

PROGRAM PROSPECTUS

Content Last Updated February 26, 2008



The Business System LabSM
for Operating-Level Teams

A Focused Learning Experience
Elevating Frontline Competence In Strategy Implementation



INTRODUCTION

“The value proposition underlying The Business System Lab is that *‘system savvy’ improves strategy execution* – and that this is nowhere more true than at the operating level, where the day-to-day work of the firm is accomplished – that is, where strategy gets done, or undone.

“Moreover, this critical collective competence can be gained rapidly and economically in an integrative *‘just-enough, just-in-time’ team learning experience*, where your organization is the classroom, your business is the case study, and the focus is on your issues, in your current market reality.

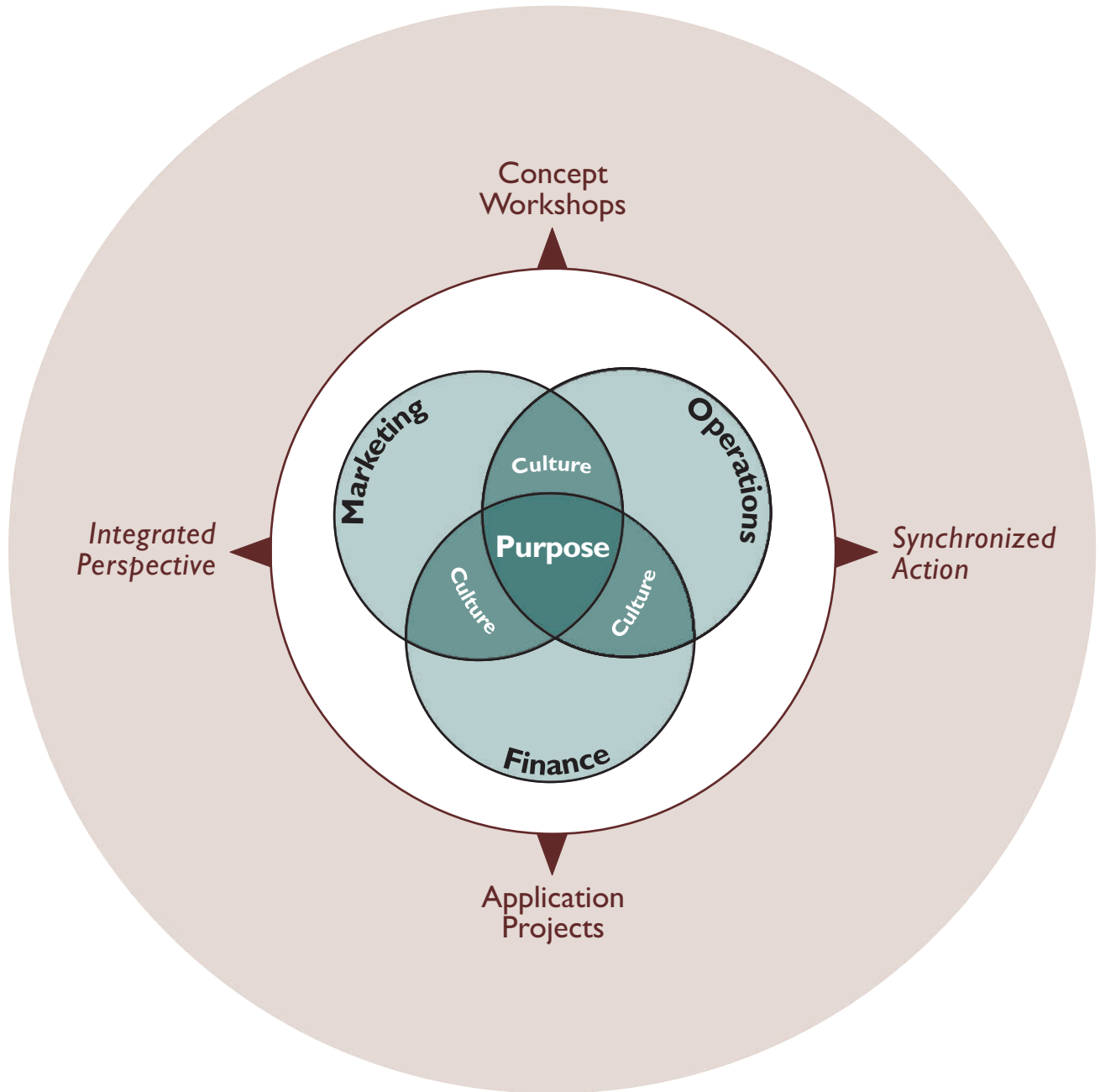
“The organizational outcome is a group of influential employees becoming more immediately and knowledgably responsive to strategic imperatives and change mandates initiated by leaders.”

Bill Hannon and Tom Buchner
Program Creators / Developers / Instructors

CONTENTS

Program Constructs / Focus (Graphic)	4
Program Description / Rationale	5
Program Phases / Elements	6
Program Delivery Framework (Chart)	7
Workshops Integration	8
Workshop Content Outlines	9 - 12
16 Essential Questions	13
Action Learning Methodology	14
Action Learning Projects Design / Focus	15 - 17
Program Evaluation Plan	18
Instructor Credentials	19
Appendix	20
The Business System Landscape (Graphic)	21
“Silo Thinking”	22
“The Training Reflex”	23
“A Quick Fix”	24
“Strategy Questions”	25
Relevant Business Press Articles	26
Continuing Study Books	27 - 28
Contact Information	29

PROGRAM CONSTRUCTS / FOCUS



PROGRAM DESCRIPTION / RATIONALE

The Business System Lab is expressly designed for teams of operating-level employees from the same company – frontline managers, supervisors, technical specialists and administrative staff members – whose collective day-to-day decisions and actions are increasingly critical to the successful implementation of their company’s strategy.

