



Gray Matter™

Volume 1, Issue 3

April 1, 2009

On the Flip Side

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New Study: High Need, Low Expectations "Go To" Employees Seen Lacking Across the Board

Managers currently identify a small percentage of their workforce as performing at "go-to" levels on a consistent basis, according to the "Talent Development Issues" study conducted by Novations Group Inc.

At a time when organizations are struggling to "do more with less," the study revealed a discrepancy between leadership expectations and management behavior.

Almost 60% of all managers believe that no more than 1 in 5 of their employees consistently perform at a 'go to' level. The percentage of employees managers consider performing at "go-to" levels on a consistent basis:

- <5 %: 8 %
- 10 %: 20 %
- 20 %: 30 %
- 30 %: 15 %
- 40 %: 8 %
- >50 %: 6 %
- Don't know: 13 %

Additionally, the study revealed that almost half of these managers believe some

employees have more potential than others and use that belief to give job assignments to a select few.

With respect to developing employee potential, which of the following best describes the prevailing belief of management at your organization?
34 percent believe everyone is capable of performing at higher levels, and their job is to provide growth opportunities to all.

- 47 percent believe some employees have more potential than others, and their job is to identify the ones who have potential and invest in that population.
- 15 percent don't have one prevailing belief system.
- 4 percent don't know.

This indicates most managers believe their job is to identify the employees they believe have potential and invest in them.

"The reality is that most managers make assignments based on predictable per-

formance rather than potential performance," said Gerard Lupacchino, Novations' senior vice president of business development. "

At a time when employers are requiring reduced workforces to sustain levels of productivity, managers seem to spend more time proving their assumptions about capacity, rather than building the capability of more people on their teams."

Novations found that successful organizations have moved away from this traditional approach by layering in one more key component: reduce the workforce, increase the performance levels of everyone employee who's left and then raise expectations.

Leaders in these successful organizations use the following techniques to build capability within reduced workforces:

1. They make clear to every manager, in every department, that no employee can remain
- (*"New Study" Continued on page 2*)



Explore Principals of Partnership Selling

NOTABLE QUOTABLE

"The harder the conflict, the more glorious the triumph."

Thomas Paine



Explore Employee Engagement

Prosper by Telling Customers to Buy Less?

Here's a seemingly career-killing sales tactic: tell your customers they waste a lot of money on the product that forms the core of your company's business. Good way to land on the next cost-cutting list? For Xerox, this approach has actually created a powerful growth strategy.

The core of the strategy is Xerox's innovative shift from selling products to selling solutions. Instead of pushing copiers, printers and related parts and services, Xerox is increasingly helping customers manage their end-to-end printing processes.

Xerox (and other vendors like Hewlett-Packard) offers customers the long-term ability to keep costs under control by providing consulting services to help them better managing their existing equipment. An article in today's *Wall Street Journal* suggested that such efforts can reduce printing costs by up to 30 percent.

That's a strong sales proposition in today's tough econ-

omy. While Xerox might miss short-term printer and copier sales, it is building long-term, potentially lucrative relationships -- and a base to move into additional productivity-related services.

Companies looking to following similar approaches should keep three things in mind:

Start with a deep understanding of how the customer frames the problems they are facing.

It's easy for companies to fall into the trap of thinking that customers care primarily about the products they purchase. Often they don't. Those products are means to an end. In Xerox's case, it doesn't sell copiers. It sells workplace productivity. Understanding how the customer frames the problem helps to highlight different ways to address that problem.

Build a solution that solves the customer's -- not your company's -- problem.

Xerox could easily have de-

signed a service offering that really was a veiled way for it to sell and support Xerox equipment. But that's not what the customer wants.

More than half of the 1.5 million devices under Xerox management are made by other companies. Ask how a startup company with no base business to defend would approach the challenge.

Give the new business ample freedom.

Corporate antibodies can often squash new offerings that look like competitive threats. Sufficient organizational autonomy can be critical for long-term success.

One of the reasons companies can struggle to innovate is the apparent risk of walking away from their current business. Xerox shows how the right kind of business model innovation can allow a company to gracefully move away from its historic core business.

Source: S. Anthony, Harvard Business Review

New Study

(Continued from page 1)

- disengaged, and therefore, performing below standards. This is the new standard-the 80/20 rule can no longer exist.
- They used assignments, beyond just making them. These managers are intentional about who gets what opportunity so more people are

able - with managerial support and coaching - to take more moderate risks.

- They reward efforts and outcomes so everyone can see what creates individual and organizational success.

The data was compiled as part of Novations 2009 "Talent Development Issues" study, a representative

quantitative analysis of executive management, human resources, training and development, and diversity and inclusion professionals in companies across all industry segments. Scheduled to be released the week of April 13, the study was designed to measure the current state of the training and development industry.

Source: Novations