
ACHIEVING HIGH PERFORMANCE IN A MULTI-POLAR WORLD

There's no denying it: Times are tough. Gone is the atmosphere of carefree consumer spending that businesses have enjoyed for the past decade or so. Instead, recession-shy buyers are now tightening their belts, zipping their wallets, and putting off...putting off...putting off that big purchase or commitment they were hoping to make. In this difficult economic environment, some of the world's best-established companies and brands have found themselves struggling to stay afloat.

Incredibly, though, others seem to be doing better than ever. How is this possible? According to William D. Green, chairman and CEO of Accenture, today's most successful companies are the ones that have kept a laser focus on performance. "High performance is still about market focus and positioning, your distinctive capabilities, and your people—what we call 'performance anatomy,'" he says. "There's lots of panic right now, lots of concern and fear. That's natural. But at the end of the day, the game doesn't change."

Not in the big picture, at least. Looking at the specifics of today's business environment, Green admits that leaders do face one major change: the ever-increasing globalization of commerce. "If we think about competition, we tend to think about the guy next door. But the people we *really* have to worry about now have names you can't pronounce, and they're from places you've never been. I think it's fundamental in tough economic times to keep your eye on the puck and realize that five years from now, it's not going to be in North America."

This insight doesn't come as news to Bradbury H. Anderson, vice chairman and CEO of Best Buy Co., Inc. Under Anderson's guidance, Best Buy has enjoyed explosive worldwide growth in recent years. This growth, says Anderson, has improved not only the organization's balance sheets but also its abilities. "Wherever we go globally, we come back with more knowledge and more capability as an enterprise. The intellectual content we have gained globally has been really beneficial to the company," he explains.

This idea is beautifully simple and logical. The reality, however, can be significantly more difficult. As Green points out, organizations can't just open foreign branches and expect to reap easy rewards. They must also be prepared to seek out and absorb input from the countries and cultures they touch. "Some people want to take their current operating models and their view of the customers and just move them abroad. Those

people really struggle with global expansion,” Green says. “Successful companies, on the other hand, are figuring out how to be both globally efficient and locally responsive. And through all that, they must also leverage technology and know-how around the world as quickly as possible.”

Technology, indeed, has been a key to Best Buy’s global success. Anderson is quick to credit the company’s unusually young work force in part for this situation. “Our employees have grown up during a time, technologically speaking, when almost any information was available easily and cheaply. The ability to disseminate whatever you think is also immediately available. We have let that situation grow organically, and we’re using the insight we grab from that community,” he explains. “There’s a huge value proposition in companies that make themselves more porous. In our company, for instance, there was a point where one team ran dry in terms of content. We found the answers in another country. We couldn’t have done that if we had a closed-door communication system.”

Anderson specifically mentions Twitter, a web site that helps people to stay connected by continually updating users’ answers to one simple question: What are you doing? Best Buy’s marketing director is famous for spending much of his life interacting with the service. The result, says Anderson, has been incredibly beneficial for the company. “You get a great deal of insight from something like that. You’re harvesting just-in-time ideas and information from a community of folks—employees and customers alike—who are interested and curious. They want to be engaged. As long as someone is listening, they’ll continue to tell you what they think.”

Green applauds this use of non-proprietary social media and hails it as a coming trend. “Your employees *are* going to bring the outside world with them. So today’s social networking is tomorrow’s enterprise communication,” he says. “In a global enterprise, these services will become the fabric of how you operate and interact. They will allow you to take knowledge from wherever it is to wherever it’s needed, regardless of geographic boundaries. And that ability will allow you to succeed in the globalization agenda.”

These days, an important part of that agenda involves corporate identity and values. It is no longer sufficient to simply sell products or services. Instead, top organizations are now being called upon to support the values and beliefs of the people they serve. These values, explains Green, vary widely from place to place. “In India, it’s about health care. In Europe, it’s about sustainability. But whatever the specifics, people now want to associate with a company of character,” he says. “Especially in the emerging markets, you’ve got to be part of the fabric of society and make sure you’re very conscious of that. The definition of a high-performance company now includes commitment to the community and the people who live and work in your midst.”

Anderson agrees with Green’s assessment. He points out, though, that corporate values aren’t just an obligation. In Best Buy’s experience, they have led to performance-enhancing benefits as well. “Meaning in work is much more significant than used to be,” Anderson says. “People want to connect their individual jobs to something they believe has substance. Those who make this connection are better employees, more valuable

to the firm—and if we have a more engaged work force than somebody else does, we can make a lot of structural mistakes and still win in any given environment.”

Even in a disastrous economy? Absolutely, says Anderson, who believes that Best Buy—or any company—can transform the current downturn into a significant advantage. “I think you can use the pressure of the moment to induce structural changes and efficiencies that are harder to accomplish in more tranquil times. At Best Buy, we’re making tougher decisions than we probably would have if the environment hadn’t gotten more difficult. Additionally, the options for cost performance improvement have never been close to what they are today. So businesses have really rich options right now,” he says.

Taking bold steps forward can be frightening, of course, during such turbulent times. Anderson acknowledges that during crises, there is a temptation not just to hunker down but to actually return to old, better-known corporate strategies. But reversing direction, he says, is a huge mistake—and it’s one that leaders have a responsibility to resist. “One of the primary things I have to pay attention to is balancing the current pressures, fears, and changes without losing the centerpiece of our ‘story.’ For me, finding that balance takes more leadership energy than any other single issue right now,” he explains.

Green agrees wholeheartedly with Anderson’s approach. He states adamantly that leaders must be prepared to stay the course, especially when it comes to globalization. “In economically challenging times, those beachheads into emerging markets are often the first to go, because they’re tough stuff. Making money could be five or ten years out on the horizon. And yet by slowing down, you can lose a decade’s worth of progress in two years. You cannot get off message or off focus one inch,” he says.

When will this pressure let up? Never, Green says. “We’re operating in a new normal, which is that we’re going to have economic challenges and geopolitical issues somewhere in the world all the time. This current bump in the road, maybe, is particularly tough. But I like to think that we’ll learn to take our lumps and keep driving forward, recognizing that change is inevitable and it’s going to keep coming faster. People are going to raise the game on you whether you want it or not. As leaders, our stomachs may be in knots, but our faces—We have to show confidence and courage, knowing that people are looking at us and reacting to how we act. Attitude is essential for blasting through the fear and making sure you don’t lose your plot.”

Unfortunately for today’s leaders, there is no assurance that any given plot will have a happy ending. The outcome for each business depends on the input, the effort, and especially the organization’s performance as employees and executives work together to meet corporate goals. Companies that struggle in these areas will bear the brunt of today’s woes. High performers, on the other hand, are likely to survive and even thrive regardless of the economic climate. It is the most compelling reason imaginable for every business to develop, implement, and vigorously maintain a company-wide culture of high performance.