Its Central Premise is that the competence of this group will be rapidly elevated through their gaining an integrated perspective on how the whole business really works. That is, they learn together (1) how the three core functions of business, **marketing**, **operations** and **finance**, and (2) the synchronized action of its people, fit and work together as a system to create value for customers and profitability for the company; and (3) how collective performance is affected by shared organizational **purpose** and embedded firm **culture**.

Current Needs and Priorities, pre-reviewed with client company executives, guide program instructors in merging theory and practice in the delivery of four progressively integrated concept workshops, with the content of each grounded in specific company contextual considerations. These sessions are closely followed by instructor-facilitated team application projects focused on identified challenges and opportunities within the organization.

Its Primary Objective is to provide ‘just-enough, just-in-time’ learning in each of these fundamental topic areas, in a focused learning experience utilizing both interactive classroom presentation and discussion, and follow-on engagement in action learning projects. Throughout all program sessions, the participants’ organization is the classroom, their business is the case study, and the focus is on their firm’s key issues, in their current market reality.

Participant Outcomes relating to elevated competence in strategy implementation are:

- (1) *enhanced awareness* of what it takes to run an organization as a collaborative system;
- (2) *improved sensitivity* to conflicts, pressures and opportunities between functions;
- (3) *increased commitment* around changes that will enhance system performance; and
- (4) *accelerated career development* and qualification for succession to expanded responsibilities and higher positions.



PROGRAM PHASES / ELEMENTS

Phase One

- **Pre-Workshop Co-Diagnosis and Co-Design** (one day). Program instructors meet with company executives, senior managers and training staff to shape program focus and emphasis on current firm challenges and opportunities.
- **Participant Selection.** Department managers identify (up to) 24 participants from across the organization who will come together as a learning team for this initiative.

Phase Two

- **Pre-Workshop Readings.** Participants given selected reading assignments to prepare for Concept Workshop discussions.
- **Concept/Context Workshops** (four days). Four one-day sessions highlight need-to-know essentials in each topic area: mornings – *presentation of principles and practices*; afternoons – *grounding in company context.* (*Content Outlines ref. pgs. 9-12*)

Additionally, relevant insights from the recent writings of well-regarded business experts have been incorporated into the content of all four workshops, to acquaint participants with the latest thinking in each respective topic area.

Phase Three

- **Application Projects** (one to six months). Participants engaged in four focused *action learning* projects; instructors personally provide team facilitation and mentoring, progress assessment and coordination with company managers. (*ref. pgs. 14-17*)
- **Continuing Reference Readings.** Recommendations provided for participants' ongoing learning: bibliography selections, copies of relevant articles, topically related books.

PROGRAM DELIVERY FRAMEWORK

Phase 1	Phase 2				Phase 3	
<p>Pre-Workshop Planning (One Day)</p> <p>Co-Diagnosis of current company situation, critical challenges and opportunities and</p> <p>Co-Design of workshop focus, emphasis with</p> <p>Company leadership and management team / functional department heads / training staff</p>	<p>Concept/Context Workshops Delivery</p> <p>Mornings (8a - noon)</p> <p>Principles and Practices</p> <hr/> <p>Afternoons (1p - 5p)</p> <p>Company Context Grounding</p>	<p>Day 1 Marketing</p> <p>- the theory of the business -</p> <p>... is about finding and keeping <i>customers</i>.</p> <hr/> <p>How do we understand customer needs</p> <p>... identify key target markets to cultivate</p> <p>... translate market plans into sales execution</p> <p>... inform and focus all departments on customers?</p>	<p>Day 2 Operations</p> <p>- the logic of the business -</p> <p>... is about delivering the right <i>products</i>.</p> <hr/> <p>How do we know our operations are aligned</p> <p>... our products designed to satisfy customers</p> <p>... our processes performing optimally</p> <p>... and continuously improving?</p>	<p>Day 3 Finance</p> <p>- the language of the business -</p> <p>... is about making sound decisions with <i>money</i>.</p> <hr/> <p>How do we know if we are making money</p> <p>... building and guided by useful operating budgets</p> <p>... equating time and money in capital decisions</p> <p>... choosing the most profitable products and processes?</p>	<p>Day 4 Purpose/Culture</p> <p>- the beliefs and behaviors of the business -</p> <p>... is about aligning the intentions of <i>people</i>.</p> <hr/> <p>How do we assure a balanced perspective</p> <p>... consistent and focused behaviors</p> <p>... clear intentions and beliefs</p> <p>... an open adaptive approach?</p>	<p>Post-Workshop Application (One - Six Months)</p> <p>Implementation of workshop-designed Action Learning projects</p> <p>Project Stages:</p> <ul style="list-style-type: none"> - challenge/opportunity focus definition - team makeup and commitment - project accomplishment and ongoing self-critique of team behaviors - project results assessment and synthesis of new learnings

Workshop days may be scheduled to run consecutively during one single week, or over a two-, three- or four-week period.

CONCEPT/CONTEXT WORKSHOPS INTEGRATION

In order to maximize the coherence and cohesion of The Business System Lab learning experience for participants, several integrative approaches/elements have been incorporated into the design and delivery of the series of four Concept Workshops.

