Accelerating Time to Value

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If you are like many senior executives today, you can see how disruptive change is fundamentally shifting people's values. You notice that where the value sits in your business is shifting even faster. The challenge in reinventing your organization to adapt to this new reality is that you have to run it and grow it *while you change it*. That translates into a lot of work happening simultaneously to meet the need for speed. Rarely, if ever, will you have enough organizational capacity to complete everything that should ideally be done to create and capture today's and tomorrow's value. Time, the constraint of all constraints, forces you to proactively choose what can realistically be done and then organize that work into a set of doable initiatives.

Faced with this constraint, most leaders automatically spend significant time up front thinking about the business strategy. Strategies that do not increase net present value—or that actually decrease that value over time—make no economic sense. Value is, after all, the future purchase price of the business (that is, what someone is willing to pay for it). In a world disrupted, stakes are high and companies must move fast. The best business strategy will, therefore, run the fewest initiatives possible to deliver the value within the shortest possible timeframe.

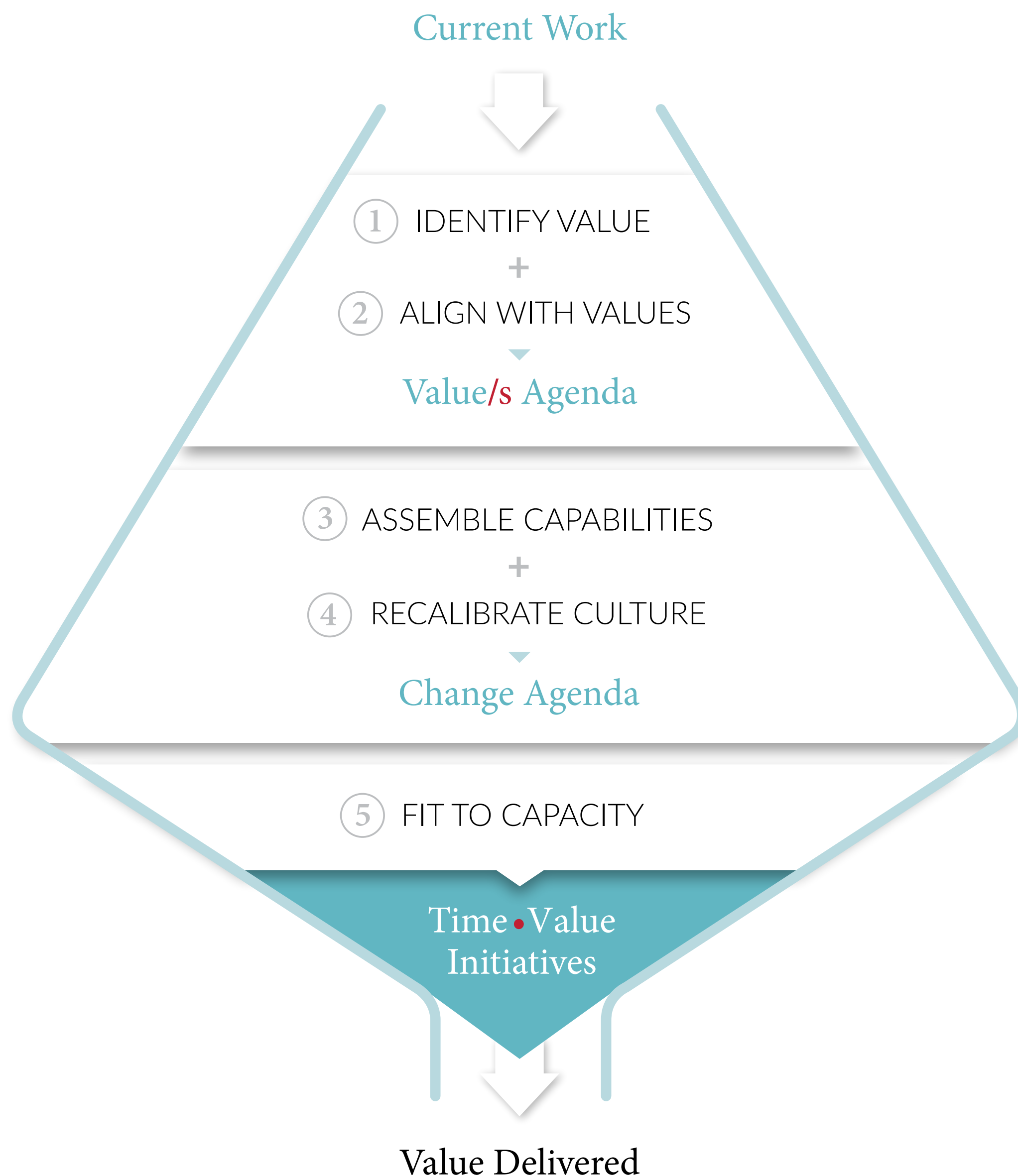
What work can your company complete in the time you have?

The default response to this pressing question for many C-suite leaders is to focus on speed and agility in order to max out the organization's capacity. But something underpins an organization's speed and agility—and that is the ability to reduce the time it takes to produce value. Accelerate **time to value** and, in our experience, you get speed and agility as outcomes. That insight led us to look at what stands in the way of reducing time to value in organizations. We deliberately designed the *Time to Value* methodology so senior executives could better manage the four "time traps" we discovered.

