

# How Everyday Companies Turn Into Extraordinary Performers

Brian Berning, CPA  
SS&G

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# The Magic Formula



“Rule No.1: Never lose money.

Rule No.2: Never forget rule No.1.”

-Warren Buffett

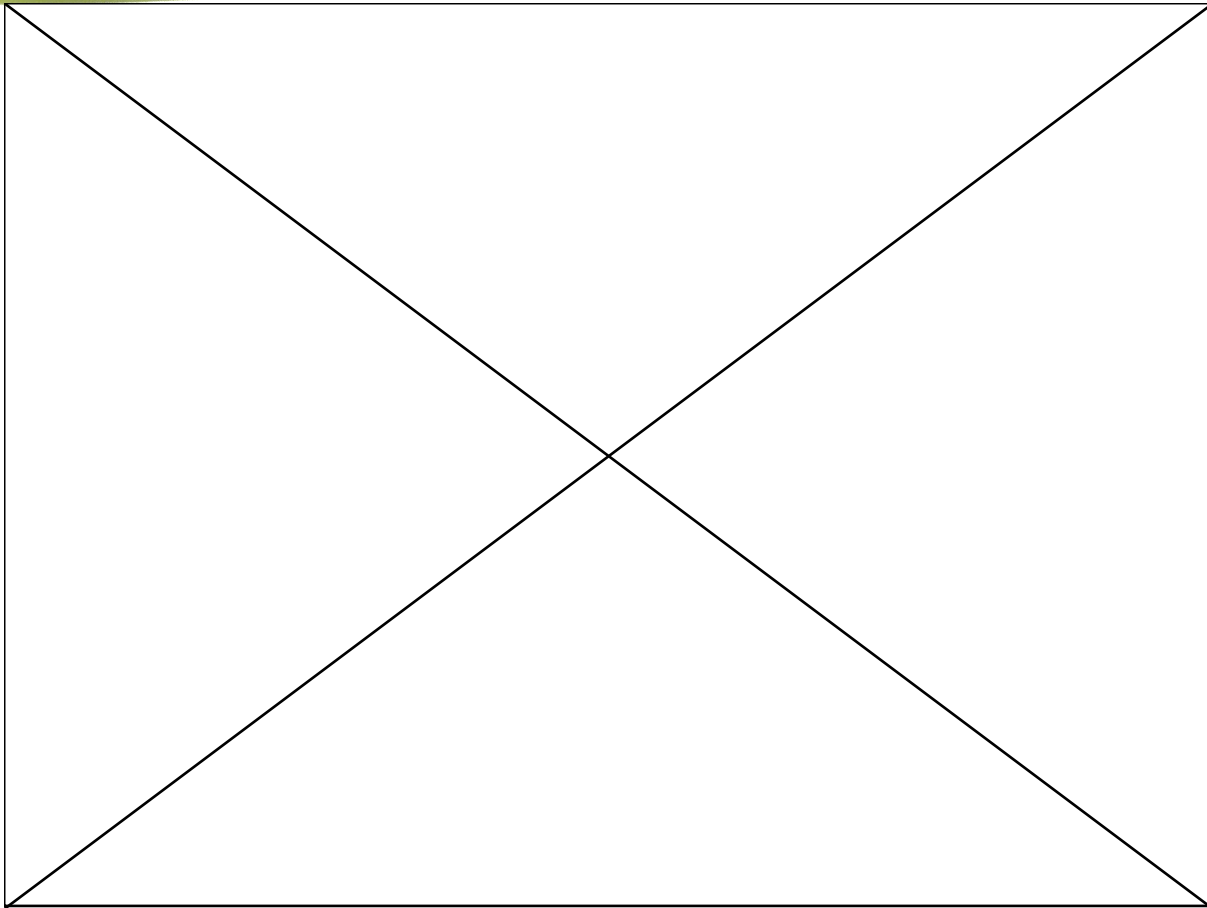
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# The Magic Formula



- Myth, there is no magic, no overnight change
- Continuous process of improvement and building upon small goals
- Extraordinary performance is a journey, not a destination

# A Culture of Discipline



# Good to Great



“In each of these dramatic, remarkable, good-to-great corporate transformations, we found the same thing: There was no miracle moment. Instead, a down-to-earth, pragmatic, committed-to-excellence process -- a framework -- kept each company, its leaders, and its people on track for the long haul.”

