

Frame Your Mid-Year Performance Discussion

American Football is an excellent metaphor for business. Strategy, operational execution and teamwork all ultimately determine the performance of every team. Football teams are led by the head coach; businesses by the CEO. Football teams have demanding owners who want to win and make money. Companies have boards to represent the shareholders and expect value creation for their investment and the risk they assume.

When the pundits say that football is a business, there really is a deeper meaning!

The most successful pro football teams have a secret weapon that receives very little publicity but really is an important success factor. This secret weapon is halftime! The best teams use this mid-game break not only to relax, rehydrate and regroup but more importantly to assess performance and revise strategy. The best businesses and boards do the same.

Your Operating Plan

Most teams start each game with a set of 15-20 pre-scripted plays. The selection and design of these plays is based on careful study and analysis by the coaches of their competitor's performance over the past few games. Game videos and offensive and defensive patterns are studied in detail to assess competitive strengths, weaknesses and their strategy.

Only after this careful competitive assessment is completed, are the team's opening plays designed and organized. The coaches create these plays to capitalize on their teams' strengths while exploiting their opponent's weaknesses.

Once the overall game strategy has been developed, the team focuses next on implementing these customized plays, both offensively and defensively. There is an assumption that the proverbial basic blocking and tackling are in place through rigorous training camp drills and coaching feedback. Players without the necessary playing skills are not selected for the team.

In summary, during the real season, everything is focused on strategy and execution constantly assessing tactical effectiveness and competitive reaction. While the quality of the players do make a difference, even the best players fail to win games if the strategy, operational execution or teamwork is lacking.

The Head Coach is the leader of this entire process. In business, the CEO is this leader who must make sure that all the pieces are in place and operate effectively. The role of the board is to review, discuss, approve and periodically assess the performance of this plan.

July: Time to re-evaluate

July, as the midpoint of your board calendar, is a great time to take a step back and evaluate what has happened in your company over the past 6 months. Your CEO started the year with an operational plan resourced for success and then things happened. Some of your initiatives succeeded. Some might have been implemented poorly and perhaps competitors thwarted others.

Consider creating your own “business halftime” where you ask your CEO to go into the locker room, think about what worked and how to do more of those things. Identify what has not been successful and either develop a plan to improve performance or change tactics. This is not a blame session or finger pointing exercise. It’s a time to take a thoughtful step back and assess your company’s year to date performance.

5 Questions to ask your CEO

There is a proven set of questions to quickly assess your company’s performance and adjust as necessary. Ask your CEO to answer the following questions.

1. How would you evaluate your performance vs. the key performance indicator targets that we established at the start of the year?
2. Which tactical initiatives are working and which are not?
3. What are the reasons for success or failure of each initiative?
4. Which initiatives should continue, which should be modified and which should be discontinued?
5. How will you re-allocate resources for key second half initiatives to improve the chance of success?

4 Questions for your board to answer

As a final reality check on your expected future performance and your plans for the balance of the year, consider how key stakeholders will react.

- Will your second half plan produce an acceptable level of creation of shareholder value?
- How will your performance compare to your competitors?
- Will your results create investor confidence and continued investment?
- Are you spending your valuable board time on the right growth issues and opportunities or focusing on minor issues that create little or no value?