



# SIMPLICITY IN DESIGN™

## Succeeding in Bad (and Good) Times!

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**Special points of interest:**

- The importance of Protection in a dangerous and highly dynamic world is reflected in the need to quickly assess and respond to unforeseen events.
- C-P-P evolved out of studies of organizational performance over the six decades following World War II.
- C-P-P offers a contextual framework idealized for highly dynamic competitive environments, such as those brought about by technology, Globalization and the US led War on Terrorism.
- C-P-P's Competitive Vision Statement (CVS) and its associated benchmarks and metrics deliver near-real-time awareness of internal and external threats and opportunities.

The economic slowdown in the national and world economies is already triggering corporate cost cutting initiatives, including lay-offs, in industries from manufacturing to IT services. And yet history tells us that too often organizations have pursued cost-cutting as an end as opposed to a process intended to protect and ultimately strengthen their ability to compete and perform.

There is no doubt that Globalization and the technologies which made it possible

have created a highly dynamic and often confusing operational - competitive environment.

The contraction in the innovation-to-market-to-retirement cycle, along with



global competition are putting growing pressure on corporate boards to act

faster than ever in response to market changes.

What should not be forgotten, however, is that our time is not the first, nor will it be the last, in which technological advances triggered major competitive changes. C-P-P evolved from five years of research into lessons learned studying corporate and government successes and failures over the sixty years since the end of World War II. In this edition, we discuss those lessons and how C-P-P's framework is ideally suited to our times.

## C-P-P and Balanced Scorecards

A new paper describing how C-P-P can extend Balanced Scorecard Systems (BSS) will be available from SDS in May 2008. It illustrates



how C-P-P can leverage and extend Management

Systems, covers the research behind C-P-P, lessons learned and the implications of globalization, technology and terrorism.

**C-P-P and Balanced Scorecards** covers the three generations of Balanced Scorecards, along with their strengths and weaknesses. Differences between BSS Destination Statements and C-P-P's Competitive Vision Statements are discussed and illustrated through examples.

Two case studies are included to capture how C-P-P's Competitive Vision Statement contributes to near real time awareness. One of the case studies focuses on Microsoft's long standing business model, and new technologies and software deployment methods, which may ultimately threaten it.

Interested parties should contact Ozzie Paez to request a copy at 303-332-5363 or [ozzie@simplicitydata.com](mailto:ozzie@simplicitydata.com).

## Revisiting C-P-P's Contextual Framework

The C-P-P contextual framework evolved from five years of research into the implications of globalization, technology and terrorism on the markets and battlefields of the new century. Specifically, the research focused on how decisions were being made by organizations in the private, non-government and public sectors, and how the evolving post 9/11 operational and competitive environments were affecting organizational leadership and decision-making processes. The investigations spanned multiple projects that identified causes and factors behind decisions underscoring corporate strategy and responses to internal and external developments.

To achieve the research objectives, the team expanded its scope to consider successful and unsuccessful companies within specific industries over a period spanning the six decades following the end of the Second World War. The outcome of these investigations led to four distinct findings/conclusions regarding corporate failures, which in our judgment are relevant in today's competitive markets and operational environments:

- Executive leaders of struggling companies operating in highly competitive markets narrowly focused on two operational areas or dimensions, competition and performance. Activities outside these dimensions were generally relegated to lower tier functional areas with limited access to and influence over executive decision-making.
- There was consistent evi-

dence of corporate leaders remaining oblivious to evolving competitive threats and opportunities until their market position had become precarious. A significant number of the organizations studied stuck to their strategic plans even after it became clear that the plans did not align with their markets, as had been expected.

- Globalization, technology and the war on terrorism were not unique in the magnitude of their effects on competitive markets and operational theaters. Similar disruptions were found in the 1960s (steel, rail and computer systems), 1970s (car manufacturing), 1980s (airline industry) and 1990s (mid and large frame computers). Globalization and technology did create much more dynamic, competitive, operational environments by extending geographic reach and facilitating cooperation, collaboration and competition across traditional cultural, national and regional boundaries.