-Jim Collins, Author of *Good to Great*

# The Right Ingredients

- Value proposition
- Planning and setting goals
- Leadership
- The right people
- Company character
- Renew and repeat



# Value Proposition



- Core products and services
  - Products and services to add
  - Products and services to discontinue
  - Needs and unmet demand in markets
- What do we want to be?
  - From the customer point of view

# Value Proposition



“When we first started, people asked for coffee. We thought, Why not? This was our first lesson in humility. We served coffee, but the problem was that the young kids working for us don't know anything about coffee. It was terrible! So we stopped serving coffee. We tried a chicken sandwich once, but that did not work, either. We do have hot dogs on our menu, and that works. But other than that, all you are going to get from Five Guys is hamburgers and fries.”

-Jerry Murrell, Five Guys Burgers and Fries

# Value Proposition



**FIVE GUYS®**

**BURGERS and FRIES**

- 570 stores across the U.S. and Canada
- \$483 million in sales in 2009
- 4 new stores per week

# Value Proposition



“The main thing is to keep the main thing the main thing.”

-Stephen Covey

“Don't let what you cannot do interfere with what you can do.”

-John Wooden

# Setting Goals



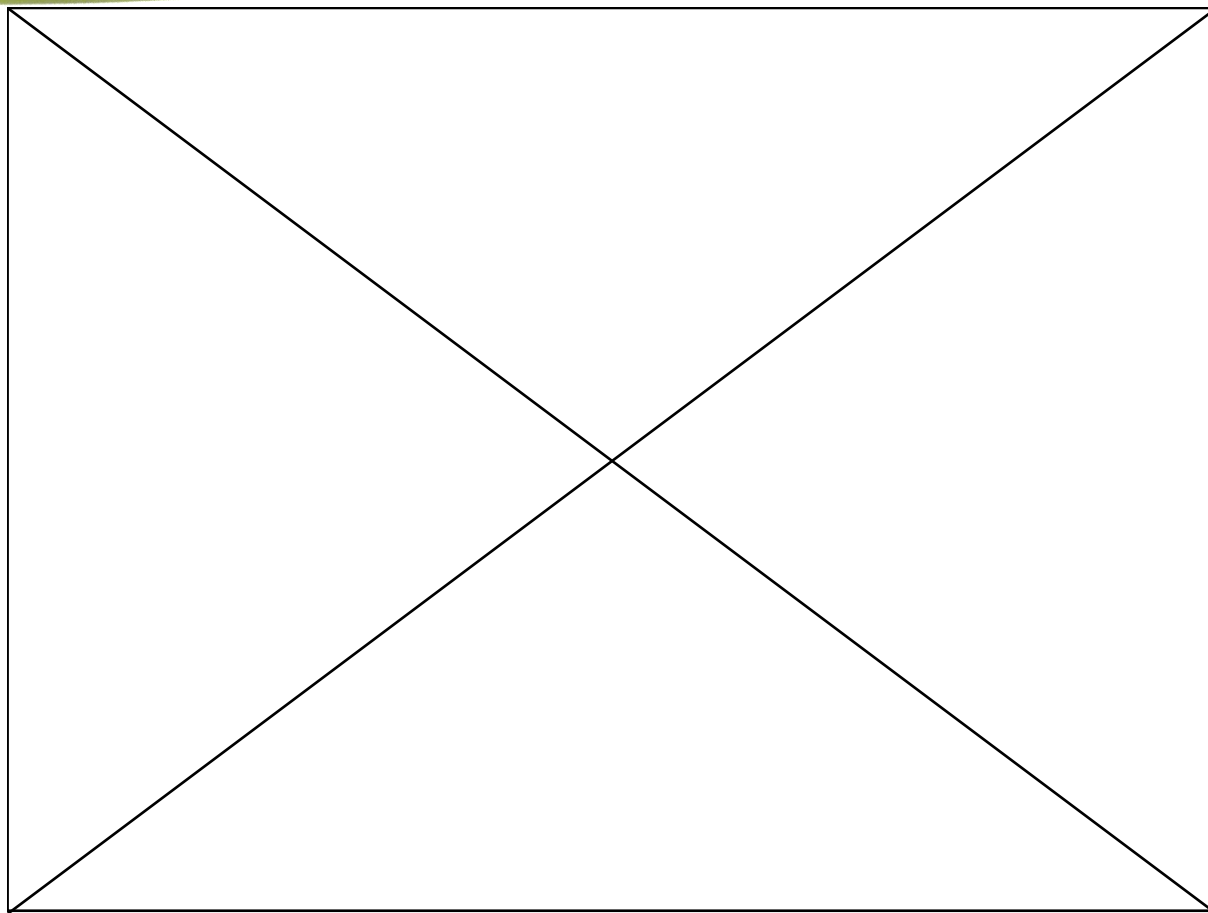
- Short- and long-term strategic planning
- Accomplishment of short-term goals build to long-term success
- Setting goals is having a “Map” to success

