

Praise for COHERENT STRATEGY AND EXECUTION

“As the book unfolds, you find yourself squirming in your seat because you can see the metaphorical train wreck coming. This book allows you to see not only the tools, but experience their application in situations that ring true to experienced leaders.

“Every serious leader will find nuggets of value in reading COHERENT STRATEGY AND EXECUTION. It will force you to rethink your leadership approach.”

KIM DENNEY
CHIEF ADMINISTRATIVE OFFICER
AIR LIQUIDE USA LLC

“COHERENT STRATEGY AND EXECUTION brings together all the strategic elements of running an enterprise. What makes this book so powerful is that it translates somewhat sterile concepts from traditional strategy textbooks into the richness of the human experience and dialogue so crucial to their understanding and effective implementation. It is a great informative read for both experienced and emerging leaders.”

LANE SLOAN
FORMER PRESIDENT
SHELL CHEMICAL

“COHERENT STRATEGY AND EXECUTION offers valuable, practical insights into developing and executing strategy. Anyone who has had to be a change agent in a company with set ways will benefit from the concepts presented, particularly with respect to the impact required on the organization’s culture.”

ROBERT PEISER
PRESIDENT, NATIONAL ASSOCIATION OF CORPORATE
DIRECTORS, HOUSTON CHAPTER
CHAIRMAN AND CEO, OMNIFLIGHT

“COHERENT STRATEGY AND EXECUTION takes the fuzzy and often messy strategic planning process and transforms it into a clear, easily implementable, step-by-step methodology.

“This is a great companion text for college strategy courses that will bridge theory and practice. Its valuable lessons on servant leadership should be adopted by students and corporate leaders.”

ANNE S. DAVIS, PhD
PROFESSOR OF MANAGEMENT; FORMER ASSOCIATE
DEAN, HOUSTON BAPTIST UNIVERSITY
FORMER CHAIR, UNIVERSITY OF ST. THOMAS

“The method in COHERENT STRATEGY AND EXECUTION is more succinct than that taught in my MBA strategic planning class. This book reinforces how critical it is for companies to use a structured approach for their strategic planning.”

STEVE ANDERSON,
SENIOR CONSULTANT
DECISION STRATEGIES

“COHERENT STRATEGY AND EXECUTION is an insightful resource for young professionals and students to learn about the complexity of the human dynamic in the workplace. It gives them the tools to identify and impact company strategy.”

DUSTIN KIESCHNICK
VICE PRESIDENT, HOUSTON THINK TANK
BBA STUDENT, UNIVERSITY OF HOUSTON

“Kathuria has spun a scintillating mixture of drama and application which compels the solicitous to recognize and repair the rift which typically befalls a team.”

JIM TOMFORDE, VICE PRESIDENT
INSURANCE ALLIANCE A MARSH & MCLENNAN
AGENCY COMPANY

"COHERENT STRATEGY AND EXECUTION changed my perspective on leading and running a company. I knew I needed improvements in my organization, and I had tried to solve them myself, but never quite succeeded at the level I knew was possible.

"This book has provided me the context, the baby-steps to crystallize the strategic aspects of my business, and the method to bring it all together. You are doing yourself a disservice by not implementing what is in this book."

BRYANT PRICE
PRESIDENT AND CEO
AGAMA ADVERTISING

"COHERENT STRATEGY AND EXECUTION provides realistic and practical takeaways. How to leverage the right resources in the organization to handle difficult situations? How to develop the right leadership perspective to work with subordinates, peers and superiors? How to manage a team?

"Personally, the most impactful takeaway was the introduction to what the book calls, the recliner exercises. These exercises are now part of my daily routine."

GIRISH HEMRAJANI
VICE PRESIDENT - TREASURER
ION GEOPHYSICAL

"COHERENT STRATEGY AND EXECUTION engaged me in its story so deeply, I experienced the CEO's emotions and felt I was struggling with the issues he faced.

"Having read the book, I am much more sensitive about how I enroll those important to my success into partnership with me. This story provides lots of opportunity for self evaluation."

JOHN O'DELL, DIRECTOR, ALUMNI DEVELOPMENT
C.T. BAUER COLLEGE OF BUSINESS
UNIVERSITY OF HOUSTON
FORMER CEO, EXTREMETIX

“COHERENT STRATEGY AND EXECUTION is particularly well-suited to the classroom setting as a complement to standard texts and articles on strategic management.

“It goes well beyond a typical case study by addressing not only key principles in strategy, but also presenting the people and organizational issues that inevitably complicate the subject.”

