

## What's the Secret Behind High Intensity Organizations?

High intensity organizations are companies that continually achieve great results because they have a clarity, focus and dedication to excellence that is unswerving. They achieve results significantly better than their peers because they are designed to attain this level of achievement and because their employees embrace above average results as the level of accomplishment they want to attain.

High intensity organizations are like well-engineered and finely tuned engines. Only instead of producing high levels of power, high intensity insurance companies produce outstanding value to their stakeholders. In today's competitive world, where everything is increasingly difficult and complex, excellent results are only attained when everything is working well. And this is true of high intensity organizations.

Attaining this level of performance is frequently talked about, sometimes claimed and infrequently achieved. It is, or at least should be, the goal of every company and every executive. But this level of excellence is difficult to attain and even harder to maintain. It takes the dedication of a marathon runner. Unfortunately, most of us are sprinters.

To attain and keep this level of achievement, high intensity companies have discovered (in many cases re-learned) an important secret -- that their most important asset and strength is their employees. Every company talks about his idea. Unfortunately, in most companies it's just talk. The difference is that very successful companies have instituted specific and concrete changes that mobilize and focus their employees at every level so they want and are able to accomplish the results necessary to make the company consistently successful.

At first glance, this may not seem like a major change. But it is. It's a far more fundamental change than improving work processes, organizational structure, introducing new technology or even changing market strategies. And because it's more fundamental, it will have a bigger impact on your company's success. Its power is in creating an environment where everything works better, faster and cheaper.

So what specifically do these companies do?

First, they provided their employees with a clear understanding of the reason why their jobs are important and the value that their company brings to their customers. No one wants to work for a company that is designed just to make profits for its shareholders. We all understand that profits (or whatever else we call them in our company) are important. They provide the financial stability necessary to pay the claims that fulfill our commitments. But the real reason for the company's existence is the protection and peace of mind we provide to our customers when tragedy comes or is averted. Creating vision and mission statements and tying them to appropriate results and behaviors is a meaningful way to provide this understanding. These statements provide the philosophical and ethical foundation for the results and behaviors that are needed. They make accountability important and meaningful.

Next, these companies have clear, complete and balanced core success measures. They have them for the company and, more importantly, for each department and team within the company. These measures identify what must be accomplished to be successful. In a very clear and quantified manner, they define the company. When they are attained the company is successful. When they are not, the company fails.

Company measures are important. They are the measures that must be created first. They define the overall company's success. This effectively motivates the CEO and other senior executives but, unfortunately, does little to motivate and create the behaviors you want in other employees. This is because every person needs to have clear success measures that apply to their team and job. The real value from creating success measures comes when they are created for each team or unit within the company.

Most companies haven't done this and the reasons are easy to understand. Creating complete and balanced measures throughout the company is difficult to do. They take time and take resources away from other projects. And in many companies, this exercise isn't supported by some managers. Usually this lack of management support comes from a concern that the measurement process will not be done well or fairly.

Whatever the concern or reason for not taking this step, you must overcome it if you want to be a high intensity company. But this isn't all. Along with success measures you must also provide each employee with the timely results their team or department has accomplished for each of these measures. This gives them the feedback they need to ensure they continue doing what works well, take corrective action whenever the result isn't good and identify areas and ways to continually improve. Providing this information to management isn't enough. It must be provided to everyone and they must be allowed and encouraged to use it effectively.

You also need to give every employee a personal reason for wanting to excel. You will never create a culture where all or even most employees want to create outstanding results unless you adequately answer the question -- "What's in it for me?" We call this building an ownership culture in a company. This is a culture where employees see themselves as owners of what they do and accountable for the results they create. This is a culture where employees want to perform at the highest level they can and create outstanding results all the time. They want to do this because this level of performance and results creates benefits for them that make it worthwhile.

One of the best ways to accomplish this is to introduce a Gainsharing incentive compensation plan. This is an incentive plan that rewards employees for surpassing their team's or department's core success measures. Since the design is based on their team's success measures you don't have to worry about paying incentives for unimportant results. These plans are also "self-funding" so you don't have to worry about paying money when you don't have the money to pay. As a matter of fact, you don't have to budget for this type of plan because it pays bonuses from additional profits that are "above plan."

It has some other unique characteristics that make it very effective. For example, it pays incentives at least quarterly. This keeps everyone focused on creating the day-to-day results you need. Plans that pay annually are easier to design but have a serious flaw. They don't work. They don't change the behaviors and create the habits you need from all employees for the company to excel. Gainsharing plans also pay the same percentage to everyone on the team. This makes everyone "equal." But since this percentage is multiplied by each person's compensation received during that period, it is also appropriately unequal. People who receive higher compensation receive the same percentage but more dollars.

This type of incentive plan is a sophisticated design. It takes professional help to design and implement properly. The benefits you receive make the design effort worthwhile. For example, it focuses everyone on surpassing their core business success measures, regardless of the type of team or department. This ratchets up the level of performance and results throughout the company. How would you like to compete against a company where the standard of performance was always "above average?" Wouldn't you rather be the competition than the competitor?

This type of plan tells everyone in the company that they will share in truly outstanding results. Creating this level of performance will be rewarded in a manner that will be worthwhile. Everyone sees that the company is willing to "put its money where its mouth is." It's willing to "walk the talk."

These four changes create an environment within a company that ensures consistent success. It helps identify when you've taken a wrong turn by clearly showing that things aren't working. It helps identify proper changes in the same way, by demonstrating that your results are better. It mobilizes all of your employees behind actions that work because they share in the positive results of the company. It becomes an even better pace to work because everyone wants to excel. Everyone is pulling on the same end of the rope.

If you'd like to know more about how this works, please call me or visit our websight at [McDonaldConsulting-Group.Com](http://McDonaldConsulting-Group.Com).

We have an article in the December issue of Best's Review. It's entitled A New Attitude and I think you'll enjoy it. It describes the results three of our clients have received from going through a process where they fundamentally redesigned themselves.