# Setting Goals



- Know your definition of “success”
  - Profitability? Short- or long-term?
  - Market Share?
  - Sales Volume?
  - Position for company sale/exit?

**Go Ashore!**



# Setting Goals



“Breakthrough is less a matter of bold strategic leaps than it is one of willful and diligent ascent from one foothold to the next.”

-Keith McFarland, Author of  
*The Breakthrough Company*

# Setting Goals



“A goal without a plan is just a wish.”

-Antoine de Saint-Exupery  
*French writer (1900 - 1944)*

“Efforts and courage are not enough without purpose and direction.”

-John F. Kennedy

# Leadership



- Rock star leaders vs. leaders with personal humility and professional will
- “Crowning the company”
- Grow beyond the limits of the entrepreneur
- Ask questions, not dispense answers
- Accept and welcome the brutal facts
- Give the right people opportunities and get out of the way
- Coaching and teaching – most underrated aspects of company leadership
- Empowering others, getting best out of people

# Leadership



“At Microsoft there are lots of brilliant ideas but the image is that they all come from the top - I'm afraid that's not quite right. As we look ahead into the next century, leaders will be those who empower others.”

-Bill Gates

“The essence of competitiveness is liberated when we make people believe that what they think and do is important - and then get out of their way while they do it.”

-Jack Welch

# The Right People



- Hire and retain the best people (get the right people on the bus)
- Best people are hard working, self motivated, disciplined, and goal-oriented
- Right people may not be the entrepreneur but have the spirit of an entrepreneur
- Best ideas can and do come from within – people in the trenches
- Enlist “Insultants”
- Erect “the scaffolding” of OUTSIDE expertise and consultants

# Talent is...

- Coachable
- Competent
- Team first
- Committed to...
- Passionate
- Energetic
- Empowering / Uplifting



- Respect
- High character
- Optimistic
- Serving heart
- Visionist
- Honest

# The Right People

ABLE

UNABLE

WILLING

DELEGATE

COACH

UNWILLING

CONFRONT

FIRE!

	ABLE	UNABLE
WILLING	DELEGATE	COACH
UNWILLING	CONFRONT	FIRE!

# The Right People



“The team with the best players wins.”

-Jack Welch

“I hire people brighter than me and then I get out of their way.”

-Lee Iacocca

# The Right People



“It's better to hang out with people better than you. Pick out associates whose behavior is better than yours and you'll drift in that direction.”

-Warren Buffett

# Company Character



- Company character = values translated into action
- People at “breakthrough companies” invariably pointed to company character as what made the companies successful
- Giving people a fair deal
- Believe in people
- Make your word count – internally and externally
- Have FUN!
- Celebrate Failure
- **IMPORTANT:** There is no faking company character

# Company Character



“Be more concerned with your character than your reputation, because your character is what you really are, while your reputation is merely what others think you are.”

-John Wooden

# Company Character



“Don't be afraid to fail. Get out there and experiment and learn and fail and get a rate based on the experiences you have. Go for it and when you go for it you'll learn what you're capable of, what the potential is, where the opportunities are, but you can't be afraid to fail because that's when you learn.”