OSAMA I. MIKHAIL, PhD
PROFESSOR AND DIRECTOR
FLEMING CENTER FOR HEALTHCARE MANAGEMENT
UNIVERSITY OF TEXAS

“Why is that sometimes CEOs with extensive industry background fail, while CEOs from other industries come in and turnaround those failing companies? The answer is certain fundamental management and leadership aspects.

“COHERENT STRATEGY AND EXECUTION seamlessly and succinctly ties together the fundamental aspects for running and growing an organization. No manager can ignore the issues addressed in this parable.”

SHARAD BORLE, PhD
ASSOCIATE PROFESSOR OF MARKETING
JESSE H. JONES GRADUATE SCHOOL OF MANAGEMENT
RICE UNIVERSITY

“COHERENT STRATEGY AND EXECUTION is an entertaining and insightful parable that highlights how a pragmatic leader can help a troubled company to succeed, and a successful company to thrive. Don’t miss the nuggets of wisdom in this book.”

WALTER ULRICH
PRESIDENT & CEO
HOUSTON TECHNOLOGY CENTER

“COHERENT STRATEGY AND EXECUTION takes on the difficult issues facing corporations by realistically depicting the environment and the challenges. This book provides a distillation of the concepts critical for effective strategic planning and execution.

“Every executive should understand and appreciate the concepts in this book to eliminate ambiguity and confusion in their organization. It will help improve focus on the critical drivers for the business, and improve alignment among teams and team members.”

SANJAYA SOOD
GLOBAL VICE PRESIDENT
SCHLUMBERGER

“Most entrepreneurs have powerful ideas and undying passion, but many lack the experience and perspective to successfully manage and grow their companies.

“COHERENT STRATEGY AND EXECUTION is an easy-to-follow resource for helping entrepreneurs understand and appreciate what they are lacking — in business management and leadership skills. An absolute must-read and must-follow for achieving business success.”

ASHOK RAO
PRESIDENT, THE INDUS ENTREPRENEURS, HOUSTON
CHAPTER; CEO, EXCALIBUR PICTURES

“To succeed, entrepreneurs need both creativity and discipline. The business management method offered in COHERENT STRATEGY AND EXECUTION is a valuable tool to help entrepreneurs strike the balance between structure and flexibility. Every entrepreneur must answer the practical questions this book raises.”

PAUL FRISON
FOUNDING CEO AND EXECUTIVE VICE CHAIRMAN
HOUSTON TECHNOLOGY CENTER

Business is a marathon, not a sprint.

No business can thrive for long without

Clarity and Coherence.

COHERENT

STRATEGY AND EXECUTION

An Eye-opening Parable

about Leadership & Management

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www.CoherentStrategy.com

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Introduction

How coherent is your organization's strategy and execution?

Managing and leading an organization is a tremendous challenge. The innumerable business variables, competing agendas, differing expectations, and varied interpretations about what is important in the business create the bedrock for the lack of clarity and coherence, and sub-optimal performance.

What is the situation in your organization? Do executives and employees understand the passion and the purpose behind the organization? Is there ambiguity and/or difference of opinion about the philosophies and the business model? Is strategy the best-kept secret, lost in the day-to-day fire fighting? Is it clear who is accountable for what, and why? Are internal politics preventing the organization from collaborating? Are mega-egos monopolizing the culture?

If your organization and/or your team is experiencing issues similar to those listed above, this business parable is for you and your colleagues.

Successful companies have two common traits — clarity and coherence. They have clarity of purpose, clarity of the business model, clarity of the business direction, and cohesion and coherence among the organization's purpose, philosophies, strategies, work processes, organization design, culture and execution.

Achieving clarity and coherence is easier said than done. It is hard work and it is never-ending work. I have written this book with the single purpose of helping you (whether you are the leader of a big corporation, leader of a small team, or a new entrepreneur) drive clarity and coherence in your thinking and actions.

I present to you a business management method that is succinct and simple, and yet holistic. It has five facets that together cover all the aspects of managing a business. If you understand these five facets, and more importantly, understand their interaction as a system, you will become a better leader and manager, and you will help your organization/team greatly enhance its performance.

Instead of a textbook, I have written this book as a parable to depict a realistic situation, and give you a better sense of the challenges involved. If you are a student, this parable will help you gain a better appreciation for the work environment and the practical skills you need to succeed.

This parable is the story of a CEO, Trent Wertheimer. Trent believes he is perfect and can take his company to the next level. He tries everything he knows, but the harder he tries, the deeper he digs himself into a hole. In this book, you get to understand the business transformation of his company, and Trent's difficult personal transformation.

