

Tying One's Shoes in Business

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It is a tricky feat in business to balance focus with vision. Both are important. Focus breeds results. Vision bespeaks possibilities. What we know as children, we forget as adults: hard tasks require focus. This was recently brought home to me when my nine-year old daughter, after a full day of school followed by swim team practice, came home unable to write a 3 paragraph homework assignment, because "I am so tired, I can't focus."

At the same time, too much focus can be very limiting. I recently asked my 6-year-old son to grab his parka on the way out to which he responded, "I can't. I am too busy focusing on tying my shoes." Tying ones shoes at 6 years old is not a natural mindless act so extreme focus is understandable. Still we know as adults that the world will demand that we tie our shoes, grab our parka, think smart thoughts and talk to our neighbors all at the same time if we are to achieve great things.

I have experienced this challenge of juggling vision with focus in the last three companies where I've worked. What follows are stories from my business journeys that illustrate the cost of being too diffuse or too focused, and how difficult it is to strike the right balance. The first episode occurred when I was at Hewlett Packard, which is renowned for its methodical and strategic approach towards business. Still, even in a planning mecca such as HP, management can err with too little focus. I was working in their Medical Products Group (soon to be Philips) when a new Vice President took the helm and grew concerned that growth was tapering. Rejuvenating the business became his top priority and so he created a three-pronged approach where medical devices, supplies and services were to grow and feed off each other. I was asked to translate this vision into a concrete business plan for each group.

The success of this broad strategy required that one part of the business excel in low manufacturing costs (supplies) which had never been an HP strength. Another part of the business had to adapt to a much more customized delivery of services, requiring new skills and managing complex relationships with multiple field organizations. Finally, the device business, which was the "bread and butter" of the group, had to accelerate new product development. One look at the plan and you felt as my daughter felt after school and swim team: "I can't focus." While the three-pronged approach sounded visionary and could rally the troops with a promise of bold growth, it had no room for error and ultimately failed.

One year later I was asked to do a postmortem analysis of the plan. I was then asked to focus on the Services business and help senior management redefine their efforts. This time around we started with customer feedback to identify very specific, immediate needs. We then inventoried team skills and constructed a plan that was rooted on current capabilities and market needs of select customers. We worked hard to maintain focus as we aimed to start small and build up.

The cost of too little focus was felt again when I went to work for a small, biotech start-up that was developing cancer therapeutics. Because the drug used natural-based carbohydrate technologies, which could be leveraged elsewhere, it seemed a logical next step to take advantage of consumers' growing interest in natural products. Suddenly, a company I'll call "SafeSuds" entered the consumer arena with a new catchy mission statement: "Making chemical safety a lifestyle choice."

This new mission meant that the 50 employees, who were already overburdened, were now thinking about ways to win precious shelf space and beat Proctor and Gamble, and Scotts (lawn and garden care) in the supermarket. While the expanded strategy could be defended intellectually, the two-headed business could not be successfully managed. The passion of the mission and the euphoria of early successes clouded judgement and discipline. Product development, partnering strategies, distribution and even accounting differed so dramatically between businesses that neither management nor individual contributors were able to do their jobs well. Within one year, the stock slid from 30 to 3. The team has since been downsized and re-focused on the core business of drug development.

Of course, staying focused does have its drawbacks. After all, some of life's greatest inventions were made possible because people dared to think big - walking on the moon, decoding the human genome, communicating via the Internet. Dreams can be compelling and people will sometimes stretch to achieve them. Too much focus and you may have lost opportunity, lulled by the success of the moment. Even worse, focus may result in status quo businesses, relegated to yesterday's headlines. New dynamic companies will arise that attract talent and invent new, new things.

Unfortunately for me, I lived this example too. I was once in a business that was too focused for too long, and eventually stalled. The company had developed a bone densitometer to measure bone brittleness, useful in diagnosing osteoporosis. The market was virgin territory. Even better, the drug companies had just launched drugs for the treatment of the disease and were willing to educate the populous and support device manufacturers in the marketing effort. So with the "pharma" wind at their back and a wide open market, this company reaped large rewards. They were chosen 2 years in a row as one of Fortune's 100

fastest growing companies. They were a Massachusetts success story - doing good and getting rich at the same time.

Then came Act II. The market became saturated. The drug companies withdrew some of their support, as it no longer offered the same rewards. The senior management team felt compelled to do something, but it had been too long since any bold action had been taken, and the team was out of practice. Like my son, they had been tying their shoes for a long time. Within the rank-and-file, the spirit of invention that initially fueled the company had withered long ago. The business had morphed from a first round draft pick to a tired, overweight athlete trying to recondition itself. Now, the company is trying to nobly recreate itself with new acquisitions and an expanded vision. However, the talent drain, the unforgiving capital markets, and the fierce competition will make success harder the second time around.

What could this company have done differently? In 20-20 hindsight they could have taken a chapter out of Andy Grove's book, *Only the Paranoid Survive*, recognize what Grove calls, "an inflection point", and plan their next moves, even while the orders were arriving faster than their ability to count them. From their strong position, they could have focused the organization on their next conquests. Tampering with success is not instinctive behavior. Most of us would rather enjoy the spoils than do more battle. Still, thriving companies fight complacency with a focused drive to grow and reinvent themselves.

It is in this light of vision versus focus, that I now view my greatest business successes as emanating from rare moments where focus and vision came together. My earliest memory occurred in 1980, when fresh out of college, I joined a newly formed group that planned outpatient services at the Massachusetts General Hospital. Our boss was a visionary who predicted that healthcare economics would dictate a rapid rise in outpatient services and integrated delivery networks.

Our job was to plan MGH's Outpatient Wang Center, from the ground up, and incorporate neighborhood health centers into the program. We focused first on funding, then construction, and finally staffing and program services in what was a highly successful 3-year effort that charted MGH's strategy to win in outpatient care.

In later years, I have come to experience success born of focus, even when the larger business was ailing. For example, in the bone densitometry company, I resurrected a page out of the HP "Upgrade your customers and win more of their dollars" strategy when the market had become saturated and the revenue picture was bleak. While management was initially skeptical of my plan, I spoke with 50 customers to identify key business drivers as it related to diagnosing patients with

osteoporosis. It turned out that productivity in the form of faster machines and preserving their investment through software upgrades were key issues. We designed a program to reflect those needs and significant upgrade revenue ensued.

This brings me to the chapter I am now living where I am helping a team to develop a business that is both large and small at the same time. It needs to be large in its grand scope of possibilities. It needs to be small in building the foundation brick by brick. The team is attempting to make a significant contribution in the much-hyped world of wireless communications. Many companies are placing large bets, knowing that only a small number will really win. And yet I feel cautiously optimistic.

Our team is "seasoned" -- respectful of the deep-pocketed Goliaths yet confident that nimbleness and focus might allow the group to achieve what others have not. Right now, we are focusing on tying our shoes, but in the back of our minds we can picture the entire outfit, as we dress step by step. That image will propel the team to achieve what I only occasionally experienced in my almost 20 years of business -- the power of total focus with an occasional sprinkling of vision to amplify its value.