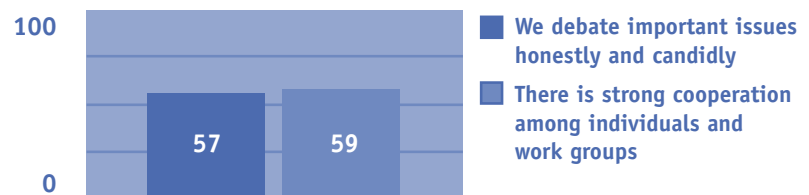
- a. Bureaucratic processes (e.g., needless approvals, lack of access to key people, unnecessarily time-consuming procedures, outdated rules, etc.)
- b. Surprise projects
- c. Lack of resources
- d. Micromanagement

The work of leadership is to enable people to execute the company’s wildly important goals. That work requires actively seeking out and removing barriers to execution, such as approval loops, access problems, and projects that fail the “wildly-important” test. It means “clearing the path” for others in every way necessary so that they can execute.

*Work Together Productively on WIGs*

When people must execute together, they have to cooperate. They have to dialogue. They have to be candid and honest with each other or execution is at risk. “You cannot have an execution culture without robust dialogue—one that brings reality to the surface through openness, candor, and informality,” say Bossidy and Charan.<sup>8</sup> So do respondents to the xQ Survey agree that they work in such an environment (figure 15)?

**Figure 15. Do people cooperate and dialogue well together?**



Respondents were asked to indicate their level of agreement with the statements on a scale of 0–100, where 0 indicates strong disagreement and 100 indicates strong agreement.

<sup>8</sup>Bossidy, L. and R. Charan, *Execution: The Discipline of Getting Things Done*. Crown Business, 2002, p. 102

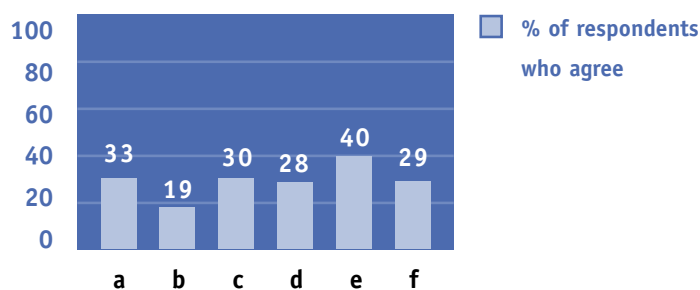
With such low levels of cooperation and dialogue, it's no wonder that so many organizations fail to execute. In such an environment, people find it hard to face and speak truth. They find it difficult to make themselves understood. As a result, they “wait it out,” hoping for the best instead of bringing the realities of the situation into the open.

Additionally, work groups often fail to connect with each other, particularly when territorial issues arise. A lack of cooperation across work groups is one of the causes of poor execution.

W. Edwards Deming used to distinguish between two kinds of behavior in getting things done. “A” behavior is getting your own work done; “A-plus” behavior is helping others get *their* work done. Clearly, “A-plus” behavior is more likely to lead to quick, precise execution. But do people in work groups understand group goals and support each other in executing those goals?

The level of collaboration even within work groups is alarmingly low. Only 19% set aside time to plan their work around important goals—and 29% say that their work groups do not plan *at all*.

**Figure 16. Which of the following are true of goals within your immediate work group?**



- a. We keep our most important goals on the front burner.**
- b. We set aside time to plan our work around our most important goals.**
- c. We plan how to support each other in agreed-upon goals and tasks.**
- d. My manager and I decide what I need to do to achieve important goals.**
- e. We adjust our plans based on our progress on goals and tasks.**
- f. We don't plan as a work group.**

No wonder, then, that fewer than a third define how to help each other, how to “clear the path” for each other. And only 28% of respondents decide with their managers what they should do in support of the wildly important goals. This means that seven out of 10 workers never have this discussion with their managers. (By the way, only 6% of workers selected all the items “a” through “e” in figure 16).

Clearly, “A-plus” behavior—the kind that speeds up execution—is far from typical in the American workplace.

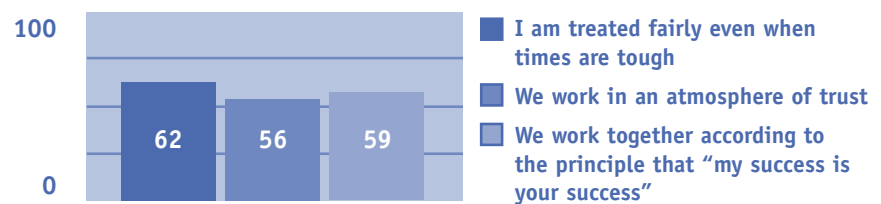


### *Trust Each Other*

“Organizations are no longer built on force. They are increasingly built on trust,” says Peter Drucker.<sup>9</sup> Only people who trust each other, for whom a win for everyone is a win for themselves, can execute efficiently together. “Win/Win Thinking” is the essential element of trust. Imagine, for example, going mountain climbing with a team of people who care only for their own success and think in a “win/lose” mode. When the critical moment comes, you don’t want to be hanging from a rope held by someone with that kind of mindset.

Trust levels need considerable improvement, as figure 17 shows.