Section 1: Managing Discordantly

Chapter in this section:

Chapter 1: Triumph

Chapter 2: Tribulations

Chapter 3: Meltdown

Chapter 1: Triumph

Seated at the head of the conference table, Barry Elrod, the CEO of Hintec, led the Monday morning management meeting.

Trent Wertheimer, the VP of sales, seated two seats down from Barry, looked every bit the polished sales professional with his starched white shirt, bright tie, and a precise haircut. He finished providing the sales outlook for the first quarter and then looked at Barry. “To repeat the sales growth we have achieved in the last two years, we must address the issue I have brought up before, our level of customer service.”

Barry, a heavier man, dressed more casually, looked down at the table through his glasses and shook his head. “I’ve heard your complaints.” He looked at Hector Jackson, the COO, who also headed customer service and was Barry’s right-hand man. “But, Hector gives me a different story.”

Trent looked at Hector, who was sitting to the right of Barry. “In the last month alone, at least three customers complained to me they were dissatisfied with the response time and the expertise of our customer support reps.”

Hector waved his hand dismissively. “Those are isolated incidents. We have six hundred customers. We can’t make them all happy. Ensuring every customer receives perfect service is inordinately expensive,” said Hector in his characteristic brusque manner.

Trent looked back at Barry. “These aren’t isolated incidents,” he refuted. “It’s an on-going issue.” He looked at Hector with his steely eyes. “My salespeople tell me our customers are refusing to buy more licenses unless we improve our service.”

“It’s the classic excuse,” said Hector with a smirk on his puckered face. “Your salespeople need to improve their selling skills.”

Not a big fan of Trent, Maxell Cooley, the VP of marketing, nodded in agreement with Hector’s assessment.

Trent felt his blood pressure rise. Barry intervened, “Trent, your team also complains they can’t sell because they need more features.”

Trent closed his eyes for a moment to compose himself. “Our competitors have already introduced newer versions of their software. We’re at least six months behind.”

He turned to Venkat Iyengar, the VP of engineering, and said, “Our product cycle is getting longer. I’ve been asking for a few features in the interim that will help us close some of the deals in our pipeline. Why are we dragging our feet?”

“We’re working hard to accommodate the sales team’s requests,” replied Venkat. “But every feature we work on, delays the next full version. Many of these interim features violate the user interface design.” He paused for a second, rubbing his forehead with slender fingers. “I have tried my best to understand why these features are so important.”

Barry began to say something when Trent turned to him and said, “All I’m saying is you hired me two years ago, and I’m the reason why Hintec started growing again. The sales team delivered last year, but it’s been back breaking to compensate for our poor customer retention.”

Trent looked around the table at his colleagues. “It’s January and I can already tell, this year I’ll need serious help from all of you, from marketing and engineering to customer service, to produce new sales growth again.”

Barry sighed. “Let’s make sure your desire for growth doesn’t put Hintec in jeopardy by overextending ourselves.

We want growth, but not at the cost of profitability. As Hector said, we can enhance customer service, but it will cost us far more. We can speed up product development, but again, it will affect the bottom line. Your team needs to sell the product we have now, and set the right expectations with customers.”

Trent glanced towards the VP of HR and the CFO seated on the other end of the table. Neither responded, and Barry moved on to the next agenda item.

That night after dinner, Trent and his wife Lori retired to their large master bedroom. She leaned back against the pillows on their king-sized bed and opened the stocks investment book she had been reading. Trent lay on his back beside her, tracing the line of white crown molding that surrounded the vaulted ceiling. He shifted his gaze toward Lori. He could see her face partially hidden by the book. Long lashes surrounded her big eyes, and brunette hair cascaded down her shoulders. He smiled.

Just then, his Blackberry vibrated. He picked it up from the nightstand, checked the new e-mail, and put it down. “That was Barry,” he said turning to Lori, “it’s time for him to step down. I think the board members are getting restless.”

Lori lay her book aside and looked at him.

“Are they ready to make a change?” she enquired.

“At least three board members have had lunch with me. None of them said it was an interview, but I figure they’re meeting with the management team members to determine who’d be the best to lead Hintec.”

“Will they hire someone as young as you to be CEO?”

“Sure, why not? Wasn’t Bob, the president at the bank you worked for in San Jose, quite young?”

Lori worked as a HR director before their son was born. She was now a homemaker and spent her time taking care of their investments.