Content and delivery have been collaboratively developed and continuously improved by the program instructors.

After having jointly originated the basic program content, each instructor is thoroughly familiar with the other's orientation to their respective topic focus, content elements and presentation flow. Further deep familiarization has been gained through each instructor attending multiple presentations of the other's sessions, as well as through joint critiques at the conclusion of each workshop (i.e., regarding participant engagement, time flow management, points made or missed, suggested future additions and/or deletions, etc.).

Another benefit of instructors attending each other's sessions is the opportunity to represent complementary points from their own topic areas when appropriate to the discussions, and to learn about specific company issues arising in one session that may inform carry-over discussion points in succeeding sessions. A related benefit of this overall design is participants having continuous personal contact with both instructors.

Common models are used by both instructors to frame principles and illustrate particular topic perspectives.

Example models are applied references to *The Discipline of Market Leaders*, *The Balanced Scorecard*, *Cash: The Lifeblood of Business*, *The Force of Culture*, etc.

Common themes are presented and reinforced by both instructors throughout all workshop sessions.

Example themes are "continuous functional interdependency," "business as a complex adaptive system," "the multiple dimensions of an organization [economic, technical, social]," "alignment around shared purpose [vision, mission, values]," etc.

A mini case created by the program instructors provides breakout teams with a series of quick, focused group study experiences, designed to layer the learning through each succeeding workshop session in the series.

An instantly understandable product offering proposition is introduced in a planning exercise in the Marketing Workshop; decisions reached are then used in a product design exercise in the Operations Workshop; the developing data in its advancing form is then used to illustrate managerial finance decision options in the Finance Workshop; and then the full functional plan is retrospectively referenced in the organizational framework presented during the Purpose and Culture Workshop.

MARKETING WORKSHOP (DAY I) CONTENT OUTLINE

*“Marketing (the theory of the business) is about finding and keeping **customers.**”*

Marketing Planning Elements

- Business Opportunity Assessment
- Market Segmentation Principles and Practices
- Competitive Analysis
- Target Market Identification and Selection
- Marketing Objectives
- Marketing Program Development
- Marketing Mix Determination

Marketing Concepts/Topics

- Key Buying Influence
- Distinctive Competence
- Market Positioning
- Unique Selling Proposition
- Differentiation
- Branding
- Customer Adoption Process / Buyer Experience Cycle
- Sales Process Dimensions: Transactional, Temporal, Relational
- Product / Service Aspects (Core, Tangible, Augmented)
- Disciplines of Market Leaders (OE, PL, CI)
- Customer Relationship Management (CRM) Systems

Marketing and Strategy Formulation and Execution

- Structural (Functional/Departmental) Alignment
- Integrative Strategic Planning

OPERATIONS WORKSHOP (DAY 2) CONTENT OUTLINE

*“Operations (the logic of the business) is about delivering the right **products**.”*

Strategy-Driven Operations Management

- Strategic and Tactical Decisions
- Current Directions in Operations Management
- Emerging Competitive Battlegrounds

New Product/Service Design

- DFM, DFD, and other Design-For Strategies
- Quality Function Deployment (QFD)

Process Design – Key Considerations

- Strategic Process Investment
- Unique Challenges of Service Processes
- Measuring Performance at the Process Level
- The Balanced Scorecard Approach to Measurement

Strategic Process Improvement

- Lean Philosophies
- Six Sigma Philosophies and Tools (e.g., FMEA)
- Re-engineering Processes
- Value Analysis and Value Streams



FINANCE WORKSHOP (DAY 3) CONTENT OUTLINE

*“Finance (the language of the business) is about making sound decisions with **money**.”*

Financial Accounting: Historical Measurement [Brief Overview]

The Basic Accounting Equation

Primary Financial Statements: Balance Sheet, Income, Cash Flow

Financial Analysis: Three Perspectives [Brief Overview]

Management Perspective: Margins, Assets, Profits

Owner Perspective: Market Indicators, Comparative Performance

Lender Perspective: Liquidity, Debt, Leverage

Managerial Accounting: Operational Decision Making [Major Emphasis]

Cost Behavior

Breakeven Analysis

Make or Buy Decisions

Working Capital

Current Assets and Liabilities

The Cash Cycle

Capital Expenditures

Time Value of Money

Budgets as Business Blueprints

Allocation Budgets

Flexible Budgeting

Alternative Accounting Concepts/Systems [Brief Survey]

Activity Based Costing (ABC)

Economic Value Added (EVA)

Cost of Quality (COQ)

Other Accounting Models



PURPOSE/CULTURE WORKSHOP (DAY 4) CONTENT OUTLINE

“Purpose and Culture (the beliefs and behaviors of the business) are about aligning the intentions of people.”

A Hierarchy of Organizational Constructs

Organizational Purpose – A Composite of Elements

Vision

Mission

Values

Organizational Culture

What is Culture?

Taking a Cultural Perspective

Guiding Culture Change

Culture Study Methods

Culture Change Models

Culture Change Case Study

Organizational Thinking/Planning Processes

Managing Polarities

Whole System Planning

The Decision Compass

“Take Time for C-Work”



16 ESSENTIAL QUESTIONS ADDRESSED IN CONCEPT WORKSHOPS

From the Marketing Module:

1. How can we assure that customer needs are always in the forefront of marketing strategy formulation?
2. How can we continually devise useful segmentation schemes in a dynamically evolving marketplace, and develop effective responses to selected target markets?
3. How can we be sure that marketing intentions are fully represented at the sales interface with customers?
4. How can the support of marketing programs become central to the focus of all other functions of the business in their contribution to customer satisfaction goals?