Admittedly, C-suite leaders already spend considerable brainpower on organizational improvements to reduce unproductive conflict, minimize friction, ramp up capabilities, and increase capacity. However, context is

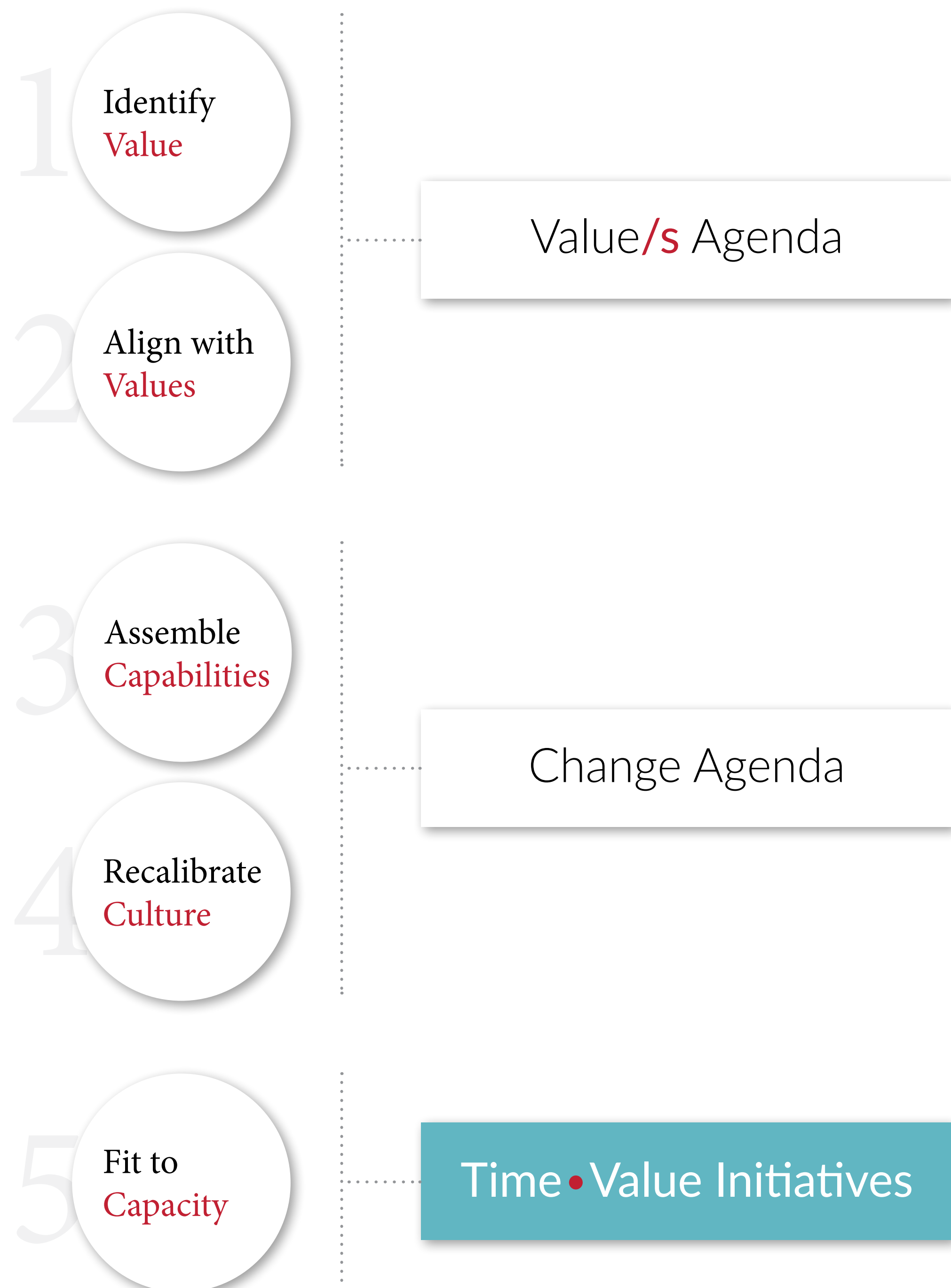
decisive. Not only do you observe the world very differently when you are forcing yourself to monitor the value being delivered by everything you initiate. Engaging with these factors in the context of "improvement" is very different from engaging with them in the context of "value". We have found that, when you engage with each nebulous factor with the intention of *accelerating time to value*, they become much more potent and actionable, more conducive to fast mobilization. And you end up essentially running a much tighter ship.

ACCELERATING TIME TO VALUE



Accelerate time to value using our process and two clear chunks of work surface: a **value/s agenda**, which is based on the company's value agenda and values, and a **change agenda**, which is related to capabilities and culture. These agendas quickly clarify priorities, which get converted into a set of integrated **Time•Value initiatives** that shift everyone's focus to the work most critical for delivering the business case.

Now for a walk through the fundamentals of this *Time to Value* approach.



Business is like basketball. It requires a scoreboard (a value agenda), competing teams (the players), and a clock (time). Winning is a matter of your team's players getting enough points on the scoreboard before the clock runs out.

Value/s Agenda

Until sometime right around now, the value agenda has not been a particularly trendy tool in the CEO's toolkit. Yet a clear value agenda keeps your team present to the outcomes and results you want them to achieve while they are executing plays fast and hard. (For those unfamiliar with the term, the value agenda is a set of strategic choices that focuses the company's talent on work that will generate a specific amount of value over time.) We have found that the more clearly CEOs articulate what, how much, where, and when value will be created and captured, the easier it is for them to efficiently select the right players and effectively identify a winning selection of initiatives on which to focus their team.

A value agenda, unlike a strategic plan, is a great tool for shifting gears when we move from planning strategy off the court to executing plays on the court. It clearly states **what** the company is up to, **how much** economic value it will generate, **where**, **how**, and by **when**. Its entire focus is on creating value as quickly as possible. The whole point of a value agenda is to increase the cash flow value of the company to generate a superior Internal Rate of Return (IRR) within a certain period of time. And that is only achievable by focusing the company on doing just three or, at most, four strategically chosen things. Not the five, fifteen, or one hundred and fifty initiatives we normally have outlined in our strategic plans.

