

## Organizational Success Factors by Glenn Davis

There are several components that comprise a successful and growing organization. From my experience, training, and having read the latest research, I have compiled a list of 8 components that are needed to build an organization with sustainable success.

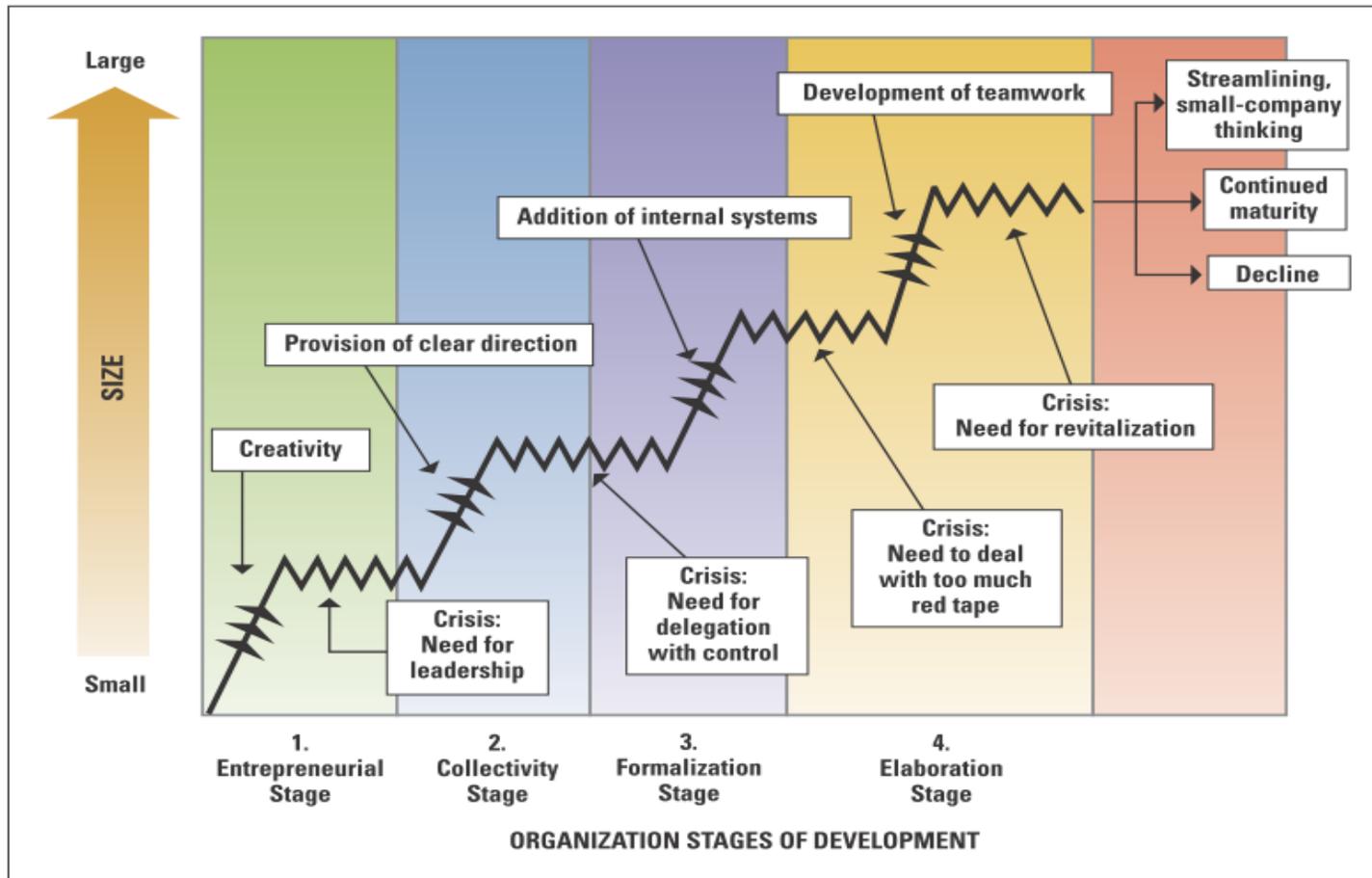
- *Effective and authentic leadership.*
- *Tangible vision.*
- *The right team comprised of healthy people.*
- *A healthy internal culture.*
- *Implementing the (right) strategy.*
- *A product or service that connects a need with a willing customer.*
- *The organizational structure.*
- *For those who acknowledge the spiritual – then faith in a higher power.*

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Other experts might want to change out the wording or add one or two more. Each component has ingredients needed to help them occur in the right way but is not the focus of this presentation.

