Achieving radical and sustainable improvement in top line performance

If Everything is Important, Nothing is Important

How to Decide What You're Not Going to Do

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Background:

Early in World War I, the French Army's medical resources were overwhelmed by the great number of causalities caused by the machine gun and other new and highly devastating weapons. It quickly found that the traditional "FIFO" (First In, First Out) approach to treating the wounded was totally ineffective. Many relatively lightly wounded troops died while doctors struggled long and valiantly to save more seriously wounded soldiers who had arrived at aid stations earlier.

To resolve the problem, they developed the concept of triage - in which all casualties were quickly sorted into three main streams:

1. One stream consisted of lightly wounded troops who had a good change of survival with a minimum amount of attention in the short term. Soldiers in this stream were given only enough immediate attention to let them survive until more serious cases were treated.
2. The second stream consisted of more seriously wounded soldiers with a good chance of survival if treated relatively quickly. Casualties in this stream were given primary attention.
3. The third stream consisted of very seriously wounded troops with a slim chance of survival and then only as a result of a major effort. These were made as comfortable as possible and then allowed to die.

The triage approach was highly sanguine, but both necessary and effective in accomplishing the mission of the medical forces - saving as many lives as possible. The concept was subsequently adopted by other armies and is still used today.

The Challenge:

Many companies face a comparable situation - too many opportunities, products, technologies, projects and programs underway at any one time to be truly effective. As with many other concepts originally developed by the military, triage can help in business.

For example, a company with several sales offices might "map" the current performance and future potential of each. Those with good results close to their potential should be left alone or given minimum attention. Offices that are performing poorly but which have a good potential should be given extra attention. Those with weak performance and relatively poor potential should be closed and their useable resources reallocated to other offices.

The same basic approach might be taken with other aspects of the business. For example:

- Research and development projects
- Subsidiary or affiliated companies
- Targeted market segments
- Products and services
- Other investments

Obviously, the decision criteria used will differ from company to company and function to function. Short term profit is by no means the only, or even the critical criteria in most cases.

So What?

The business executive must assume primary responsibility for conducting "corporate triage" and get comfortable with the trade offs between:

Must vs. **Should** vs. **Could**

Failure to do so will result inevitably in mediocre performance and a gradual decline in position relative to competitors who demonstrate the moral courage needed to "clean up" from time to time.

Don't expect all decisions to be right. Mistakes are inevitable. What might have been a good triage decision under one set of circumstances will sometimes turn out to bad, simply because conditions that were uncontrollable changed.

Nevertheless, an executive's willingness to face up to tough decisions, to make them and to live with the results sets a great example for subordinates.

If you have any questions on how you can implement this, please don't hesitate to reach out to us at kappainfo@kappaeast.com.

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