

Could you characterize the current dynamic between business and technology? Who leads the dance?

Technology is a great enabler, but you have to have the right *people conditions* and organizational conditions to succeed with it. So when you ask who leads this dance, clearly the people need to. They need to have an understanding of what needs to be in place, which means the belief structures, the organizational structure, the processes and the skills as well.

You've called this a "Performance-Directed Culture." Could you describe the core elements and what it would look like to an outsider?

Some of the key elements of a Performance-Directed Culture include ***alignment with the mission*** of the organization. And that also suggests that you have to have a pretty good mission statement associated with your company. And then you have to get everybody aligned with that mission. That means they need to understand their contribution to that mission, individually and as a group and as a function.

Next, you need ***transparency and accountability***, and I really mean that. You need to have complete transparency within the organization and then we all need to hold ourselves accountable. The organization needs to hold itself accountable as well.

And then I also looked at things like ***conflict resolution*** - those organizations that have truly Performance-Directed Cultures resolve conflicts in a very productive way - they air issues openly and encourage people to surface issues and they debate and resolve them collectively.

That's actually part of the culture, as opposed to most organizations where conflicts tend to brew for a long time. You may have passive aggressive behavior - that's a favorite in a lot of organizations.

Then you need the ability to ***act upon insight***. Yes, knowledge is power. But it's even more powerful when you share knowledge and can actually get the organization to act in a more orchestrated way and as a single organism.

How would that look to an outsider? Well, customers would be delighted because you would be responsive to them. Partners would understand their role within your organization and would want to partner with you because the flow of communications would be very consistent. Shareholders would clearly want to invest in your organization. So it would really be a very high-functioning ecosystem of stakeholders.

From the outside, people would see a very successful organization that does extremely well within its market. Internally, all of the employees would be extremely motivated, there would be very high morale because they would understand their role in the context of the organization, and they would understand the impact of their efforts within that organization and would be rewarded accordingly.

That sounds like a great place to work. It also sounds like a very tall order. What are the factors that really get a company to adopt or build this culture?

It's an evolutionary process. It took some of the organizations I studied at least eight or nine years to get to where they are. It's not something that can happen overnight, But it can start almost anywhere - the real key is activism You have to have it somewhere, where someone or multiple individuals are passionate and motivated and can serve as a catalyst.

You need someone who is absolutely committed and relentless to make it happen. When I look at the case studies I conducted and the organizations I worked with, there was some someone who was absolutely bonkers - they were going to make this happen one way or another and they weren't going to let anything stop them. Not in a bad way - they weren't ruthless, but they were relentless.

Reading through the case studies in the book, it looks like companies follow a typical trajectory - they begin with manual processes, they bring in desktop systems, they go enterprise-wide with ERP, they put some BI on top, and then eventually move to performance management. Is there a similar trajectory in the evolution of a Performance-Directed Culture?

Yes. This is a good place to talk about the four forces that need to be present. The first is *visionary leadership*. And I'm really talking about the CEO and other C-level executives who understand the value of alignment, transparency and accountability. You also need *business advocacy*: the business leaders, not the C-level but the layers below them really have to get it and see the benefits to them as opposed to something that's imposed upon them, which they'll probably resist or treat with benign neglect.

Or be passive aggressive toward

Absolutely. The next is that *organizational activism*. The last one is *data literacy*, and this is actually the first time I've mentioned technology. There needs to be an appreciation for and an understanding of how information and information systems can support that Performance-Directed Culture.

At what point do companies recognize they need to change the way they do business?

Also an interesting question. When you have a really visionary executive, they tend to drive things and can make things happen more quickly than any other approach If you don't start off with that situation, you need a wake-up call.

These can take many different forms - they can be economic, like where we are now with companies trying to figure out how to stay afloat; others can be more cataclysmic. One of the organizations we were dealing with was severely affected by the 9/11 terrorist attacks. Or they could be a new competitive threat, when you have a paradigm shift in your market that's recognized before it's too late.

Those wake-up calls force management to step back and look at their business in a different light and start to become activists. I wish I could say that most organizations were in that position, but that's not the case. It's a very small minority that have had those wake up calls and have had the elements in place to start working toward that Performance-Directed Culture.