



Achieving radical and sustainable improvement in top line performance

Strategy and the Rule of Three



March, 2015

The Challenge:

With the end of the first quarter around the corner, for many of you with long sales cycle businesses (3+ months), the quarter was over BEFORE it started if you entered the quarter with an empty funnel. Regardless, sales execs will be preparing for the QRB (quarterly review board), their quarterly trek to corporate to go under the microscope to review performance and basically conduct a win/loss review, resulting in an updated forecast for the next few quarters.

As part of this ritual, there is usually the summary refrain by the CEO that relentless communication about the strategy is the key to successful execution moving forward.

"Am I clear on our organization's strategy? If we agree, then execute, execute, execute." Yet despite this ritual, the odds are that the next quarter will likely deliver disappointing results again.

While there is no one simple answer, we have found that once you go one level below the C Suite, very few middle managers and employees can name the organization's top priorities. Why is this so?

What we generally observe is a lack of focus in the strategy and simply too many strategic priorities caused by a lack of discipline and the need to be flexible, nimble and opportunistic to changes in the market and competition. While the latter is crucial to adapting strategy to changing circumstances, you must first master the rigor and discipline of sticking to the core elements of the plan. Our experience has shown that less is more. Focus, focus and focus is the secret to execution, execution, execution.

Not only are strategic priorities poorly understood, they are often unrelated to one another especially when you examine each departments priorities. Lots of frenzied activities going on, with little cross functional alignment and accomplishment.



***"What we have here is a failure to communicate."
...Cool Hand Luke***

What Works:

Consider applying the Rule of Three. Why is the Rule of Three so important to help solve this problem? The human mind doesn't particularly like disorder and chaos. It naturally seeks out patterns and quickly detects their presence, often on an involuntary, subconscious level. The number 3 is psychologically compelling, sometimes even mystical. Think of mother/father/child, the love triangle, the Pyramids, the Holy Trinity. Think of the Three Stooges and the Three Little Pigs. And just three points are needed to connect the dots to make a straight line, also known as a vector which shows direction. Yes, strategy is directional!

Instead of 10 corporate priorities, 8 core competencies, 9 core values and a dozen new corporate speak "buzz words", (that is in addition to a vision, mission and goals), give serious consideration to distilling the essence of truth down to the top three "things" (you can call them whatever you like), insisting on maniacal focus. If done correctly, the 3 things will resonate across every function in the organization

and cause greater alignment, and focus. And focus, focus, focus means execution, execution, execution.



"There are only two outcomes in business, reasons and results, and only one matters."

What's Next?

If you would like to find out how we can help your organization apply the Rule of Three, we would welcome a call. If you have additional best practices we would welcome hearing those as well. You can reach us at kappainfo@kappaeast.com.

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