In the world of private equity, the value agenda is disclosed during the development of the investment thesis; outside of private equity, it forms part of the business case. Whether inside or outside of the world of private equity, real-time data about an existing company's businesses

and the environments in which they operate supports the value agenda. For instance, performance reports and business forecasts, including investment requirements and growth and profit margin opportunities, will hint at what's possible for a particular company when it comes to value creation. This data, in conjunction with industry history and news, as well as the size and trends of markets, answers two fundamental questions necessary for creating a value agenda:

1. Where is the value that creates momentum today?
2. What disruptive actions do we need to take to deliver value tomorrow?

These insights help articulate two distinct sources of value within the value agenda: the Momentum Case and the Bend The Curve Case.

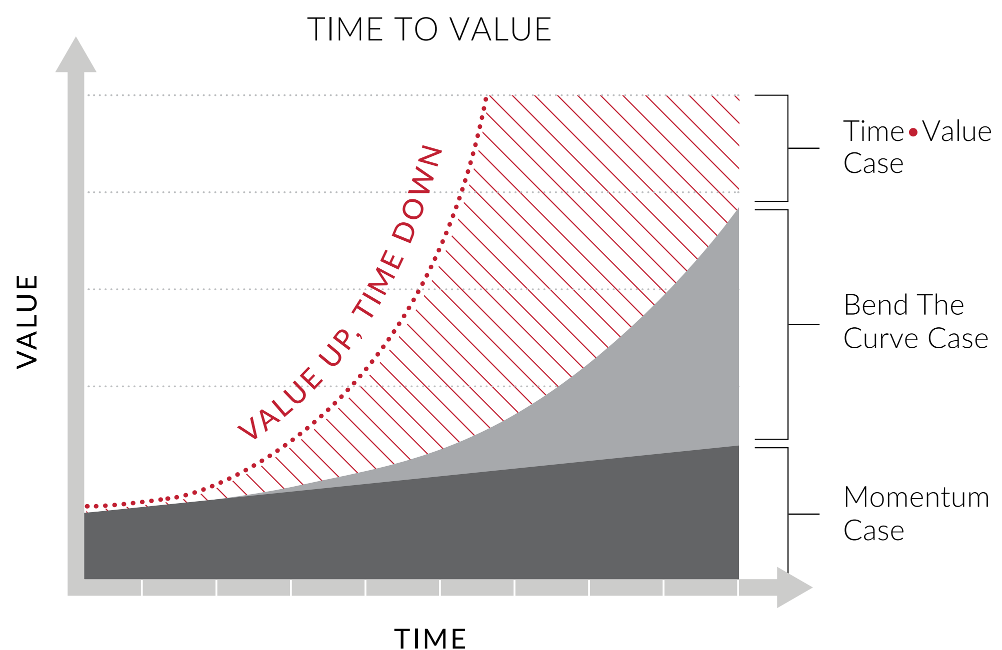
The MOMENTUM CASE defines the value expected if the company continues to do exactly what it currently does. This "**business-as-usual**" value (what we call *today's sources of value*) is being and will be delivered through initiatives that were launched in the past and the related "old" work still being executed. This portion of the value agenda may see either growth, contraction or flatlining, depending upon market conditions and disruptions in the industries or markets in which the company operates.

The BEND THE CURVE CASE defines potential value the company may create tomorrow if it correctly anticipates what customers will value in the future and then successfully executes "new" work to deliver exactly that. This **aspirational value** (what we call *tomorrow's sources of value*) bends the value curve upwards through the implementation of: new business models, initiatives, products, or markets; significant efficiency or cost-cutting programs; and/or other improvements.

Idealists go straight from identifying their value sources to designing their strategic initiatives at this point. We are pragmatic realists. In our *Time to Value* methodology, we take this articulation of value one step further by sharply identifying the company's "**value hotspots**". Value hotspots occur at places in the enterprise where two or more factors (including countries, business units, product lines, customers, projects, strategies,

and functions) can or will converge to generate a significant uptick in value or where there is a risk of a significant downtick. Each and every hotspot has:

- A very specific value that can be realized with sufficient focused resources
- A compressed timeframe, and
- A limited budget to force innovation and collaboration.



Why bother with hotspots? First, hotspots drive both the Momentum Case and the Bend The Curve Case. Second, every organization needs a mix of both types to generate value today and to keep generating value tomorrow. Third, looking at a company's value hotspots helps sort out exactly what "old" work and what "new" work must be done by which roles and in what order to realize the value agenda before the clock runs out. Last, but not least, consciously focusing everyone on driving "value up, time down" as their old and new work collides will cut through organizational inertia, optimize value creation and capture, and accelerate time to value.

The Momentum Case and Bend the Curve Case deliver value over time. The TIME•VALUE CASE, on the other hand, defines the value expected when time is reduced and the delivery of value is accelerated. This "more value faster"—the intended outcome of the *Time to Value* methodology—happens when work is concentrated and prioritized in a finite sequence of Time•Value Initiatives.

When Harry became CFO at Baxter International, he was determined to drive the generation of economic value for the company's shareholders. He believed that focusing only on things that would grow revenues and achieve a certain level of operating profitability in the business would not get the job done. Realizing economic value for Baxter would also demand that he prioritize the company's capital needs and, most important, generate significant cash flow for shareholders. So Harry made cash flow a priority for everyone at Baxter: he declared the company would triple their current flow of cash from $150 to $450M in the coming year. His mantra: "We are all going to focus on the amount of capital that is required to generate profitability." At first, people doubted this was possible. But by making cash flow the lens through which all decisions were made about what work to do and what work not to do at the value hotspots throughout the company, Baxter was able to generate more than $950M in cash flow by the end of that year.

Knowing what a company is up to and the location of its value hotspots constitutes the first step in designing a value/s agenda. Next up: anticipating and minimizing potential conflicts with your various stakeholder groups.

