

CREATING EXTRAORDINARY ORGANIZATIONS

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This letter is written for those pioneers who want to move beyond the ordinary to the Extraordinary in creating business organizations.

Please feel free to pass this letter on to anyone you think would like to join this journey to Extraordinary.

Sent only to recipients who have personally opted to receive it. To change your sign-up information, please follow the instructions at the end of this letter.

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THIS ISSUE:

ARE YOU MISSING EXTRAORDINARY BECAUSE YOU AREN'T STARTING FROM THESE FUNDAMENTAL IDEAS?

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Welcome to Letter 4 of Creating Extraordinary Organizations. In my last letter I proposed some fundamental changes in beliefs about some elements of organizations and businesses. That whole letter was an example of what I talked about in my first letter -- upgrading our thinking to improve what we do and the results we produce. The thinking focused on elements related to the human side of a business, the organization and its members.

However, I said both customer and business results are also necessary for members to fulfill their aspirations. This leads us into thinking about the various kinds of activities that the people in any business perform. I first want to categorize them to help us do this.

After I do that, I will look at two elements related to activities and beliefs held about them. One needs to understand these beliefs to understand the concept of an Extraordinary Organization. One needs to hold them to succeed in creating such an organization.

Categorizing Activities

If we create a framework to organize activities it improves our thinking about them. One way to do this that has proved helpful to me is to separate them into domains based on who the activities are designed to benefit:

The business itself — These are the activities that produce results like profit, sales, market share, stock price, quality, efficiency, and so on that keep the business viable.

Customers — Activities that provide benefits to clients or customers.

Organization members — Activities related to fulfilling the needs, wants, and desires of organization members.

Beliefs About Elements Related to Activity Domains

Element 1

The first element to consider is the relationship of the three domains to each other.

EO Belief — The three domains must be treated as equally important interdependent parts of a single system.

If you remember in the last letter I contrasted Command and Control (C&C) beliefs with EO beliefs. Most people holding C&C beliefs would agree with "interdependent parts of a single system." However, if you watch how businesses actually function, you will see they clearly do not agree with "equally important." They see their task as winning on the first dimension.

They do place emphasis on the Customer domain activities. However, they do this primarily in the service of the business. They clearly spend less time and effort on the Member domain and only to the extent that it is needed for the first two sets of activities. Many high level managers talk of people being their most important assets. But they actually treat them like expenses to be minimized.

EO beliefs hold that you must treat these three domains equally to obtain Extraordinary results. They are clearly interdependent. None of the three can exist without the other two. Also none can be emphasized more than the others.

No business can exist unless some customer wants what it produces and is willing to pay for it. You can't deliver those products or services without superb business activities that result in high profit, great sales numbers, top quality, and so on. And you can't have either of these without highly capable people delivering that capability at top level. Only through balancing all three together do you have even the possibility of reaching Extraordinary.

Element 2

The second element to consider is the order in which we think about and approach the three domains. Even though all three dimensions are equally necessary, we must think about them in some order. They are separate sets of actions. They require different capabilities. They produce different kinds of results. We have to follow an order of priority when we think about them.

EO Belief — A business and its organization are only Extraordinary if you think about and address the activity dimensions in the order organization, customer, and business.

Command and Control beliefs consider the three in the order business, customers, and then organization members. Why do EO beliefs reverse that order?

If you remember, in the last letter I stated the EO belief that we create organizations to fulfill the needs of their members. I also stated another belief using the words from the Declaration of Independence. It shows that emphasizing members is in complete accordance with the founding principles of our country. These are value-based reasons for thinking about members first.

Another line of thinking that also puts members first is just plain self-serving from the business point of view. All results and outcomes arise from human thought and effort. People are the creativity that makes the enterprise possible. They also provide the energy that brings that creativity to life. It just makes plain good sense to think about making sure they are completely into the game.

Customers have to come next. If you don't have customer needs to fulfill, you have no way for the business to exist. Filling their needs also provides the challenge and opportunity for people to learn and grow. It also provides the financial base for not just staying alive but flourishing.

Of course, in order to meet the customer needs you need to run an effective business. You have to produce high quality with great efficiency. You have to remain financially sound. You have to develop long term customer relationships that will continue to sustain you and allow you to develop.

Extraordinary Organization beliefs hold that we have to produce outrageous benefits in not one but in three equal domains -- members, customers, and the business. The three legs of the stool must work together as a whole. Finally, they hold that we cannot get all the way to Extraordinary if we do not think about the needs of members first then customers and then the business itself.

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COMMENTS AND INFORMATION

On Line Interview On Creating Extraordinary Organizations — On

Monday, August 18 I will be interviewed live by Jim Warren of JD Warren Associates LLC. This will be from 10:00 - 11:00 AM PDT on VoiceAmerica.com. The subject will, of course, be "Creating Extraordinary Organizations. For more details go to

http://www.jdwa.biz/media_voiceamerica.html

Building an Interactive E-letter — I would like this E-letter to become more and more interactive and useful. To do this it needs to evolve according to the needs and desires of its community of readers. For instance, I would like to see one part of it devoted to answering reader questions. In order to further this evolution, please send me any comments, questions, or suggestions you have at:

<mailto:eletter@extraordinaryorganizations.com>

Enlarging the EO Community — I also believe that the larger the community of readers we have the more ideas we will have to exchange and build on. You can help add readers by passing this letter on to others you think would like to receive it.

HTML Version — EZMailPro, who delivers this letter for me, is coming out soon with a new version that will send HTML with a Text version for those who cannot receive HTML. As soon as it is available, I will be using it.

Yahoo Group — A Yahoo group "eogroup" is set up. It is not set up as a public group so I have to invite you to join. I am working on a link to do this on the EO web site and when this letter goes HTML, there will be a link here. In the meantime, if you want to join now, please send me an e-mail at the link above, and I will send you an invitation.

E-Letter Archive — You can view PDF versions of all published Creating Extraordinary Organizations letters at:

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As you receive this I will be returning from my time in Europe. I have already started working on our next time together and will be with you again in three weeks. Until then, thank you for joining me on this leg of our journey to Extraordinary.

Be Well and,
Be Extraordinary!

Don Yates
Extraordinary Organizations

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