The root operational and competitive change agents of the early 21<sup>st</sup> century are not Globalization, technology and terrorism, but rather the compression of the temporal window available to respond to

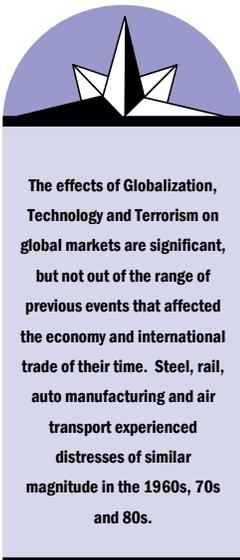


evolving threats and exploit new opportunities, whether in markets or war. The increasingly smaller time frames available to evaluate threats and

opportunities, craft an appropriate response and deploy it require near real-time executive awareness and leadership, combined with organizational agility to protect the organization, while sustaining competitive success.

These findings led to development of a contextual framework specifically designed for highly dynamic, competitive environments. To address the findings, C-P-P was engineered to:

- Define a winning end point or condition through a clear competitive vision of what is to be achieved by date certain,
- Provide a basis for the competitive vision that can be benchmarked, monitored and updated over its lifecycle to ensure that it remains viable and achievable as internal and external conditions change,
- Implement a three-dimensional contextual approach to the planning and execution of the vision. The objective being to effectively compete and perform, while protecting the organization from unforeseen and evolving threats/missed opportunities,
- Deliver process and organizational resilience through near-real-time awareness, agility and adaptability, within an organically stable operating environment,
- Drive and culturally ingrain competitive achievement and near-real-time three-dimensional awareness to develop, achieve and sustain organizational robustness.



The effects of Globalization, Technology and Terrorism on global markets are significant, but not out of the range of previous events that affected the economy and international trade of their time. Steel, rail, auto manufacturing and air transport experienced distresses of similar magnitude in the 1960s, 70s and 80s.

## Which Organizations Are Best Suited for C-P-P?

C-P-P evolved through an analysis of organizations operating in highly dynamic competitive environments. These included high tech industries such as computer manufacturing, software engineering, and military/intelligence organizations fighting asymmetric con-

flicts such as the US led War on Terrorism.

The key variable in determining how helpful a C-P-P deployment may be is to consider the organization's value to those it serves. If the organization must deliver specific outcomes such as prod-

ucts and services, on time, within budget and in compliance with high standards of quality, then C-P-P's framework should prove highly beneficial in the short and long terms. Please contact us if you have questions on C-P-P's applicability. 

## Benefits and Competitive Advantages

A successful C-P-P implementation should deliver a set of strategic and tactical advantages that can be benchmarked against short and long term winning expectations.



These are encapsulated in the C-P-P Organizational Impact Framework, Page 4, which captures a subset of the benefits delivered and problems prevented by the framework. These outcomes are directly connected to the four distinct conclusions, which emerged from our investigations into the causes behind many competitive failures over the past sixty years.

More importantly, rather than being a set of prescriptive dos and don'ts, they are a means to benchmark, update and evolve competitive visions, operational methods and performance strategies in response to internal and external drivers.

C-P-P's evolution paralleled our growing realization that behind the organizational failures we studied were often highly intelligent, capable individuals, who somehow remained unaware and insulated from internal and external developments challenging their core business models. They and their management systems often remained focused on achieving objectives that were no longer useful, viable or achievable, while



ignoring new and evolving technologies, opportunities and market trends.

One important distinction to emerge from our investigations was that management systems generally focused on internal objectives and trends. From quality systems, such as Six-Sigma and various manifestations of the Deming method, to performance systems such as Theory of Constraints, managers generally focused on factors that di-

rectly impacted internal objectives. This tendency, we concluded, contributed to the proverbial 'thinking inside the box' and promoted Group-think. In our modern interconnected, highly dynamic operational and competitive environments, organizations that had limited external



awareness too often failed to appreciate market shifts until it was too late.

C-P-P targets these critical shortcomings by delivering competitive focus, validation, awareness, agility and resilience through its contextual framework. Ultimately, these qualities transcend the framework to become cultural expressions of the organization and its leadership, making possible evolution and change, within a generally stable environment.