From the Operations Module:

5. How can we get our operations strategy in sync with the organization's strategy?
6. How can we design products/services that our customers want and that our organization can effectively produce/deliver?
7. How can we build processes that consistently deliver the right product/service at the right cost?
8. How can we continually improve and upgrade processes to keep them at maximum performance?

From the Finance Module:

9. How do we know if we're making money?
10. How can we make and read useful operating budgets?
11. How can we equate time with money in capital expenditure decisions?
12. How do we know we are designing and choosing the most profitable products and processes?

From the Purpose/Culture Module:

13. How can we gain greater understanding of our business as a system that benefits from balanced attention to its economic, technological and social aspects?
14. How can we develop shared purpose, represented as a vision of the future, a mission to accomplish now, and values that guide our behavior?
15. How can we identify sometimes unexpressed or unrecognized beliefs and attitudes that are impeding our company's progress?
16. How can leadership be fostered and distributed throughout our organization, to initiate and support changes that may be imperative to our future survival and success?

ACTION LEARNING METHODOLOGY

Action Learning Defined:

“Action learning is both a process and a powerful program that involves a small group of people solving real problems while at the same time focusing on what they are learning, and how their learning can benefit each group member and the organization as a whole.

“Perhaps action learning’s greatest value is its capacity for equipping individuals, teams, and organizations to more effectively respond to change. Learning is what makes action learning strategic rather than tactical.”

Benefits to participants and organizations:

- Dealing with complex organizational problems.
- Organizational learning – shared learning at various levels.
- Team building – improved communications.
- Leadership development.
- Professional growth.
- Emphasis on feedback to increase self awareness/self confidence.
- Development of questioning and reflective thinking skills.

The Six Elements of Action Learning:

1. A real problem, in real time, with genuine significance.
2. Inside participants – “ordinary people, working and learning together.”
3. A questioning and reflecting process – seeking deeper understanding.
4. Action based on reflection recommendations.
5. Dual purpose – brought together to learn, as well as solve a problem.
6. Expert facilitation – coordinating, catalyzing, observing, enabling, coaching.

[Source: Marquardt, Michael J., “Action Learning in Action.” Davies-Black Publishing, 1999.]



ACTION LEARNING PROJECTS DESIGN / FOCUS

Projects Design

- Four teams – one designated to each of the four focal points: marketing, operations, finance, and purpose/culture.
- Cross functional teams – members selected to encourage different perspectives.
- Teams identify and select a project that will satisfy learning objectives and positively impact the organization.
- Project duration ranges from one to six months, depending on project requirements and team member availability.
- Instructors meet with teams to facilitate, coach, and monitor project progress.
- Teams prepare and present findings and recommendations to upper management.

A Sampling of Potential Project Focus Areas

Marketing

- Updating and validating the way the organization segments its customers – with recommendations to reorganize to better meet the needs of emerging segments.
- Examining and analyzing how the marketing program actually is carried out – with recommendations to change the process to counteract its weaker aspects.
- In-depth exploration of the customer “need-behind-the-need,” through site visits and the “customer’s customer” research – with recommendations to reposition the product.

Operations

- Studying and documenting the experience of a primary service from the customers’ perspective – with recommendations for significant competitive improvements.
- Analyzing the sequential nature of new product development – with recommendations to reduce development time using parallel design structure.
- Identifying and challenging the low-value adding steps of a core process – with recommendations to eliminate or outsource those productivity draining steps.

Finance

- Investigating and determining the true production cost of a product using activity based accounting methods – with recommendations affecting pricing and profit.
- Identifying and analyzing the inventory costs (raw material, finished goods) of a given product – with recommendations that reduce total cost.
- Exploring and quantifying the cost of quality associated with a given product – with recommendations to decrease overall cost through defect prevention.

Purpose and Culture

- Design and carry out an employee perceptions survey – with recommendations to emphasize and build on strengths while addressing key employee concerns.
- Explore and document an aspect of the organization's culture – how decisions are made – with recommendations to strengthen a bias for action.
- Conduct a values inquiry to assess the agreement between stated organization values and individual values – with recommendations for strengthening employee commitment.

Example: Customer-driven product changes

The team members recognize their company tends to pay lip service only to the importance of understanding customer needs. They define a project within a part of the company experiencing particularly rapidly evolving customer priorities. They select the customer segments, develop the research methods, collect the information, and feed it into a voice-of-the-customer matrix (a tool presented in the operations module). The team's analysis highlights several significant gaps in the product features given this fresh research into customer needs. Top management agrees these changes are overdue, and is pleased to see that these up-and-coming employees have learned a key lesson for the future of the company.

Example: Key process performance scorecard

A team identifies an organizational core process that crosses a number of functional boundaries. Because this process spans the company, subsections of the process have been optimized at the department level. Overall performance of the process is not optimal and a growing competitive limitation. The team members unite to create a scorecard of metrics that track the performance of the process as a whole. They link the previous department-level measurements to the new full-process metrics in ways that promote collaboration, not competition. (Note: Given organizational readiness, the development of a comprehensive *Balanced Scorecard* framework could become an integrating focus for AL teams, following participants' conceptual orientation in the four *BSL* modules, which “map” directly onto, and congruently underpin, the four Balanced Scorecard constructs.)