First, we need to be aware of the 5 Stages of Development for any organization. These 5 Stages of Development are widely accepted and can be used to gauge what stage your company is in. Only the first 3 stages are used in this presentation to keep it simple.

### 5 Stages of Development



Source: Adapted from Robert E. Quinn and Kim Cameron, "Organizational Life Cycles and Shifting Criteria of Effectiveness: Some Preliminary Evidence," *Management Science* 29 (1983), 33-51; and Larry E. Greiner, "Evolution and Revolution as Organizations Grow," *Harvard Business Review* 50 (July-August 1972), 37-46.

I integrated the 5 Stages of Development (above) with the 8 Successful Components Model (below). The model assumes the organization is on a general path of growth and not decline. Otherwise the model would shift. If there is a state of decline or being static, there are things a leader can do to intervene in one or more of the components to move the organization back towards success.

This model I created is a good standard but it is not a one-size-fits-all. Within the same industry, competitors will have different ways to integrate the 8 components. The best fit for you make look different.

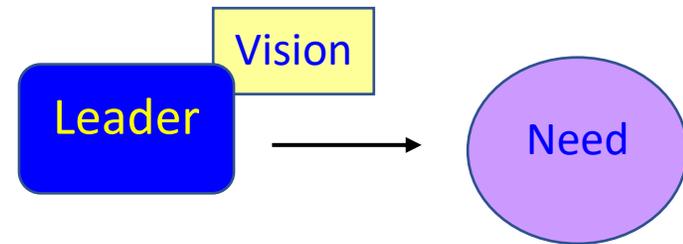
### 8 Successful Components for Organizations

- *Effective and authentic leadership: you!*
- *The leader's vision: idea, passion, dream, etc.*
- *The right team comprised of healthy people: emotional intelligence, integrity, character*
- *A healthy internal culture: values, beliefs, collaboration, open communication.*
- *Implementing the (right) strategy: the daily process, goals, mission statement.*
- *A product/service that meets a need: the offer and the customer go together.*
- *The right organizational structure to foster the internal culture and processes you need.*
- *Faith in a higher power.*

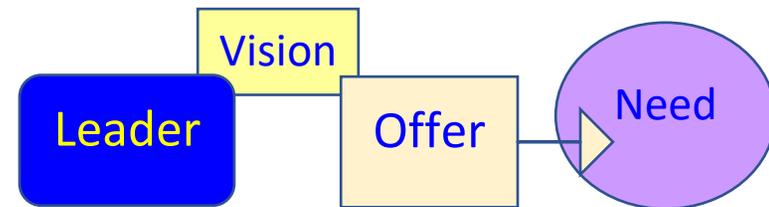
*This model is a progression.*

*(Stage 1 – Entrepreneurial Stage)*

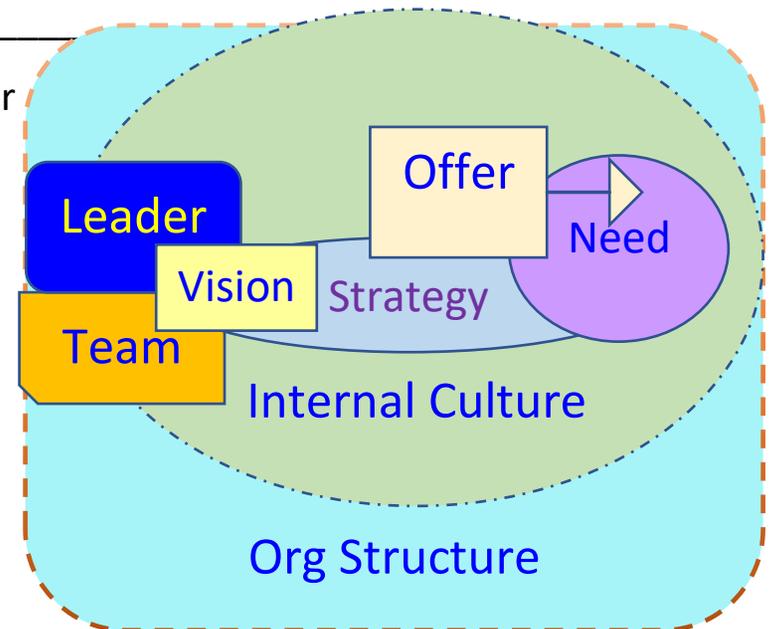
It starts with you, the Leader. You have an idea, or identified a need, or both.