The value agenda sets up your game and tells people how to keep score. But before you even begin playing, you'll want to make sure everyone is aligned with your game and scoring system.

2 Align with Values

Many people are attuned these days to the long-term and broad-scale impacts of their individual and collective efforts, to “doing good” and “good work”. Similarly, many stakeholder groups, realizing how interdependent we truly are, have serious concerns about the social and environmental implications of the choices being made and actions being taken by businesses. Conflict at the level of stakeholder groups represent a set of challenges which your business must carefully traverse.

Charge ahead with your new value agenda and current corporate values and you can inadvertently run into danger. The shifting values of your stakeholder groups will act as crosscurrents to yours, slowing everything down and bringing value creation to a halt. Strikes and demonstrations, publicity stunts and boycotts are not fed by ethical differences alone. It is the combination of **what your company is now up to** (value agenda) and **what the organization stands for** (values) that will generate these higher-order conflicts. Aligning with the stakeholders in your business ecosystem is not about adjusting your principles (which are the bedrock on which your organization was founded) to align with all your stakeholders' principles. It is about fine-tuning the combination of your company's new value agenda and existing set of values to your **stakeholders' concerns** so that you stand a much better chance of bringing them with you and accelerating value creation.

Unfortunately, tradition would have it that we not talk about strategy and values in the same conversation. Business leaders talk with consultants and experts to develop a strategic plan that will deliver value, while the board and management have their own separate discussions about organizational values. The result is that our value agendas often end up disconnected from what we believe to be important. That disconnection fuels conflict later. Some CEOs, recognizing the logic of having a set of core values that support value creation, figure out what those principles must be for their company. However, for the most part, their process is intuitive, rather than analytical.

We have found that combining a value agenda with a set of values that will lessen conflict minimizes the time it takes to deliver the value. This **value/s agenda,** as we call it, inspires people to focus their attention and energy on the critical work that must be done without getting crossways

with other stakeholders inside and outside your company. Re-aligning your values to accommodate your stakeholders' concerns is not simply an academic exercise. It is a matter of disrupting behaviors. With clarity on value/s, people can align themselves quickly, no matter what's happening, and together go further faster.

The set of strategic choices you have made about where your company will play and how it will win inherently involves its own universe of stakeholder groups. Success will depend on how well you achieve an appropriate level of alignment with each group in that universe. Not all groups will, or even can, be intensely aligned with your values and your value agenda. Some stakeholders, whose purpose runs counter to yours, may never align with what you stand for and are up to. Hopefully, conflicts over values with these groups will only put an insignificant amount of your value agenda at risk and minimally impact your success: in these cases, getting to neutral is not wholly objectionable and probably your best bet. Other stakeholder groups can either take actions that would trigger a huge cost to your business or slow down your progress altogether. Values conflicts with them can have a significant impact on your future. You will want to ensure your values are sufficiently in sync with these stakeholders so that their **intense alignment** with your strategic choices will feed the frictionless execution that brings speed to value.

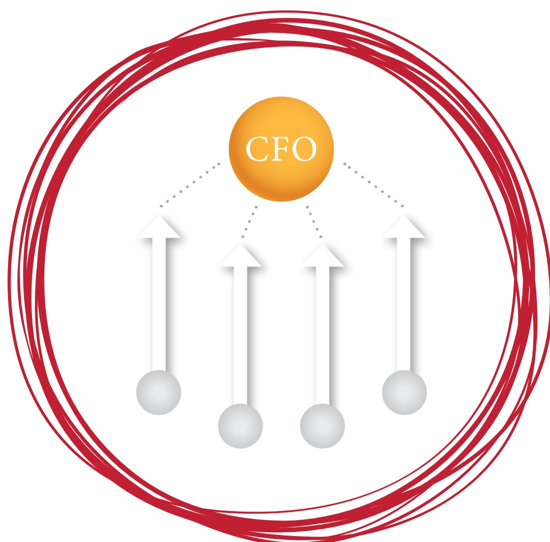
Reflecting on how closely your values align today with each stakeholder group and how aligned they need to be tomorrow can give you a quick black-and-white snapshot. But what you need is a shutter burst of color pics to fill in the nuances of what the real work will be in this regard. Each stakeholder group has its own set of values, some historical, some aspirational. Over time, the historical give way to the aspirational, either moving into more or less alignment with the values of your company. Shifts in their values can also reflect shifts in their concerns. Playing detective now can help reveal serious alignment problems you might not otherwise see until it's too late.

Having this understanding of your stakeholders makes it possible to define a finite set of a few non-negotiable values that will work across your entire business ecosystem to minimize conflict and reduce time to value. Think in terms of the smallest number possible to balance

everyone's interests (cue: group them thematically). No prescriptions here in terms of which values or how many. A **workable handful of non-negotiables** are all you need. If your people can easily remember them, they will be more likely to use them in their everyday interactions—and that will fundamentally accelerate the value agenda.

At Baxter, one non-negotiable value in particular helped generate higher cash flow. In the past, the company CFO met each month with the leaders of the company's four $1B+ business units. They would each take a turn presenting their capital requests, uninterrupted, one at a time. No one would comment on anyone else's presentation: no on would rain on anyone else's parade. Each and every one of the four executives stayed within the lines: each and everyone focused all their attention on convincing the CEO and CFO to give them the funding they needed to get work done within their business unit.

Harry disrupted these calm waters of co-existence when he announced the company's new target of generating $450M in cash flow. Now every capital request would come under close scrutiny. Doing what was in the best interests of one line of business—and not in the interests of the company as a whole—was no longer an option. Optimization had to happen across the whole organization to serve all three of the company's top priorities. Instead of being polite with each other, the unit leaders had to "make nice" in a different way: they had to pretend that they actually worked for the same company.



