

Breakthrough Project:

FIVE STEPS TO PRODUCE UNPRECEDENTED RESULTS





A global vision care medical device company

had launched a new product and anticipated healthy first year sales results. However, within the first few months, the product was **far outselling** even the most aggressive projections.

Production was **unable to meet market demand**, causing customers to turn to the competition. Sales momentum began to slow. Educated estimates to be able to ramp up output began at 18 months and increased all the way to 24 months. It seemed the opportunity for a successful new launch would slip through their fingers.

In this case of the challenged vision care company, they broke through the completely reasonable prediction of 18-24 months and committed to raising production to the needed levels within 12 months. They achieved this accomplishment **in just five months** after making their commitment.

Here's how they did it.





BREAKTHROUGH DEFINED

Today, **breakthrough** is a word over used and misunderstood. A simple search of today's advertisements finds "breakthroughs" in detergent, toothpaste, phone reception, dating techniques, golf swings, and body shape. It's no wonder most of us cringe when we hear the term. Yet, we all have experienced true breakthroughs and improbable outcomes that have changed the course of the future.

For example, in the 1500's the average life expectancy in Britain was 30 years, influenced greatly by infant and childhood mortality. Today, Britain's average life expectancy is 78.4 years, more than double. This trend is found in most developed countries and today it is common to hear of people living past the age of 100. One can see that this outcome alone has altered the world in which we live.

Imagine the world of business without flight or almost instant communication, or even the public company. All were breakthroughs that gave business a new world stage upon which to play.

Insigniam defines a "Breakthrough" as a result, outcome, or performance that is unprecedented, or unlikely, given the organization's recent history, resources, and the internal/external circumstances within which it is operating, which we call their "drift." Additionally, a "breakthrough" fundamentally alters what is possible for the organization, meaning it changes what people in the company can accomplish in the future. Finally, this "breakthrough" must be sustainable, meaning it must be accomplished without sacrificing **quality, integrity, or well-being.**

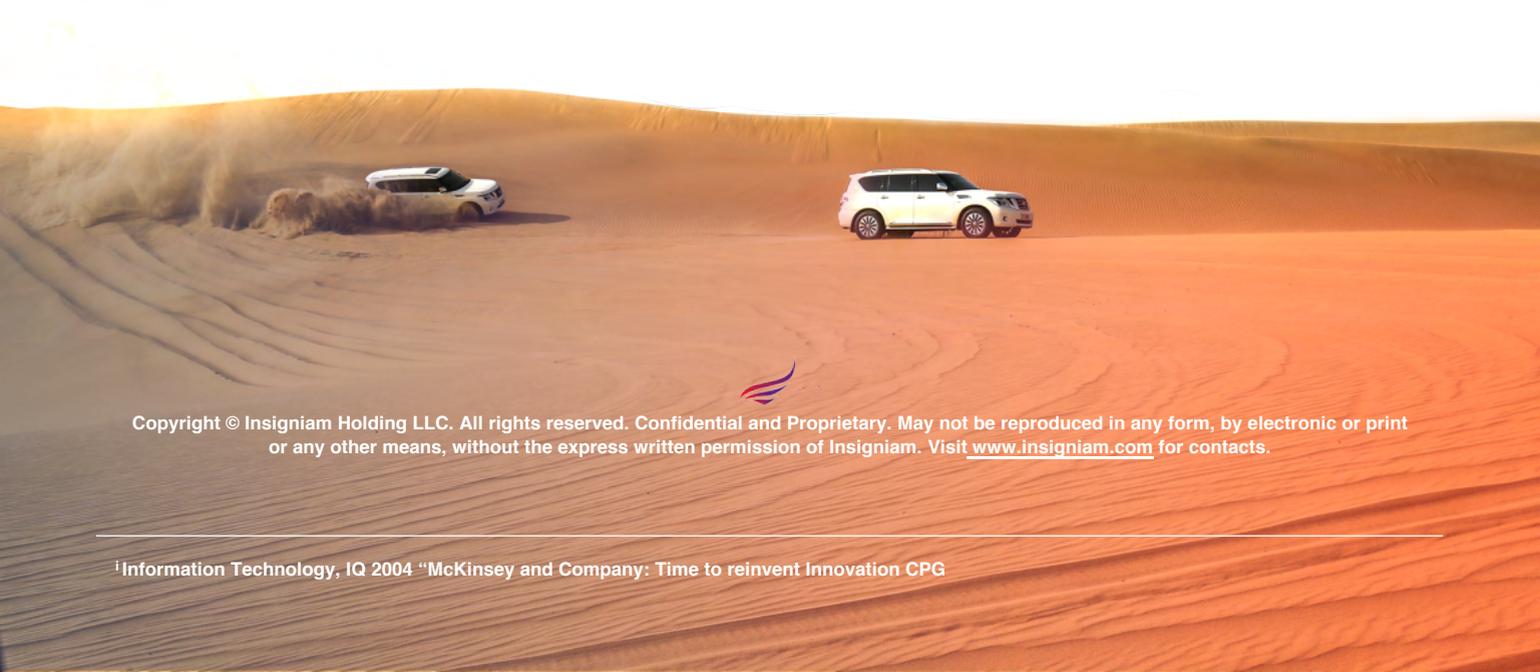


The Breakthrough Imperative

To win the competitive battle for market share in your industry, it is critical to get the right product to the market at the right time.