-Michael Dell

# Renew and Repeat



- Renew the process of goal setting and evaluating your performance
- Minor changes, learning from failures, maintaining the course
- Repeat!

# Renew and Repeat



“I do not think that there is any other quality so essential to success of any kind as the quality of perseverance. It overcomes almost everything, even nature.”

-John D. Rockefeller

“Success comes from knowing that you did your best to become the best that you are capable of becoming.”

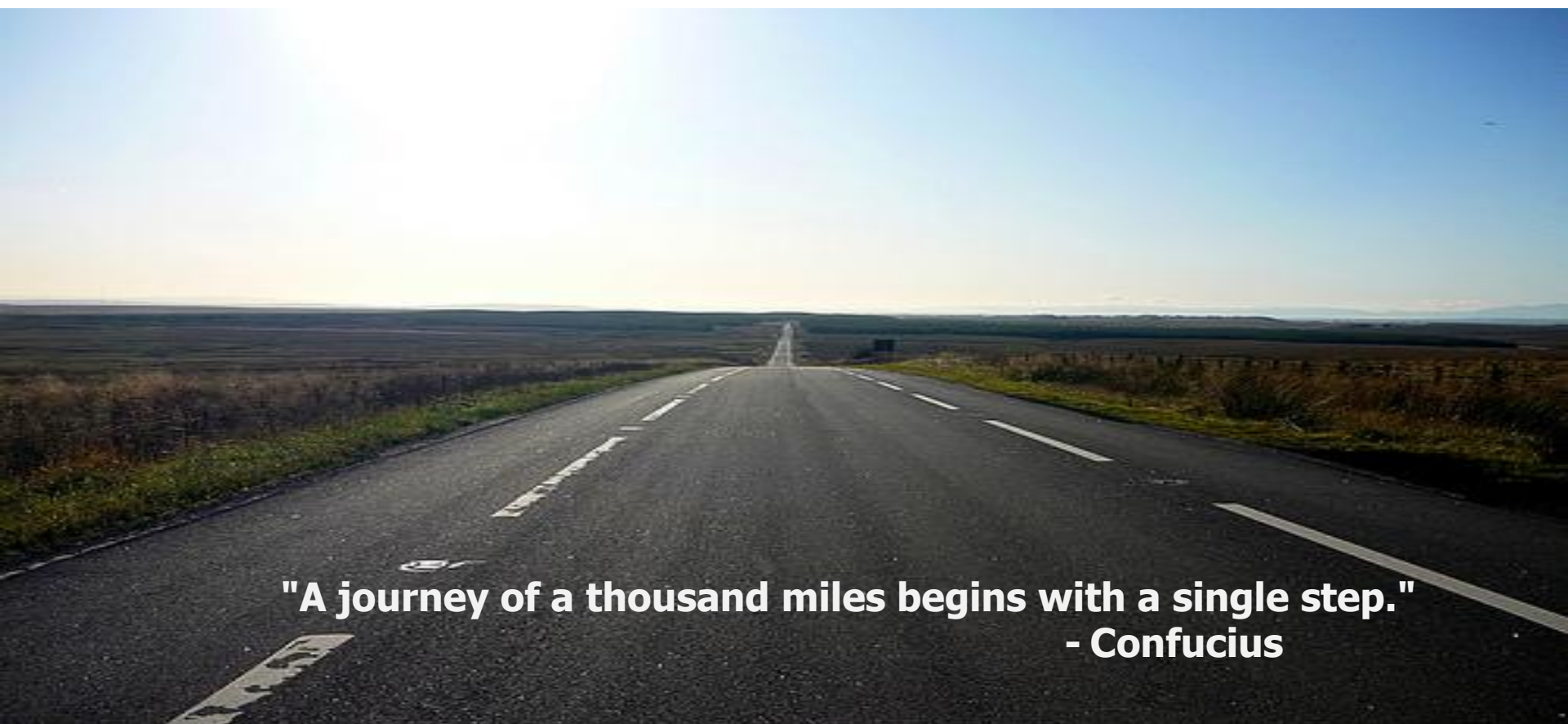
-John Wooden

# Summary



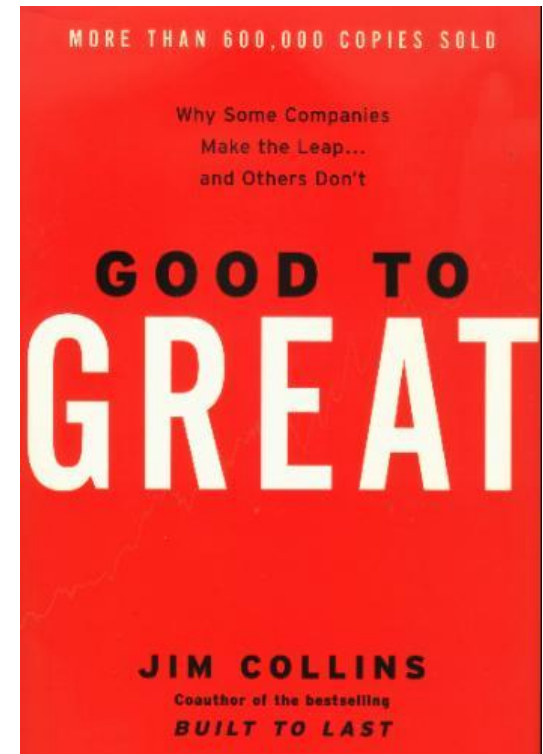
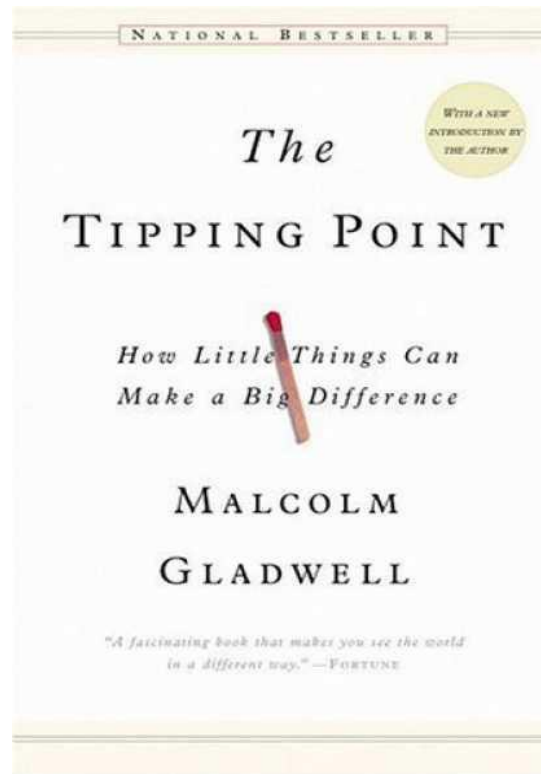