Literally, there is no end to the list of possible projects. Opportunities for teams to tackle projects that cross functional boundaries are plentiful in all organizations – and these are projects with substantial potential impact. As participants experience the interdependencies of modern organizations, they are thinking as a CEO would, not as a mid- or first-line manager, supervisor or technical professional tied to a product line or function. They are asked to face the contradictions and conflicts and negotiate a solution that benefits the organization as a whole. Top management will see what each team comes up with – how their ideas can impact the organization's future.

ACTION LEARNING PROJECTS SCHEDULE: AN EXAMPLE ONE-MONTH PERIOD

The BSL Team Member commitment: x hours per day, x days per week

The BSL Instructor/Facilitator commitment: One day per month each

	Week 1	Week 2	Week 3	Week 4
Team 1	Project Work	Project Work, including ¼ day individual team with 1 instructor/facilitator	Project Work	Project Work, including ½ day all teams with both instructors/facilitators
Team 2	Project Work	Project Work, including ¼ day individual team with 1 instructor/facilitator	Project Work	
Team 3	Project Work	Project Work, including ¼ day individual team with 1 instructor/facilitator	Project Work	
Team 4	Project Work	Project Work, including ¼ day individual team with 1 instructor/facilitator	Project Work	
Team Meeting Focus		Review of individual project task/process matters Team building activities		Individual team reports/ discuss project progress/ learning/plans Team building activities

PROGRAM EVALUATION PLAN

Measurement of the impact of The BSL occurs on three levels.

(1) Concept Workshops Content

Through the four Concept Workshop modules, participants are exposed to new ideas, methods, and solutions to problems. To measure knowledge change, a pre- and post-test method is used, sampling the main concepts and tools explored. Participants self-score the pre-test for immediate feedback – they start the series knowing what they don't know and with a heightened desire to fill in these gaps. The post-test shows the degree to which The BSL focal point concepts were established.

(2) Individual Participant Perspective and Attitude

In addition to gaining content knowledge, participants will experience a shift in perspective and attitude concerning their view of the organization as a whole, and particularly their willingness to collaborate for greater overall performance. Their perceptions and attitudes are identified using a short, proprietary instrument that asks them to identify with statements made about their organization and with statements that describe different behaviors that represent a range of commitment levels and collaborative tendencies. This instrument also is administered twice, at the start of the program and at the end of the team Application Projects.

(3) Application Project Results and Impact

Each team will construct a “before” and “after” project summary focused on the essential value-adding change brought to the organization. Most projects allow change to be quantified in monetary terms, at least in part. However, teams will be encouraged to pursue projects that may not be easily cost-justified if the projects promise other value to the organization. The value of each project will be thoroughly described and documented. The combined impact of the four application projects will be determined for overall BSL program evaluation purposes.

INSTRUCTOR CREDENTIALS

Bill Hannon

Bill is the Principal of Compass Consulting, an organizational strategy and change practice he established in Minneapolis in the mid-1980s, following two decades of experience in sales, marketing and general management in the paper and chemical industries.

He employs his proprietary Integrative Strategic Planning model in his work, with balanced operational, organizational and change components; within this framework he specializes in marketing and sales planning. Bill's clients are manufacturers, distributors and service companies, in industrial, commercial, medical and professional service fields. He also is an experienced business instructor, previously in Marketing and Sales Management courses at Metropolitan State University, and in more recent years in Mini MBA[®] programs (and one he created, The "Micro MBA") offered by the University of St. Thomas Center for Business Excellence.

Bill earned a Bachelor of Arts Degree from Carleton College, Northfield, MN; a Masters Degree in Business Administration from the University of St. Thomas, St. Paul, MN; and a Masters Degree in Organization Development from Pepperdine University, Culver City, CA.

Tom Buchner

Tom is a Certified Management Consultant (CMC) with 25 years of experience with a wide variety of organizations – from small start-ups to Fortune 500 companies as well as many not-for-profit organizations. His professional focus is organizational performance with emphasis on helping managers meet the challenges of continuous improvement. He has extensive experience leading measurement, quality improvement, and process reengineering projects.

He is a Senior Lecturer in Operations Management at the Carlson School of Management at the University of Minnesota where he teaches at the MBA and undergraduate levels. Tom also teaches operations management and is a Six Sigma instructor for the University of St. Thomas Center for Business Excellence. For 15 years he was a partner with Human Resource Consultants, Inc., a professional service firm specializing in executive assessment and managerial competence model development.