**Figure 17: What are the levels of trust in the organization?**



**Respondents were asked to indicate their level of agreement with the statements on a scale of 0–100, where 0 indicates strong disagreement and 100 indicates strong agreement.**

So what do these scores imply for execution? When people lack trust in each other, progress on the core goal slows to a crawl as they strive to protect and defend themselves in a hostile or uncertain environment. Motives are weighed, territory becomes important, and credit is jealously sought. The best ideas no longer hold sway. Suspicion reigns. And execution falls victim to people who cannot move forward together.

By contrast, team members who trust each other can move forward together rapidly. Stephen Covey speaks of “the speed of trust,” the energetic advance of people who can count on each other.

### *Account to Each Other for Commitments*

Teams known for their execution are also known for “mutual accountability.” They feel themselves accountable not only to owners, bosses, and supervisors, but to each other. They have clear roles in executing a few core goals, and they constantly answer to one another in keeping their commitments.

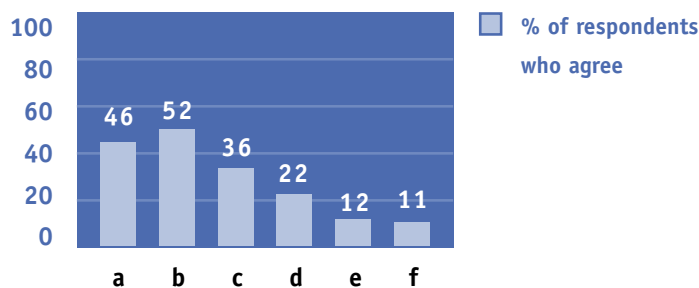
<sup>9</sup> Drucker, P., *Management Challenges of the 21st Century*, p. 187.



The notion that the boss holds the subordinates accountable, that accountability flows only one way, is not characteristic of good execution. Smart leaders find out how to clear the path for their people and make specific commitments to do so.

Mutual accountability is not typical behavior, however. Only around half the respondents indicate that people hold each other accountable for keeping commitments in a timely fashion. From the perspective of the average worker, budgetary discipline is notably low. Only about one in five can say that some clear consequence or reward attaches to keeping commitments, as figure 18 shows:

**Fig. 18. Which of the following statements describe accountability within your organization?**



- a. We hold each other accountable for doing what we commit to do.
- b. We are held accountable for reaching our commitments on time.
- c. We are held accountable for staying on budget.
- d. Clear consequences and/or rewards are applied to employees.
- e. We only occasionally hold each other accountable.
- f. People are not held accountable for what they commit to do.

Combine items “e” and “f” and we see that 23% feel that there is little or no accountability for commitments in the organizations they belong to.

If sharp execution requires that people hold each other mutually accountable, and it does, then the typical organization is in trouble. “This is a formula for failure,” say Charan and Bossidy. “You need accountability for results—discussed openly and agreed to by those responsible—to get things done and reward the best performers.”<sup>10</sup>

“Everyone’s accountable, all of the time.”

—Rudolph Giuliani

<sup>10</sup> Bossidy and Charan, 23.

## Are We Focused? Are We Executing?

Although the xQ Survey measures behavior, it's really about results. On the face of it, if people don't know what the "wildly important" goal is, if they don't embrace it, turn it into action steps, and follow through, they won't execute. And if they don't feel enabled, trusted, or accountable, execution will be slowed and perhaps blocked.

Closing the execution gap is key to joining the 13% of organizations that truly create value for their stakeholders. Certain behaviors lead to precise execution. According to Larry Bossidy and Ram Charan, "Businesses that execute ... prosecute them with rigor, intensity, and depth. Which people will do the job, and how will they be judged and held accountable? ... Everybody agrees about their responsibilities for getting things done, and everybody commits to those responsibilities."<sup>11</sup> The xQ Survey is a method to measure the organization's execution process; for without a clear process for execution, the best strategy in the world will collapse.

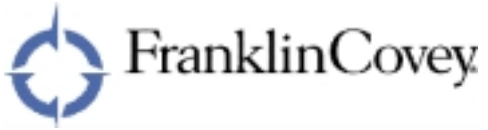
The xQ Survey findings clearly indicate that organizations typically lack core focus, that they do not synergize effectively, and the result is a failure to execute. The findings also point to specific and manageable things leaders can do to improve execution. Ram Charan has made the issue simple: "Determine the three or four business priorities for your group. . . . You can't have too many, you can't keep changing, and you have to communicate them clearly and repeatedly."<sup>12</sup> Decide what people need to do differently and better to achieve those priorities. Make sure everybody is accountable for those new and different behaviors. The secret of execution comes down to the simple, everyday task in support of the crucial goal.

"A key issue for senior executives," say Chris Zook and James Allen, "is determining whether the company's strategy is wrong or whether the organization is not able to execute it...a superb organization can shape and adapt even a mediocre strategy into a winner."<sup>13</sup> The xQ factor is the *deciding* factor.

<sup>11</sup> Bossidy and Charan, 23.

<sup>12</sup> Charan, Ram, *What the CEO Wants You to Know*. Crown Publishing, 200, 133.

<sup>13</sup> Zook and Allen, 152.



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