- Know who you are, who you want to be and what success is
- Get the right people leading and executing a plan of accomplishing small goals
- Develop the company character without fail

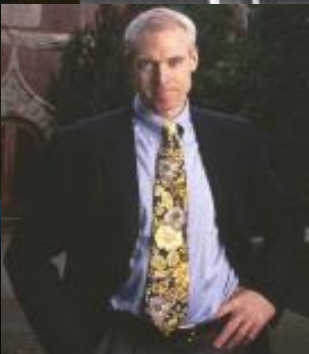
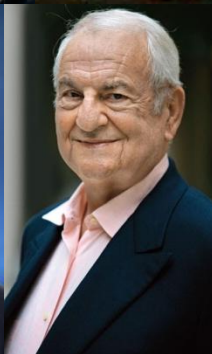
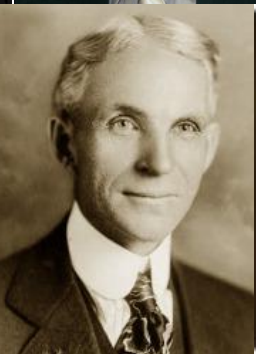
# The Journey



**"A journey of a thousand miles begins with a single step."  
- Confucius**

# Resources





# Thank You



## Contact Information:

Brian Berning, CPA, Managing Director  
BBerning@SSandG.com

11500 Northlake Drive, Suite 210  
Cincinnati, Ohio 45249

513-984-1489  
877-385-2388

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