Harry facilitated this shift in values from independence to interdependence with a visual metaphor. The four business leaders, rather than thinking inside their individual set of "lines", would have to get their arms around the whole "circle" of the organization, as well as their individual business unit, and understand how everything worked together. Soon their monthly meetings became a forum for explaining and understanding not only what capital was needed in certain areas of the company, but why and for what purpose. Without prompting, the executives were offering

to share capabilities and excess capacity with each other. What they did together brought in more results faster than what they could have done individually, as well as generated a much bigger increase in cash flow.

Inevitably, there will be places among your high-risk stakeholder groups (both internal and external to the organization) where you must intervene, conversations you must have with certain parties to intensify alignment. These efforts to reduce friction and improve value/s alignment will, in and of themselves, take a certain amount of time. They constitute a chunk of "new" work to add to what you've already identified will be necessary to drive your value hotspots.

Change Agenda

Time now to turn your attention to how your company must adjust its capabilities and culture to better align with your value/s agenda. These adjustments will form a two-part change agenda designed to improve your organization's readiness and willingness to play its new game. The first part will be a plan to assemble the capabilities within your business ecosystem necessary to complete the work associated with fulfilling your company's strategic choices; the second part, a plan to modify the hardwiring and the software of the company's culture to better support the realization of the value agenda.

You must assemble enough of the right capabilities at each value hotspot to win that bet.

Capabilities are the talent, tools, processes, and systems that make your organization capable of doing what it is setting out to do. Either your company has already assembled all the right capabilities at exactly the right places in time to fulfill its **value episodes**, those emerging opportunities to create or capture value that you have anticipated—or it

has not. If you have a new value agenda, it's a safe bet to say it very likely has not. That leaves value at risk.

CEOs often fail simply because they mishandle this second time trap. They unintentionally roll the dice of obsolescence by making a poor strategic choice and investing in developing the wrong capabilities—and then have to play catch up. They miss out on economic opportunities by not strategically repositioning the capabilities they already have. They waste time and money by not getting enough of the right talent with the right resources focused on the most critical work. These scenarios can be avoided by stress testing your value agenda against your stakeholders' values and then assembling only the capabilities your value/s agenda requires—when and where they are needed—within your business ecosystem.

Assembling capabilities today, either through developing them or acquiring them, is no longer just about upskilling employees and managers inside your organization. It involves looking at what's missing inside your "extended business", what Dave Ulrich calls the "market-oriented ecosystem" of people and processes that interact with your enterprise.* Think beyond the capabilities you need to pull into the autonomous teams you want working on your value hotspot episodes. Consider the allies and partners, freelance agents and affiliates who have a stake in your success, as well as the shared platform you all use to support transactions, data gathering and analysis, and the sharing of ideas and resources. What capabilities should rest with your strategic partners versus with the platform? What connections need to be introduced or strengthened? While you may expect all parties and systems to be high-performing on their own, when it comes to coordination and collaboration in your business ecosystem, there will undoubtedly be mechanisms that could be made more efficient, more agile, or more innovative to support critical interdependencies. These improvements will inevitably consume additional energy, money, and time.

We ourselves have been in the unenviable position of trying to deliver value fast while simultaneously implementing ecosystem-level change and managing people and operations in our organizations. Rather than turn your "capability build" into a series of mutually exclusive, collectively

exhaustive projects, we recommend you focus on what underpins all capabilities: matching the right individual and team talents with the right tools to the roles critical to your value episodes. (For a detailed look at what's involved with talent matching, see Sandy Ogg's article *Connecting Talent to Value*.)

Organizing human capital to support your value hotspots is not a once-and-done exercise. When Harry was at Baxter, the four business units each had five vice presidents and 15 directors. Those 80 leadership roles went through unpredictable episodes of flux that required Harry's careful attention. When a vice president retired, for instance, Harry could simply promote one of that person's directors to the vacant role. Such a straightforward move might optimize that particular business unit; however, it might not necessarily make the best talent accountable for the super hot value episodes in that area of the company. Another talent, better suited to handling this particular set of circumstances or the remarkable rate of growth, might be working in one of the other units. The company was counting on the person in that vice president role to deliver a significant portion of the company's value agenda. Harry was also looking for opportunities to give top leadership talent experience in more than one business unit so they would acquire a more intimate knowledge of more of the company. Therefore, for every change in leadership talent, Harry would make time to reflect on the impact each potential candidate could have in the role in question on the business unit and the whole "circle" of the organization—both today and tomorrow.

We realize that bringing this level of focused attention to all the roles and tools in your company will quickly bury you in work. Here again, you cannot do everything. It takes time to reallocate, acquire, or purchase necessary financial and human capital. To determine what you can and should build, look at the value you have associated with each of your episodes, clarify what you can assemble in time, and then rank order the episodes you can actually cover well. Assembling capabilities for the top-ranked value episodes on this list constitutes your second chunk of "new" work.

TIME TRAP
Culture Clash

You will want the culture of your company and its ecosystem working with your value/s agenda—not against it.

Culture is ubiquitous, present in every relationship and every interaction related to your enterprise. It is how people behave, how decisions get made, and how things get done. It dictates who has the right to make what decisions. It stipulates what meetings happen when and what decision-making processes are like. It even determines what we expect of people (such as critical thinking and challenging each other), what they focus on as they make decisions (such as local or global, bottom up or top down), and how we compensate and reward them for their contributions.

Unfortunately, when we have conversations about our businesses separate from conversations about our culture, we can easily end up with operations running on a set of values that are more like afterthoughts than actual pillars of value creation. All too often, the work of sharing these disassociated, clashing values with people gets combined with other change work that doesn't necessarily connect back to the company's strategic choices and then outsourced to consultants as part of a culture change program.