She shrugged, “Bob was in his late-forties and had been with the bank for twenty years. You’re 39 and look even younger.” She smiled as she looked into his shapely, greenish grey eyes.

Trent didn’t smile back. Running his hand through his dark brown hair, he said, “Age won’t be an issue. They recognize I’m brilliant and not just a pretty face. Hintec needs new energy at the top. Barry’s become lazy. He should retire and go enjoy the ton of money he’s made.”

Trent spent the week working on sales activities. On Friday morning, he was in his office working on a proposal when his telephone rang. He answered the phone.

“Trent, this is Cedric. Would you please come to the boardroom?”

Cedric Haker was the chairman and founder of Hintec.

“I’ll be right there,” Trent responded.

At the boardroom, he pushed the door gently and entered. All the nine board members, including CEO Barry Elrod were in the room. Trent nodded in greeting and took a seat.

Seated at the far end of the table, Cedric welcomed him and smiled. “Trent, we met this morning to discuss the appointment of a new CEO.”

Trent’s heart skipped a beat.

“The board has elected to appoint you. Congratulations!”

Trent’s eyes twinkled and his heart beat faster.

Cedric continued, “Barry will stay on the board and has agreed to be available as an advisor to you and the team.”

Trent nodded. After Cedric adjourned the meeting, the board members including Barry walked over to shake Trent’s hand and congratulate him. Trent smiled broadly.

As everyone began to leave, Barry turned to Trent and in a rejected tone offered, “I’ll move my things out today, so if you like, you can move into my office over the weekend.”

“Thanks, Barry,” said Trent with half-a-smile.

After the others left, Cedric sat down at the head of the table and asked Trent to join him. Cedric, 66 years old, started Hintec when he was 55. He was the CFO at a company before he had the idea to form Hintec. The name Hintec was a short form of Houston business-intelligence technologies.

Cedric had hired Barry as his VP of engineering to build the software. When Cedric retired, he picked Barry to replace him as CEO. That was five years ago.

“Cedric, I really appreciate this,” said Trent, sitting down.

Cedric patted Trent’s shoulder. “You’re the right person for the job. I’ll ask Maxell to send out a press release by noon today. But first, you and I need to agree on your compensation.”

After they discussed the package, Cedric asked, “Does that sound good?”

“Yes, indeed. Thank you very much,” said Trent.

Cedric had a flight to catch. They shook hands and walked out of the boardroom.

As soon as Cedric turned the corner, Trent gave a victory punch in the air and raced back to his office. He stopped by his assistant, Amy Reiter, whose cubicle was outside his

office. Assuming a serious expression, he said, "I'm afraid you have a new role. You'll be working for the CEO from now on."

Amy, in her late twenties, looked puzzled and frowned. "Why...", she began and then looked at Trent's beaming face. "Is that right? Wow!"

"Yes, I'm now the CEO!" He threw his fists up in the air.

"Congratulations!"

"Thanks."

She got up and gave him a quick hug.

"Boy, will Lori be excited," he said grinning.

"Are you going to call her?"

"No, I'm going to wait till I get home. I want to see the look on her face."

Amy smiled. She had been his assistant since he had joined Hintec. She liked working for him and was loyal to him.

Several management team members came to congratulate Trent after the announcement went out. Hector, the COO, and Maxell, the VP of marketing, were not among them.

After lunch, Simon Woods, the director of sales, knocked. Trent had hired Simon ten months ago. Simon was the same age as Trent but had spent fewer years in sales than Trent had.

"Come in," said Trent.

Simon entered and closed the door behind him. As he sat down, he said, "I just got back from my lunch appointment. Congratulations! This is great news. Finally, Barry's out of the way! Now we can make the changes we want."

“I’m not sure how involved Barry will be,” Trent responded. “He’s still a board member.”

“How did you beat Hector? Wasn’t he the CEO-in-waiting?”

“I can’t imagine them considering him. Customer service has so many issues. I wonder what Cedric has in mind for Hector.”

“You’re the CEO. Shouldn’t it be your decision?”

“I wish it were that simple,” Trent shrugged.

“So, do I become the new VP of sales?”

Trent burst out laughing. “You are subtle, aren’t you? Don’t worry, Simon, I’ll take care of you.”

Looking at his watch, Trent said, “I better get back to work. I have a lot on my plate to finish this afternoon.”

In the evening, Trent pulled beneath his home’s two-story porte cochere, sprang out of his car, and rang the doorbell in rapid succession. He peaked in through the twelve-foot, crystal glass, double doors. They lived in a suburb of Houston, Texas, and their home backed up to a seventy-acre, man-made lake.