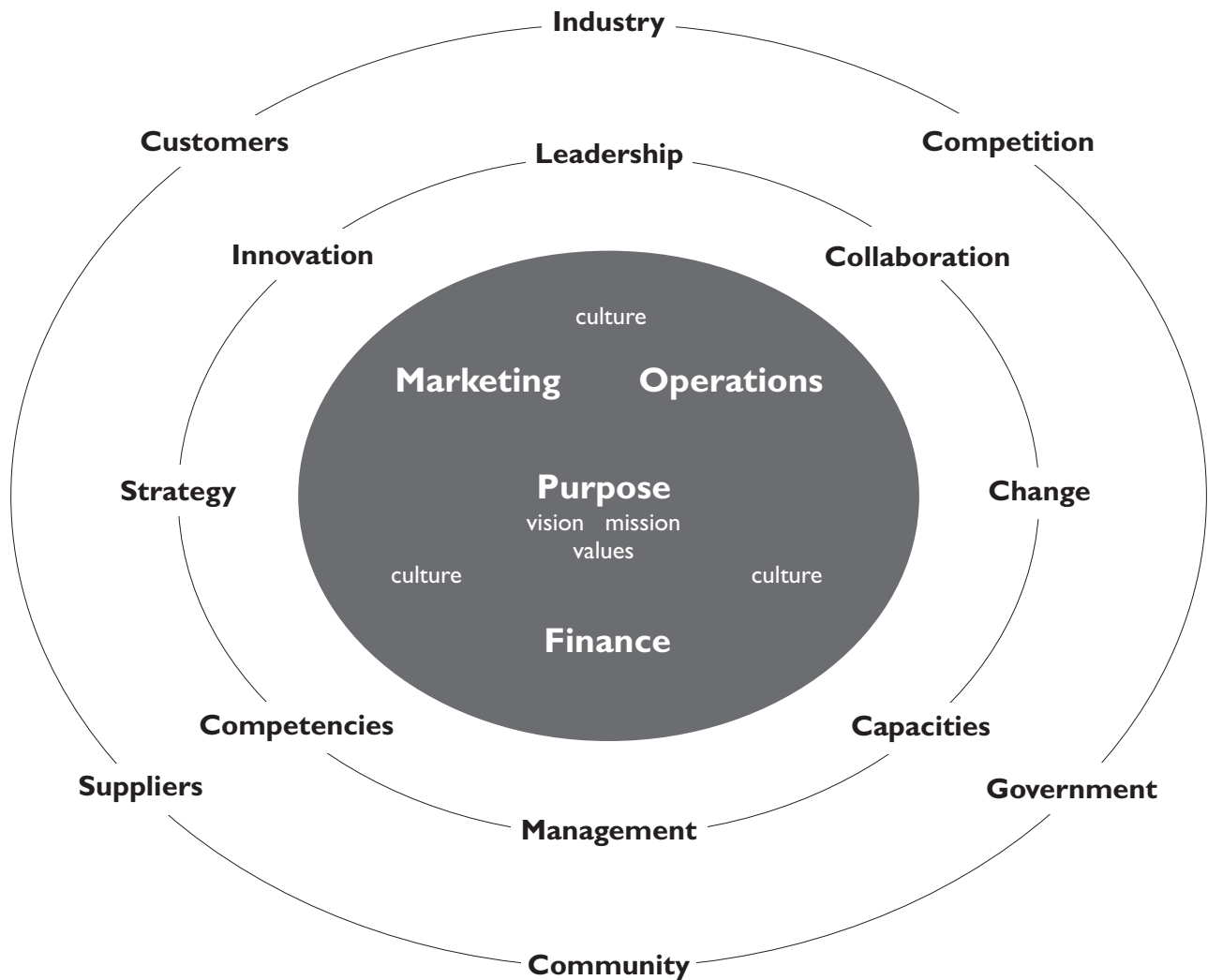
Tom received his Bachelor of Business Administration and Masters in Business Administration degrees from the University of Minnesota. He is a Ph.D. candidate in Human Resource and Organization Development in the U of M's College of Education.



APPENDIX

THE BUSINESS SYSTEM LANDSCAPE

To orient participants during instructor workshop discussions, the ‘landscape’ graphic below arrays aspects of a company’s internal and external environments in relation to The Business System Lab’s primary focus on “the three core functions of business, centered on purpose, connected by culture.”



“SILO THINKING”

From our years of teaching university business courses to operating-level managers, and from working with a wide variety of organizations as consultants, if there’s one persistent, limiting characteristic of organizations that we hear about more than any other, it’s “silo thinking.”

Spend just a little time exploring the dynamics inside an organization and the complaints begin cropping up: “the operations people just don’t get it,” “marketing isn’t helping us,” “accounting just likes to create obstacles,” and so on. But probe past the complaints and you begin to see the true nature of the problem: people simply don’t understand the priorities and challenges of functions other than their own.

At the same time, we also hear CEOs wishing that people throughout their organizations would act and make decisions with the big-picture in mind. Instead, they see sub optimization at best, and turf battles at worst. Yet it became obvious to us that sending people to school, one at a time, wasn’t having noticeable impact on organizational performance.

Our response has been the development of The Business System Lab – which we believe can be one of the most uniquely powerful learning experiences that members of your firm have ever encountered. Our confidence derives in part from frequently heard comments by participants in multiple public offerings of the Concept Workshops phase of the program in 2003 and 2004, echoing this one:

“This is exactly what I needed – it’s comprehensive, yet concise, and immediately useful. I just wish others from my company could’ve been here to ‘get it’ with me, so that we could all begin applying it together on things that urgently need a collaborative effort right now.”
(medical products company scientist /manager)

Now, consider the expanded possibilities for your own situation:

What if you could dynamically engage a critical, promising group of people ‘from the heart of your enterprise,’ where they are responsible for accomplishing the daily work of the firm, in a similar pursuit – all at the same time, in their own domains?

What if they were specifically challenged to look at your business from other functional perspectives?

What if you partnered experienced outside ‘scholar practitioners’ with your internal functional chiefs to blend theory and best practices in meeting the actual challenges facing your organization?

Finally, what if you put these people in teams on projects of strategic value, with continuous facilitation and mentoring from the instructors who brought them the new perspectives and insights, and let them run with what they’ve learned?

We’d like nothing better than to consider these possibilities with you. Please call us for a good (no obligation) “business system conversation” about *breaking down the silos* in your company!