The result? People inside your company sort of understand what's supposed to be happening culture-wise. But something seems to be missing to make the new values stick. And so the work of evolving the culture takes much longer than planned. Meanwhile, people outside your company, seeing your people's behaviors and choices changing (albeit inconsistently), scratch their heads in confusion. Your company's principles, values, and standards of behavior appear to these external stakeholders to be in transition. Their uncertainty about where you're going and how you're going about getting there will translate into hesitation and a reticence to move fast.

Our recommendation? Skip the full-scale corporate culture change. You only have enough time and energy for a focused recalibration that amplifies the capabilities of your business ecosystem.

The existing culture of your organization lives—or dies—in the habits associated with the top 25 to 50 critical roles. Each role on that **Leadership List** either serves as a point of accountability for a value hotspot or performs a function that facilitates value creation, mitigates risks associated with the company's must wins, and/or sustains or increases execution speed. Ideally, these roles, in aggregate, will cover all the critical leadership work necessary to achieve the company's value/s and change agendas. Some of the habits associated with these roles relate to the company's hardwiring (the operating framework of decision rights, meetings, and compensation); some to its software (the accepted standards of behavior).

Recalibrating culture is about designing a set of the fewest possible interventions that can better align this hardwiring and software with your value/s in the time you have. No matter how strategic or viable interventions appear to be, they will, of course, cut across firmly held beliefs and strongly engrained ways of doing things. They will encounter resistance. The intensity of opposition will depend on how severely those choices cut across the existing habits of your Leadership List. If not factored in and dealt with promptly, this friction can chew up extensive additional amounts of time.

Avoiding this time trap comes down to proactively recalibrating these habits so they can remain connected to your value/s agenda and accelerate execution. Recalibration goes beyond simply changing your org chart and telling your Leadership List who you want meeting with whom, how frequently, and what you want them to decide. Recalibration involves having the people in the roles on your Leadership List cascade these new decision rights throughout the organization. It also demands they communicate new value-focused expectations, standards of behavior, and the consequences of meeting or failing to meet them; demonstrate the behaviors you now advocate; hold people accountable; and fairly compensate everyone based on the company's new value/s. In the *Time to Value* model, running a company's strategic choices, one

at a time, through a few inquiries will reveal what work absolutely must be done in this area to realize the agenda. Some things will be too hard to do in time: the question then becomes, if that aspect of the culture remains the same, will it or will it not allow you to create the value you intend. Not all changes to the culture will be strategic and economic.

Shortly after Harry became CEO of Baxter, the habit of running all four businesses globally came into question. The business unit heads thought that managing globally made sense: competition and innovation were, after all, happening at that level. At the same time, the company operated in four regions (Europe, Latin America, North America, Asia), and there were people in the organization who wanted to run the business by region. Both perspectives—run by business, run by region—were backed by reason and logic. Doing both would require a matrix structure and create a bureaucratic hairball of astounding complexity. Even more important, Harry saw huge amounts of time were getting lost in the eternal struggle over which was the "right" way to manage the company.

Harry, as CEO, held the decision rights to make that choice.

Rather than arbitrarily select one way over the other, he got curious. He began talking one on one with country leaders from all around the world to get a sense of what was really happening in their area and why they believed in management by country. What he discovered was that, in the well developed markets of Europe and North America, managing the businesses globally would work well. However, in the Latin American and Asia regions, where politics were changing at breakneck speed, markets were in crises, and wildly fluctuating foreign exchange rates were wreaking havoc with costs and profits, it was imperative that management be attuned to and able to accommodate local circumstances and cultural nuances. It didn't make sense to have someone in the United States manage the value hotspots in these countries globally: the country managers understood the intricacies of their local markets and governments, along with the consequences of forex volatility, far better than someone based in the corporate office in Chicago ever could. Harry's solution was a brilliant two-hander. Keep decision rights global in Europe and North America. Give decision rights in Latin America and Asia to the regions' managers so that they could

take best advantage of whatever was happening locally at each value hotspot. Resolving this issue over decision rights effectively made the organization much more stable and settled.

Quantifying the impact on value, as well as assessing feasibility in terms of dealing with resistance, makes it possible to rank order your cultural recalibrations. Whatever recalibration activities make it to the top of this list comprise another chunk of "new" work.

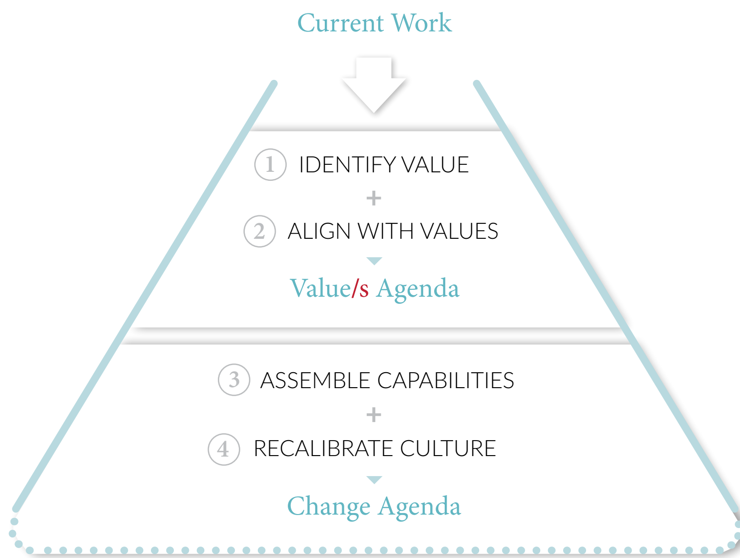
Capacity & The 168

In theory, you could go directly from articulating your company's value/s agenda and change agenda to designing a set of initiatives. These two agendas, after all, specify the work that needs to be done around values and alignment, capabilities and culture. What they don't take into account, however, is the capacity of your organization and its ecosystem to absorb all the work and execute it in time.