In consumer goods companies, accelerating new product development activities to be first in market realizes a **25% price premium**. In addition, studies have shown that a mere 10% increase in product innovation translates to a **2.5% increase in revenue**.¹

Given this impact, innovation and top line growth are critical boardroom topics. Executives realize the next frontier in revenue growth is through new product development. Accomplishing this will require a renewed emphasis and breakthrough in innovation and **speed to market**.



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¹Information Technology, IQ 2004 "McKinsey and Company: Time to reinvent Innovation CPG

STEP ONE

Confront The Almost-Certain Future

Imagine you are taking a walk along a river. When you look into the water, you can see the ebbs and flows of the current and whether it is peaceful or churning. You can see how quickly or slowly the water is moving, where it came from, and where it is going. If you were to pick up a twig and throw it into the river, you could easily predict where that twig would wind up, or **where the “drift”** of the river would not allow it to go.

Similarly, one can examine the drift of their organization and determine the results that are likely given that drift. What momentum and direction does the organization have? At what rate is productivity-improving or declining? **How has your organization historically handled challenges, planning, or execution?** What internal conditions (process, people, technology, etc.) or external conditions (financial, political, competitive) is it operating in? Looking at the “drift” those dynamics all contribute to, could you generally similarly predict your organization’s results to predicting the twig’s movement?

We propose that an organization’s results are often constrained by its drift, especially how that organization has historically thought, acted, and performed. As an example, what results could be predicted regarding most mergers given the general drift of merger effectiveness? In the 1967 November-December issue of the Harvard Business Review, John Kitching wrote that **42 percent of conglomerate mergers fail**. Additionally, a 2004 study by Bain & Company found that **70 percent of mergers failed to increase** shareholder value. While each of these studies may be measuring something slightly different, you can see a direction to these results from which one could make a reasonable prediction regarding the success of today’s mergers.

If this premise is valid, the first step to causing a breakthrough is to confront the predictable future of any business imperative against what the organization wants or needs that result to be.

Success Rate of Conglomerate Mergers



(1967 November-December issue of Harvard Business Review, John Kitching)

Success Rate of Conglomerate Mergers



(2004 study by Bain & Company)



STEP TWO

Unhook From Limitations, Barriers, And Constraints

"People who live in the past generally are afraid to compete in the present. I've got my faults but living in the past is not one of them. There's no future in it." - Sparky Anderson, Championship Winning MLB Coach

Over the past 35 years, we have discovered a very powerful principle regarding how the past limits our thinking, actions, and results in the present. It is not the facts of what has actually happened in the past that limit what we consider to be possible or the actions we take. Rather, we are limited by our interpretation of what has happened. When an organization is faced with producing an improbable result, making an effort to distinguish the facts from the interpretations about the facts has many of the limitations fall away. As a consequence, the individuals in that organization immediately see that it's possible to reach those improbable goals along with real ways to reach them.

Where did the Vision Care Company's 18–24-month prediction to raise production come from? It came from the historical drift of their organization, including how long it has taken in the past to increase production; the skills, knowledge, and abilities of their people; how long it has taken to raise money, etc. The team saw the gap between what was predictable and what was needed and decided to turn that result into a Breakthrough Project.



It's not hard to imagine what the thinking, actions, and results of a group of people living in that world of interpretation would be. Much of the 18–24-month project prediction came from these types of interpretations.

The team confronted the extent to which these and other interpretations were limiting their creativity, behavior and actions. They saw that there was a hidden benefit to dwelling in these past-based stories, i.e., the benefit of being able to abdicate their own responsibility in the matter of their challenge. After all, given the circumstances, it was nearly impossible to win. However, they also saw the other side of the coin, that dwelling in these interpretations robbed them of their own ability to impact the circumstances.

At the end of the exercise the team discovered that close to 80% of what they considered to be real, static, and limiting about changing the production lines just was not true.

They saw that a breakthrough was possible.

Back at the Vision Care Company, the appropriate people did just that. Through a series of interviews and work sessions, the team reality tested what they considered to be the limiting factors by separating the facts from their interpretations.

Here are some of what they came up with:

Fact (<i>Thought Real</i>)	Interpretation
The team is relatively new	It takes time to build team effectiveness
We only have 2 weeks to plan	Successful plans take longer
New product lines took x time in past	It's impossible to do in the time we have
We may fail	Our jobs and reputations are at risk
We have other accountabilities	We have insufficient resources
Everyone had ideas	Some were not worth listening to
Management has made requests	You are not allowed to say "no"



STEP THREE

Commit To An Improbable Goal

Have you ever played a game, perhaps a round of golf, which you knew you were very possibly going to lose? Or have you ever made a commitment that you didn't know how to fulfill? More than likely the answer is yes, and more than likely those are the types of challenges that you look back on with a great sense of accomplishment.