Bill Hannon and Tom Buchner - Creators / Developers / Instructors of The Business System LabSM

“THE TRAINING REFLEX”

As employees, managers, consultants, and instructors, over the decades we’ve received a lot of training, and we’ve delivered a lot of training. In terms of the desired outcomes, some of it has been great – some of it hasn’t. Probably every person in business would say the same thing. Nonetheless, when someone perceives the need for individuals to get some new skills or knowledge, “training” of some kind is often a reflexive, and possibly even inappropriate, choice. And rarely is anyone ever challenged or criticized for spending on it, or wanting to get some.

But here are four reasons why traditional business seminar and training offerings can be a marginal investment:

1. Professionals in adult education know that if new knowledge and skills are not quickly reinforced through application, within six months the new learning is virtually extinguished – *the training might as well never have been undertaken.*
2. Moreover, if this application is not actively supported by senior managers and peers, or is resisted within the larger organizational culture, the inability to gain traction with new insights and motivation from the training session can become a source of frustration and discouragement for recipients – *resulting, paradoxically, in a negative return on training time and monetary commitments.*
3. And if individual teachers/trainers/instructors are not clearly experienced in the application of the principles and practices that they teach, and able to back up their recommended courses of action with passionate conviction and support of ‘ground level’ applications, the lessons aren’t convincing – *and participants aren’t confident or motivated enough to take the risk of trying to introduce and test their new learnings after returning to their own settings.*
4. And if so-called “customized” training programs are not underpinned by the offering organization’s capability to astutely diagnose current situational needs, appropriately translate and apply generalized ‘off the shelf’ program materials, prioritize the deployment of the best and brightest instructors and support staff, and then orchestrate the delivery and continuing reinforcement of program content – *the promise of the approach dissipates before it can even come close to fruition.*

In today’s fast paced, turbulent times, the new imperative is innovation in the diagnosis, design and delivery of an integrated, reinforced training experience – learning that rapidly becomes embedded behavior. Please call us for a good (no obligation) “business system conversation” about *pre-empting the training reflex* in your company!

Bill Hannon and Tom Buchner - Creators / Developers / Instructors of The Business System LabSM

“A QUICK FIX”

During discussions with an ad hoc panel of experienced reviewers, The Business System Lab has been variously described as . . . a primer on core fundamentals . . . a tutorial on basic essentials . . . an intensive overview of guiding principles and practices . . . a knowledge infusion at the heart of the enterprise . . . and a quick fix.

The key questions leading these reviews have been: Do they need to have it? Do they want to have it? Do they already have it? Can they get it rapidly?

The “they” we’re talking about are the operating-level people in an organization. The “it” is “system savvy” – i.e., a basic understanding of how a business system really works: how the functions and people fit together to create value for customers and profit for the company.

It is customary to dismiss any “quick fix” as a short term, patched-on response that only temporarily relieves symptoms of a perceived problem, and which just as quickly dissipates, thus actually making things worse over the longer term, by ignoring underlying systemic or structural matters.

But the art of truly fixing things quickly is astute diagnosis and innovative design that leads to a timely, incisive response to the targeted problem or condition; or to unrecognized or unattended gaps that exist in a system, which when filled can elevate and advance the performance of the entire system – making that fix strategic.

The ‘value proposition’ underlying the innovative design and delivery of The Business System Lab is that system savvy improves strategy execution, the ultimate collective organizational task – and that this is nowhere more true than at the operating level, where the day-to-day work of the firm is accomplished – that is, ‘where strategy gets done, or undone.’

This critically important group of employees is often underexposed to the ‘larger picture’ (whether through being silo-bound, specialty-focused, overlooked, or uninterested) – but our own experience, fortified by validated workplace research, convinces us that most employees want to know not only what they are supposed to do, and how they are supposed to do it, but also *why* they are supposed to do it, and that they and their companies will benefit if they gain this broader perspective.

The goal is not to become expert in any of the basic dimensions of the program, but rather to rapidly gain greater awareness and confidence about how all of the parts interact, and all of the people contribute – effectively, about the reasons their and their colleagues’ departments and jobs exist.

The BSL brings ‘just-enough, just-in-time’ learning to the right people, in the right place. The cost per individual is modest – the benefit to the organization is exponential. Please call us for a good (no obligation) “business system conversation” about *a strategic quick fix* for your company!

Bill Hannon and Tom Buchner - Creators / Developers / Instructors of The Business System LabSM

“STRATEGY QUESTIONS”

- What is it? Agreement on purpose and direction of the whole system.
- Who is it? Everyone in the system – leaders convene, provide motivation, framework, resources and commitment to define and shape it.
- Why is it? Align and coordinate physical, financial, technical and human resources toward organization’s goals.
- How is it? Participatory process drawing on a range of perspectives and insights from throughout the organization.
- Where is it? Everywhere in the system – its principles and imperatives inform everyone’s role and responsibility in its implementation.
- When is it? All the time, through constant monitoring, periodic modifying, situation-driven recasting.

Strategy Axiom: Its execution mirrors its design.

(That is, if the strategy formulation process is comprehensive, coherent and inclusive, so will be its implementation. And vice versa.)

Strategy is everybody’s business – and everybody wants and needs to know how their work influences and advances it.

Bill Hannon and Tom Buchner - Creators / Developers / Instructors of The Business System LabSM



RELEVANT BUSINESS PRESS REFERENCE ARTICLES

“The Challenge of Customization: Bringing Operations and Marketing Together.” *strategy+business*, July, 2004

Excerpts from the article’s opening paragraphs:

“Today’s companies are under greater pressure than ever to be “all things to all customers” – to produce increasing variety and customization of products and services, and keep their costs under control so they can deliver at competitive prices.