In practice, some CEOs we have worked with stop as soon as they have articulated their change agenda, declaring they will simply do whatever it takes and spend as much time as necessary to get everything done. This, unfortunately, triggers the "thinking big, starting big" doom loop. They try to execute all the work of their value/s and change agendas rapidly so they can get everything completed at once. The initial hustle and bustle feels as if they're moving faster. But they quickly overspend their budget of available human energy. Not surprising to us, the signs of initiative overload start to appear: these leaders complain that people are showing up for work exhausted, disengaged and disheartened. Everything is moving slower.

CEOs who go from looking at "what" to "how" and who skip over asking if the "what" is *doable* burden their companies with too many initiatives and too much work. Their value agendas die a plodding death.

Omitting the "doable" question flies in the face of reason. Most of your organization will be dedicated to delivering the value agenda. When you add to that the work necessary to improve stakeholder alignment, build capabilities and recalibrate culture, you end up with enough work to keep several organizations busy.



- Old work that the company is currently doing related to its current value agenda
- New work the company can do to realize its value/s agenda
- New work to assemble the right capabilities
- New work to recalibrate its culture.

We have seen this phenomenon of the "big bulge" before. In his Cash Flow Officer role at Baxter, Harry saw frequent reports cross his desk about R&D. He soon realized that the company was working on more than 150 R&D projects simultaneously. Everyone was working extremely hard. People were maxed out and saying someone had to draw the line somewhere. Organizing all 150+ projects into approximately 50 first priorities, 80 second priorities and 20 third priorities hadn't helped. Even though Baxter had a market capitalization of more than $30B, it had to limit itself to what it had the capacity to do.

Based on available human and financial resources, the senior management team decided that a realistic number of R&D projects would be 30. They needed to come up with a way to objectively assess the importance of each project so it would be clear what work really was a top priority for the company as a whole. They analyzed the potential value of each R&D project (the expected internal rate of return), then assessed how much of that value would be at risk (discounted) through external circumstances or a lack of internal capabilities and capacity in

critical roles. The sum of those two numbers became their mechanism for rank ordering all the work being done in the department. The 30 projects at the top of that list became the company's only priorities: all other work was to be abandoned and any associated funding redirected.

WARNING! Taking time to truly prioritize what needs to be done—and *not* try to do everything—doesn't mean you are out of the woods. Two things may still make things go sidewise. First, just because you have "killed" a project doesn't mean it is dead. Dedicated, well-intentioned people who really feel that cancelled project #99 was important and who operate within their silo may continue to work on it—without you being aware they are doing so. In this case, their attempts to do more will not be helpful. Someone in the organization has to follow through, stop them, and redirect their energy towards the work that you really need done on project #11. Second, you might assume that this person will be happily motivated to be working on one of the few projects that survived the cut. However, they have gotten used to thinking of themselves as a top priority, based on the relative importance of what they were working on to the company. When only a few projects make the cut, they sometimes (mistakenly) assume that working on priority #11 is so far away from priority #1 as to be inconsequential. Someone must communicate to this individual that they should actually be excited about #11 because it is very consequential.

If a company has unlimited time and capacity, we might let things like these slide and just go ahead with doing all the work associated with all our agendas. Eventually it might all get done. But Harry's company didn't. And odds are yours doesn't either. You have a finite number of people in your enterprise—and they only have a finite amount of time. In a mere 168 hours a week, they must manage to get all this work done *and* live their lives. You have a specific, finite timeline in which to deliver value.

All the work you have lined up will take more time than that. On top of it all, you probably have capacity trapped in your organization that is disconnected from value.

We have seen some CEOs, savvy to this collective capacity as a constraint, conduct a quick check at this point to estimate if they and their leadership team can find enough hours among themselves to simultaneously run, grow, and change the company. If that possibility looks questionable (and it usually does since most organizations and leaders are overtasked), then they pull out a stop-start-continue chart. This quickly becomes another time suck: they talk about a lot of things, they maybe get some MBAs involved doing sophisticated analyses, they even get some consultants contributing lots of ideas (which generate more work). At the end of it all, no free capacity appears. The leadership team still believes they can't stop doing anything, they have to start the new work they've identified as being critical to tomorrow's value, and they have to continue doing everything they've done before because it delivers today's value.

The *Time to Value* method offers another way to solve for capacity shortfalls. By now, you have already put together a value agenda, fleshed out major conflicts around values that could stand in the way of its realization, and reflected on the capabilities and culture necessary to achieve it. All that remains is to run your two agendas and the organization against the time you have left on the clock, discipline that desire to "do it all", and define a *reasonable* number of initiatives on which to focus.

Time • Value Initiatives

Task your organization with a few very potent initiatives. By focusing on select work of high value, it can move faster and accomplish more.

Every company can do some unique configuration of "less than all" in the time they have. The question is, "What finite configuration of doable, focused initiatives, executed in what order, will deliver the intended value?"

All initiatives are people's attempts to solve problems from the past, present, and future. Work being done today addresses problems from the past that still exist, as well as problems that no longer exist. Work being proposed in value/s and change agendas will address problems that we believe will exist in the future as we mobilize to deliver our value agenda. Fitting to capacity is not about selecting 30 first priorities, 20 second priorities, and 609 third priorities for people to follow. It is about making brutal choices to extract a focused set of **Time•Value Initiatives**—*bold, doable chunks of work*— from the large pile of old work that's already happening and new work that we've dreamed up to deliver the value. It is about then setting those up those initiatives to roll out, in sequence, over time.

Each Time•Value Initiative integrates your team with your scoreboard and clock. It focuses players on delivering a specific chunk of the value agenda before time runs out.