**C-P-P offers greater resilience and ultimate robustness through its contextual framework, which adds Protection as a core dimension of business. The CVS adds greater focus and contributes to near-real-time awareness of the operational and competitive environments.**

## C-P-P Organizational Impact Matrix

Advantage	Contributes	Protects Against
Clear competitive vision statement	Clear focus across and within all organizational groups, areas and domains that are connected to specific, measurable, temporal objectives and targets.	Errors in interpreting subjective value propositions that are inherently difficult to quantify and translate into success or failure.
Competitive vision basis and associated benchmarks	Near-real-time awareness of the implications of internal and external conditions, successes and failures. Objective monitoring and validation of the competitive vision's relevance and early opportunities to make adjustments and changes based on events, developments, changing conditions and other factors.	Groupthink effects, including pluralistic ignorance, isolation, lack of cultural diversity and other factors, which were identified as key contributors behind poor organizational awareness and slow response to changing market and operational conditions.
Three-dimensional contextual approach	Provides greater balance in formulating policies, considering options and making decisions. Delivers improved awareness of threats and risks to organizational aspects critical to effectively competing and performing. Greater transparency of the effects of commission (acting on) and omission (failing to act) in response to new and evolving opportunities.	Unnecessary risky behaviors and vulnerabilities with respect to critical competitive and performance components for achieving the competitive vision.
Process resilience and organizational robustness	Promotes constructive and dedicated commitment to overcome obstacles and deliver solutions that are inherently more capable to adapting to change. Promotes agility and willingness to quickly change course to respond to new and unforeseen developments. Imbues the organization with a sense that problems can and will be overcome and that solutions can be made intrinsically hardened at every step, from concept to implementation.	Risks and weaknesses that undermine recovery from unforeseen challenges, developments and failures.
Ingraining of competitive achievement values and timely awareness into organizational culture	Delivers the key value propositions of competitive spirit, informed-aware decision-making and continuous learning. Promotes commitment to continuous improvements across organizational domains and functions based on realizable competitive objectives and common awareness of challenges and opportunities. Promotes personal engagement, cooperation and collaboration through compatible means in the pursuit of common goals.	Cultural, values and operational dissonance between executive leaders, managers and performance employees.

TABLE 1

## A Framework or System?

We are often asked if C-P-P is another management system similar to Balanced Scorecards, Theory of Constraints or Business Process Management. To this question we answer with an emphatic no. Management systems are about management, or more specifically about achieving established objectives as efficiently and productively as possible. Generally speaking, Management Systems look inward to improve how the organization functions, benchmarking and measuring its systems, methods and processes to improve productivity, quality and other aspects of competition and performance.

By contrast, C-P-P is a framework that establishes a

set of high-level rules that the organization will use to define its competitive vision, validate the vision, achieve near-real-time awareness of its operating/competitive environment, promote agility and maximize resilience. These rules can be applied or overlaid on the management systems, methods and structures used by the organization in its day-to-day operations. Similarly, C-P-P overlays the organization's culture to promote long term (sustainable) success, even as increasingly dynamic internal and external conditions change how the organization pursues its evolving competitive vision.

In other words, C-P-P does not replace existing manage-

ment systems. It extends and enhances those systems and their underlying culture(s) to make them more aware, agile and resilient. Thus, C-P-P is an ideal framework for gaining and sustaining market advantages as threats evolve, opportunities rise and product and service lifecycles continue to shrink. At the human level, C-P-P promotes greater social stability by providing a more gentle transition path for evolving culture along with internal methods, processes and systems. In summary, C-P-P makes traditional management system more comprehensive, effective and sustainable in the face on growing competition and increasingly dynamic operating environments. 

## Conclusion

To validate that C-P-P addresses the four findings/conclusions from our research we mapped them to the relevant aspects of the framework, as shown on Table 2, Page 6. By addressing fundamental structural weaknesses in the decision making process, while delivering near real time awareness, C-P-P empowers organizations to reach their winning objectives.