“Unfortunately, most companies struggle with the rising costs to serve customers who are demanding more and more variety, customization, and personalization. Indeed, companies frequently find themselves introducing the wrong variations at the wrong prices – giving customers value that they don’t really want at a price that the company can’t really afford to pay.

“Such errors don’t occur because of incompetence On the contrary, marketers often know their customers and their distribution partners in astonishing detail, and operations engineers can follow their products in real time from the factory to the warehouse to the store. The real problem, they say, is systemic.

“. . . In this paper, consultants from Booz Allen and faculty from Wharton conclude that failure to communicate and coordinate among functions, particularly between marketing and operations, significantly raises the costs and difficulty of executing customization strategies. They explain the structural and cultural reasons that make it tough for marketing and operations to work together”

“Developing First-Level Leaders.” *Harvard Business Review*, June, 2005

The article’s title-lead:

“How can you make sure that your company’s frontline managers – the backbone of the organization – feel committed and involved? Here’s how one of the world’s largest corporations answered that question.”

The article’s opening paragraph:

“When it comes to translating a company’s strategy into results, there’s no denying the importance of first-level leaders – those who manage others who do not manage others. At BP Group, these leaders oversee operations at retail outlets, manage work crews at chemical plants or refineries, and handle operations at drilling platforms. Some supervise more than ten people; others work with few subordinates in R&D, marketing, or human resources. First-level leaders are the ones who are most responsible for a firm’s day-to-day relationships with customers and the bulk of employees. As Harvard professor Linda Hill wrote in *Becoming a Manager*, “. . . managers on the front line are critical to sustaining quality, service, innovation, and financial performance.”

CONTINUING STUDY BOOK PROVIDED TO PARTICIPANTS

Charan, Ram. *What the CEO Wants You to Know: Using Business Acumen to Understand How Your Company Really Works*. Crown Business, New York, New York. 2001. 141 pages.

From the book jacket notes:

Have you ever noticed that the business savvy of the world's best CEO's seems like a kind of street smarts? They sense where the opportunities are and how to take advantage of them. And their companies make money consistently, year after year.

How different is it to run a big company than to sell fruit from a cart or run a small shop in a village? In essence, not very, according to Ram Charan. From his childhood in India, where he worked in his family's shoe shop, to his education at Harvard Business School and his daily work advising many of the world's best CEO's, Ram understands business as few can.

The best CEO's have a knack for bringing the most complex business down to the fundamentals – the same fundamentals of the family shoe shop. They have *business acumen – the ability to focus on the basics and make money for the company*.

What the CEO Wants You to Know captures these insights and explains in clear, simple language how to do what great CEO's do instinctively and persistently:

- Understand the basic building blocks of a business and use them to figure out how your company makes money and operates as a total business.
- Decide what to do, despite the clutter of day-to-day business and the complexity of the real world.

Many people spend more than a hundred thousand dollars on an MBA without learning to pull these pieces of the puzzle together. Many others lack a formal business education and feel shut out from the executive suite. *What the CEO Wants You to Know* takes the mystery out of business and shows the secrets of success used by business legends like Jack Welch of GE.

CONTINUING STUDY BOOK PROVIDED TO PARTICIPANTS

Charan, Ram. *Profitable Growth is Everyone's Business: 10 Tools You Can Use Monday Morning*. Crown Business, New York, New York. 2004. 206 pages.

From the book jacket notes:

For many, growth is about “home runs” – the big bold idea, the next new thing, the product that will revolutionize the marketplace. While obviously attractive and lucrative, home runs don't happen every day and frequently come in cycles. Products like Kevlar, Teflon, and the Dell business model for selling personal computers may be once-in-a-decade phenomena.

A surer and more consistent path to profitable revenue growth is through “singles and doubles” – small day-to-day wins and adaptation to changes in the marketplace that build the foundation for substantially increasing revenues. The impact of singles and doubles can be huge. They are not only the basis for sustained revenue growth but, in fact, the foundation for home runs. Singles and doubles provide the discipline of execution, an absolute necessity for successfully bringing a breakthrough technology to market or implementing a new business mode.

Inherent in this way of thinking is the revolutionary idea that growth is everyone's business – not solely the concern of the sales force or top management. Just as everyone participates in cost reduction, so must everyone be engaged in the growth agenda of the business. Every contact of each employee with a customer is an opportunity for revenue growth. That includes everyone from the people working in a company's call center handling customer inquiries and complaints to the CEO.

In this trailblazing book, Ram Charan provides the building blocks and tools that can put a business on the path to sustained, profitable growth.

For more than 25 years, Ram Charan has been working day in and day out with companies around the world. The ideas he has developed for solving the profitable revenue growth dilemma facing many businesses are based on personally seeing what works in real time. These are ideas that have been tested across industries and that deliver results, and they can be put to use starting Monday morning.

CONTACT INFORMATION

Thank you for considering The Business System Lab. To arrange a meeting with us to assess your particular organizational situation and needs, review program design and materials, discuss workshops content and projects focus, delivery timing options, and fees, terms and expenses, please contact us.

By Mail: 4701 W. 44th Street
Edina, MN 55424

Fax: 952-929-8794

Bill Hannon: 952-220-4925
bill@TheBusinessSystemLab.com

Tom Buchner: 763-913-7044
tom@TheBusinessSystemLab.com

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The Goal: *Elevating Frontline Competence in Strategy Implementation*

Convictions that ground our design:

Strategy gets done, or undone, at the operating level.
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OUTCOMES that justify our fee:

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