Why is that? Typically, it is because there was a context for your actions **that made playing worthwhile**, win or lose.

The next step in causing a breakthrough is to create an inspiring context for that result that would allow people to commit and play full out while risking failure. While it's useful to minimize the risk of failure, if you really are working on a breakthrough, the result, by definition, is always at risk. It is often the aversion to that risk that prevents us from committing to the breakthrough.

At the Vision Care Company, they explored and envisioned a future for their organization that was bigger than, but included, resolving their current challenges. That future was so inspiring and compelling, they couldn't imagine not committing to it (and thus committing to a breakthrough in their production problem.) Without the specific metrics that accompanied it, they declared, "We are the possibility of unconventional processes that facilitate radical start-up, producing products with unsurpassed comfort, vision, and health worldwide." Given the historical drift of that organization, it was indeed an improbable future to commit to.

At this point in the process, they had decided they were unwilling to produce a predictable result. They had unburdened themselves from the deeply held beliefs and unexamined assumptions that were limiting them. They considered themselves to be bigger than the circumstances they faced, and they had a powerful context in which to hold their challenge. It was now time for commitment.

At the end of this step, they committed to bringing the timeline from the predictable 18-24 months down to 12 months. And they did this without knowing how they would accomplish it.

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STEP FOUR

Create A Feasible Plan For An Improbable Goal

Planning satisfies a very basic human need: the need to know how to accomplish that to which we are committed. When people know how to accomplish their goals, they move with strength and confidence. Without knowing how, it is normal to see commitment to bold ideas fade. However, another way an organization can become limited by the “drift”, its past, is its planning process.

To understand how this happens we must look at the **underlying and hidden** worldview inside of which most planning happens. Simply said, this view is that planning is done from the past to the future. We consider today to be a result of yesterday, and we typically plan from today’s resources, skills, knowledge, and abilities towards our intended results. Whether consciously or not, the past is omnipresent. In that paradigm, planning becomes synonymous with, and limited to, projection and prediction.

To break free of those limitations, the vision care team turned the tables on that perspective. They imagined themselves twelve months in the future, at the accomplishment of the increased production. They asked a very simple question over and over again: “What happened directly before this outcome that made the outcome inevitable?” They responded to each question, with each answer carrying them back in time, until their answers brought them back to present day.

As a result of this exercise, the common and limiting comments that kept expanding the project timeline, e.g., “that will never happen,” “we’ll never get approval for that,” or “that’s not the way we do things here” vanished. Why? Because they were planning from the future, everything they planned had already happened!

Specifically, there were two insights that allowed for a 75% reduction in the time- line. First, they saw how tied they were to working in a linear fashion, ignoring opportunities to leapfrog or work in parallel on significant outcomes. Then they saw the extent to which many of their own internal procedures were bureaucratic, typically unquestioned and easily re-written.

They left that meeting with a plan to improve production in five months.



STEP FIVE

Implement With Elevated Accountability

While everything up to this point was necessary to get the team authentically committed, if the insights and plans didn't turn into constructive action, the needed result would not have happened. The final step to causing a breakthrough is to be organized around action.



During their future-based planning session, the vision care company developed a series of promises, requests, and activities that realized the necessary production within five months. Their next step was to set up the following team practices to ensure their behaviors remained organized around constructive action.

- **Practice One:** Make clear, specific, and public promises and requests to accomplish the plan. They outlined who was accountable for each activity and decision to be made, thus reducing time-wasting uncertainties.
- **Practice Two:** Immediately schedule sufficient time to accomplish these activities, rather than just indicating the due dates; then, stay committed to the calendar. They didn't allow other activities to interrupt the strategic priority.
- **Practice Three:** Regularly examine and declare current and potential breakdowns, problems, and interruptions. This enabled them to respond to the problems that arrived with greater velocity.
- **Practice Four:** Hold yourself and others to account for all promises and requests, moment by moment. This reduced time spent on ensuring commitments were kept.



BREAKTHROUGH IMPERATIVE DELIVERED

In a February 2002 Harvard Business Review article, based on a 10-year study of managers in significant corporations, Heike Bruch and Somantra Ghoshal wrote, “Our findings on managerial behavior should frighten you: Fully 90% of managers squander their time in all sorts of ineffective activities. In other words, a mere 10% of managers spend their time in a committed, purposeful, and reflective manner.”

As we stated at the beginning of this article, the Vision Care Company was successful at reducing the predictable timeline by more than 70%, by following the preceding five steps. Surveying the team after the project, **100% said they would recommend this process** to the rest of their organization, they rated their satisfaction with the process at 97%, and they estimated that each day working on this process was worth close to **four days return on investment**.

It is important to note the specific insights the Vision Care Company used to cause their result would not necessarily work for any other company. However, we assert that any organization committed to causing a breakthrough in a critical result can use these steps to **think newly about their challenge, act differently than they have in the past, and produce an unprecedented result**.

For more information about Insigniam's Breakthrough Project methodology and results, please visit www.insigniam.com or call +1 610 667 7822.