C-P-P is conceptually simple to understand, a characteristic that makes it much easier for the organization to embrace it. Successfully deploying it requires more effort than may appear at first glance; nevertheless, it remains much easier to put it into practice as compared to a new management system, primarily because it does not require the wholesale

replacement of existing management methods or processes.

Integrating C-P-P into the organization's culture will take more time, although its more modest impact on the organization methods and systems should facilitate the transition. Ultimately, its approach should become habitual in terms of ensuring three-dimensional thinking and greater focus based on the Competitive Vision Statement's objectives. Once internalized, organizational robustness will be magnified as employees, managers and executives apply it to reach greater competitive and performance levels, while concurrently protecting the organization's ability to compete and perform.

Change stresses all organiza-

tions, but C-P-P's approach should ultimately reduce stress by integrating change response and adaptability into the underlying culture. This should in turn provide the stability of people crave through its framework and adaptability through near-real-time aware-



ness and response. These two factors, our research shows, remain critical components of effective organizational leadership, management and performance in the global markets of this young century.



**C-P-P is a framework, not a system. It can rely on and extend traditional business management systems such as Balanced Scorecards, Six Sigma and Business Process Management through the addition of the Protection dimension and the CVS.**

PO Box 57  
 Loveland, CO 80537  
[www.simplicitydata.com](http://www.simplicitydata.com)

Phone: 970-213-1550  
 Contact Us: [simply@simplicitydata.com](mailto:simply@simplicitydata.com)



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 PROBLEMS ARE FREQUENTLY  
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Simplicity Data Systems is an applied research, business consulting and strategic analysis organization. Its focus is on evolving business models and the protection of the US homeland/economy from terrorism and other disrupting events. Over the past six years, SDS has focused on global threats from pandemics, conflicts and terrorism, while concurrently developing new business, threat assessment, risk mitigation and resilience models.

Our work is reflected in our writing, which is accessible from the Published page of our web site: [www.simplicitydata.com](http://www.simplicitydata.com).

## Summary Points and Takeaways

Our studies of organizational performance in general and failed/poor performing organizations in particular, led to the findings and conclusions summarized in the table below.

C-P-P was engineered to address the underlying causes and resultant weaknesses behind poor performance. Essentially, by adding the Protection dimension, ensuring near-real-time awareness and focusing on a validated competitive vision, these

organizations can exploit the challenges of accelerated change to outperform their competitors. The Finding Resolution Matrix, Table 2, captures how C-P-P addresses our findings.

Please contact us if you have any questions. We are also eager to hear from organizations interested in piloting a C-P-P deployment. You may reach our C-P-P lead, Mr. Ozzie Paez, directly at 303-332-5363/[ozzie@simplicitydata.com](mailto:ozzie@simplicitydata.com)



## References

- For a detailed discussion of CPP and case studies please visit our [web site](#).
- For discussions on Groupthink on the web see the entry for [Wikipedia](#) and [Google](#) search results.
- For implications of Groupthink on decision making based on latest research see [Testing the Groupthink Model: Effects of Promotional Leadership and Conformity Predisposition](#).
- For discussions of Pluralistic Ignorance on the web see entry for [Wikipedia](#) and [Google](#) search results.
- For a discussion of three dimensional dissonance, see the January 2007 issue of [Simplicity In Design](#).
- [C-P-P and Balanced Scorecards](#), 2008, Simplicity Data Systems, available by request.



## About the Author

The short topics about C-P-P were authored by Ozzie Paez, with input from Dean Macris. Ozzie and Dean conducted the original research into C-P-P and set forth the underlying concepts behind the three-dimensional contextual framework. Dean may be reached through his web site at <http://www.acmacris.com/>

FINDINGS RESOLUTION MATRIX

Finding/	Addressed Through
Narrow, two-dimensional leadership focus	Competitive Vision Statement and the addition of Protection to create a three-dimensional
Leadership unaware of competitive threats and emerging opportunities	Benchmarking, monitoring and near-real-time awareness
Competitive pressure from highly dynamic competitive markets	Protection dimension, near-real-time awareness and agility
Effects of compressing product time-to-market and lifecycles	Protection initiatives, agility and robustness

TABLE 2