“Mommy, its Daddy,” yelled Ethan, their three-year old son as he ran up to the door. Lori followed him and opened the door. “Why didn’t you come in through the garage as you always do? What’s this in your hand?”

Trent placed the box he was holding on the side table. He grabbed Lori and gave her a passionate kiss. After they finished kissing, she pulled back. “What’s going on?”

“I have great news!! I’m now the CEO!”

“Oh, my God!” she said and hugged him.

Ethan watched all of this a little dumbstruck.

“Daddy’s now the big dog!” said Trent, turning to Ethan.

Ethan looked puzzled. “Daddy’s a dog?”

Lori and Trent laughed.

“Oh, oh... oh, my,” said Lori. “I felt a little butterfly in my stomach. The baby’s moving!”

Trent smiled. They walked into the family room and Lori sat down on the couch. She took Ethan’s hand and pressed it against her stomach. He giggled. “When can I see the baby?”

“In five months,” said Lori.

Trent fetched the box he had brought. Giving it to Lori, he said, “It’s the fine chocolate you like.”

“Is it candy? Open it. Open it,” insisted Ethan as he hopped in excitement. Trent picked up Ethan and swung him around. It was a perfect moment of happiness.

That night as Trent lay on the bed looking at the ceiling Lori snuggled next to him and put her arm around him.

“Are we purchasing a minivan this weekend?” she asked.

“Yes,” he replied. “I’ll go by the office early in the morning so I can move some of my important stuff into my new office, and there’s some work I need to finish.”

“Okay,” she said, “Ethan and I can meet you when you’re done, and we can go from there.”

He nodded and said, “I’m excited. I feel I can make anything happen. I want to take Hintec to new heights.”

She smiled and hugged him tightly.

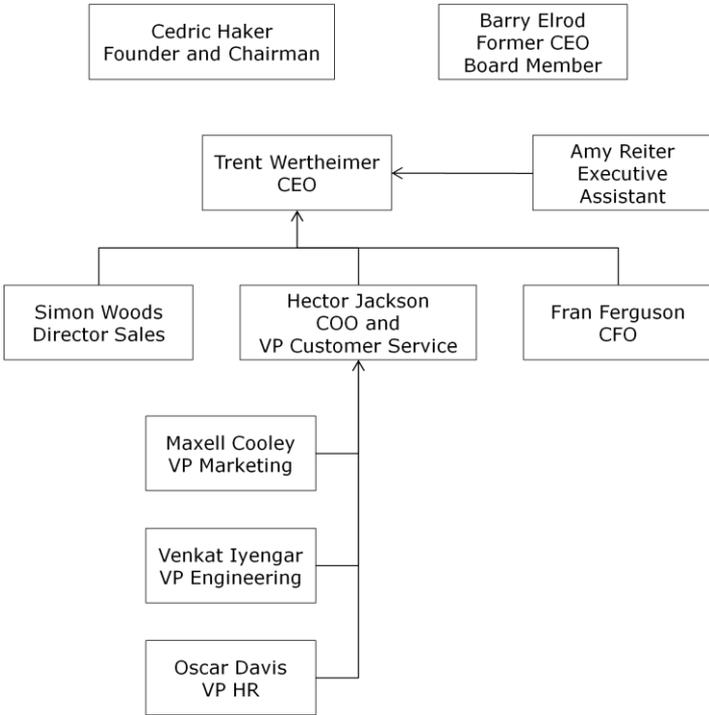
“I have a lot to think about. How should I take Hintec in a new direction? What should I fix? And, I have a lot of sales pressure this quarter.”

Early Saturday morning, Trent raced his silver BMW from his home toward uptown Houston, his mind full of thoughts. He walked into Hintec's offices on the 20th floor of the green glass high-rise, and headed straight for his new office.

He entered a room, twice the size of his old office. It surrounded him with a panoramic view of the city. As he walked toward the window, he could see the sunrise behind the cluster of downtown buildings, five miles east. South of downtown, he could see the football stadium against the horizon and below him, the cars on the crisscrossing network of freeways. It was as if Houston was coming alive for him before his eyes. He felt on top of the world.

On Sunday night, he walked into his closet to lay out clothes for his first day as CEO. He picked out a white shirt, black suit and a bright, colorful tie that was his hallmark. When he came out of the closet, he said to Lori who was sitting on the bed, "If I do even half the job Barry was doing, Hintec will go places."

Hintec's Key Executives



COHERENT STRATEGY AND EXECUTION:
An Eye-opening Parable about Leadership & Management

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