The Leader is responsible for connecting the vision to the need. The offer (product/service) is created to make it happen.

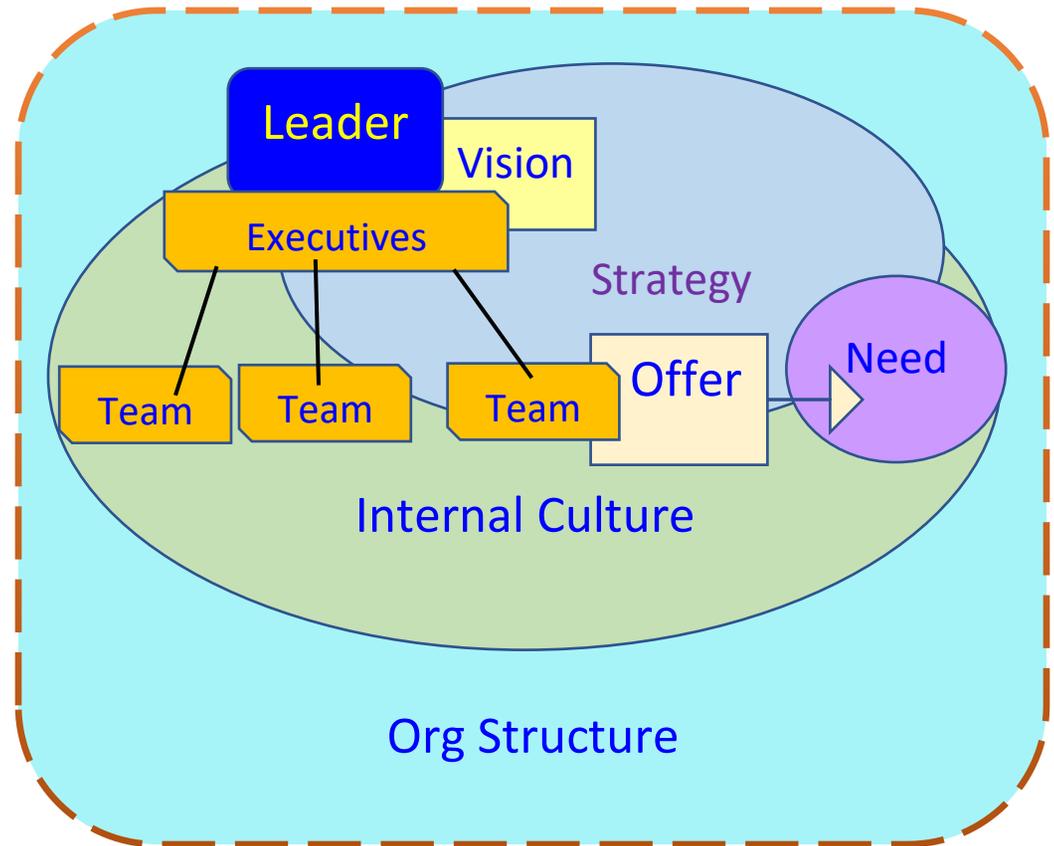


Near the end of Stage 1, with consistent sales the smart leader creates a team with the right people and shares the vision and strategy with them. The internal culture begins to form. The values, beliefs, objectives, and mission statement should be mostly known but do not have to be set in stone. The vision is the central component that keeps everyone together. The strategy is simple very flexible. The organizational structure begins to form. The smart leader choose the right structure to foster future growth.



### *(Stage 2 – Collectivity)*

After consistent growth, Stage 2 occurs. The smart leader is proactive about establishing a healthy hierarchy and departments with clear job assignments. Values, beliefs, objectives, and the mission statement are formalized. It's ok if the vision statement is modified. The leader should share the responsibility of the vision with the executive team. The work teams become responsible for providing the offer. The strategy usually becomes centralized around the execs – this is ok if the leadership team creates an environment where collaboration and trust are valued. Smart leaders always listen to input from anyone in their organization (and customers) about anything related to strategy, the offer, internal culture, and so on.