This set of Time•Value Initiatives differs in two ways from a set of traditional strategic initiatives. First, designing them starts with defining an ambitious deadline—one that disrupts everyone's sense that this is "business as usual"—for the company to deliver the intended value. All work associated with the value/s and change agendas must, of course, be completed well before that date. The deadline, therefore, provokes a considerable sense of urgency and sharpens awareness of capacity among your leaders.

Second, the idea behind running the fewest number of supercharged Time•Value Initiatives you can imagine is to use capacity more efficiently, not add more capacity just to do more work. Running a capacity check can ensure any initiative you are considering for your set of Time•Value Initiatives is indeed a bold play that your organization can complete in time. Rather than rely on traditional approaches to calculate

organizational capacity, a *Talent to Value* process** can provide you with assessments that help you discern what is realistically doable.

The process does so by using the company's Leadership List as a proxy. That list should already contain all the roles critical to delivering the value/s and change agendas. It will inevitably take time to assemble capabilities, to recalibrate the culture, to evoke sufficient alignment for the initiatives associated with your value/s and change agendas. Calculating the net present value of each initiative associated with your value/s and change agendas will give you insight into what is actually possible with the key talent you have on hand. Simply discount the value you expect each initiative to deliver in the future by the amount of time you anticipate it will take to close gaps in alignment, culture, and capabilities. Rank order these discounted initiatives, then shortlist a handful that could effectively run, change, and grow the company as it delivers its value agenda. Use your Leadership List as a proxy for the organization to run a quick capacity check against the execution of all this work, paying attention to when and where critical leadership must occur.

What this reveals may make you uncomfortable. It puts immense pressure on you to accomplish two things: 1) choose a sharply focused set of the fewest number of Time•Value initiatives imaginable which, together, can realize all of your agendas, and 2) sequence them over three phases in a way that is both strategic and economic. Phase 1 will include all work that must, of necessity, be done first (such as resolving values conflicts with stakeholder groups); Phase 2, work that takes more time to materialize yields (such as capability builds); Phase 3, work related to maintaining momentum and further accelerating growth (such as revenue expansion). Of course, during all three phases, you must continue to generate revenue.

WARNING! Choosing and sequencing your Time•Value initiatives is not for the faint of heart.

Major acquisitions are a case in point. We have navigated through our own share of successful and unsuccessful ones and we have learned, the hard way, that you have to get your ship ready to sail, select your crew, and sequence the work they will do in a reasonable order *before* you leave the dock.

When the opportunity to acquire assets that are necessary to grow your company arises, it is all too easy to forget that, in most cases, the acquisition will destroy value (that is, not earn enough to cover the cost of the acquisition). First, in the excitement to win against any competition, we overpay. We rush through figuring out what model to use to determine whether to do the acquisition or not and what the value agenda will be. Paying more than the company is worth is actually losing. Second, we don't factor in and take the time to correctly integrate the two companies. If the integration of the two companies doesn't come first, things will not run well. People will continue to operate in their cultural silo, still attached to their old organization's values and norms. We rush to announce the sale to them, forgetting to think through what their biggest concerns will be and what we need to communicate. The first thing people in the acquired and the acquiring companies will want to know is what the sale means to them personally.

Where will we be going? Who will be in the boat with us? What work will be doing? In what sequence? What tools and assets will we need to bring—and what can we leave behind?

Change plus uncertainty leads to chaos. In lieu of having answers to these questions, our managers jump straight into running a lot of things in parallel all at once, driving the expanded salesforce hard to bring the combined company's range of products and services to market fast.

Minimize uncertainty and you reduce chaos.

A few pointers worth noting here. A lot can be done without investing too much time or attention in the hierarchy. Optimize operations by tweaking the shape of the organization to capture value. Rather than culling a percentage of your talent base, focus on culling all old work that is no longer necessary. (Removing talent leaves fewer people doing the same or more work, which eventually leads to additional hiring down the road to catch up with backlogs.) Re-align decision rights, meetings, role•talent combinations, and compensation with new work assignments.

It is your responsibility as a senior executive to run a tight ship, to optimize its capacity and deliver value. Unfortunately, if your organization is like most, it already operates at or beyond capacity most of the time. "New" work collides with existing "old" work. People's energy gets scattered. Chaos and confusion abound. Work that is connected to value languishes under unnecessary resource constraints, while work that isn't connected to value pulls the organization off course. There is so much to do no one has time to monitor results. The *Time to Value* process speaks to these issues by clearly articulating a clock, a scoreboard, and a package of work that can be done by your organization without destroying people's lives.

Accelerating time to value is a litmus test of our leadership, a strategic exercise in design which we can repeat whenever we see significant shifts in value/s occurring. It provides us with a more rigorous framework for thinking strategically about Time•Value initiatives and for sharing that thinking with the people on our Leadership List. They, in turn, can demonstrate their personal commitment to value, breathe life into the organization's sails and recharge the batteries of change so that, no matter what circumstances it encounters, the enterprise can move ahead with speed.

Since the *Time to Value* method itself tailors the work that falls out of our value/s and change agendas to the capacity of our organization, it shifts people's experience of change. They get to see that Time•Value initiatives are achievable, large-scale change is doable, and transformation is a realistic undertaking. That makes them more open to future change, more amenable to being dynamically responsive to the unforeseen and the unanticipated. And that, in turn, will make it easier for us to navigate and lead our enterprises through complexity and uncertainty with velocity in the years ahead.

Can you say the same of your current initiatives?

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* Arthur Yeung and Dave Ulrich in their unpublished manuscript *Reinventing the Organization: How Companies Deliver Radically Greater Value in Fast-Changing Markets* (April 2019).

** Sandy's insights on reducing risks associated with player selection, assignment, and setup are outlined in the article "Connecting Talent to Value" bit.ly/connecting-talent.

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