It is crucial the leader has intentionally formed the right organizational structure that best suits all components. Otherwise, to change it later is very difficult. The structure influences everything such as internal processes, how relationships are fostered or limited, and how the product is delivered to the customer. It directly impacts growth, innovation, strategy, efficiency, and maneuvering among competition.

### *(Stage 3 – Formalization)*

Stage 3 comes with significant growth. This brings a huge need for more control and delegation. Personnel issues increase as well as customer requirements and complaints. The organization encounters more governmental regulation. There is usually a huge increase in administrative tasks, policies, processes, and maintenance for documents/technology. The usual path is for leaders and executives to separate themselves from everyone else – including the customers who helped them achieve their success.

The leadership team hoards the vision and strategy. Employees are treated like minions. Customers, and the employees who directly work with them, become isolated and view leadership with contempt. Mini-cultures grow within the organization. The organizational structure is permanent and can become part of the problem. The offer, the vision, and the leader lose credibility and value. Time and money are spent on constantly fixing problems instead of being invested in growth.

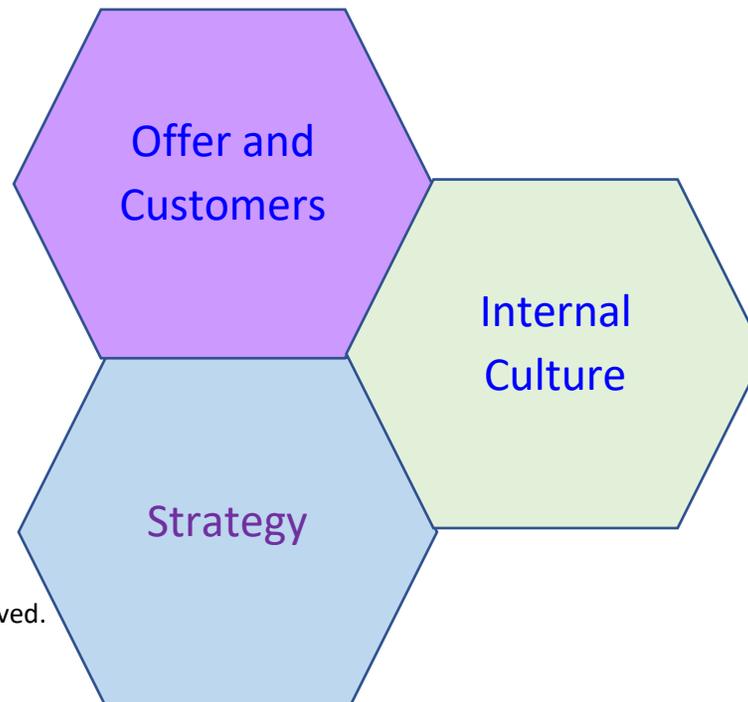


*So, what can you do to keep your organization from going down into very bad ruts?*

Leaders need to be proactive, smart, and maintain healthy relationships (inside and outside the organization) to keep the organization headed in the right trajectory. One of the main pitfalls of leaders is the organization has so-called success because of the huge demand for their offer. It is common for an organization to experience success based more on how the market has responded to their offer than what the organization had done. However, an effective leader will foster and promote all components regardless the state of the market or their organization.

The smart and authentic leader finds a way to marry the internal culture with the strategy and with customers. There is reciprocity between them. Effective leaders encourage each one to impact the others. (The offer and customers are combined)

Think about it this way:



The internal culture, strategy, and offer do NOT exist in a vacuum and none of them should have dominance over the other. They should be deeply rooted from healthy relationships (leader, team) and the vision. Effective leaders have the mindset of serving and empowering everyone on the team by placing their team in the center of their organization. Effective leaders take responsibility for building collaboration, openness, and trust so everyone can share the vision and experience success together. Everyone contributes to building and implementing the strategy and fostering a healthy culture. The leader's primary focus is pursuing the vision, strategic implementation, and the internal culture while the team is empowered to fulfill customer needs. For those who have faith, it should be engaged as part of the process and organization.

