

A Flourishing Enterprise: an inside and outside view of success

To flourish, practice excellence

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A flourishing enterprise



“I used to go there,” “I used to drive one,” or “Oh, are they still around?!” is what you hear about many companies that start with a bang, grow like crazy, and then slide into mediocrity. Few mourn their loss as the next big thing is already here. Since entrepreneurs don’t found an enterprise with failure, or mediocrity even, as the goal, so you have to wonder why it’s the most likely outcome of their efforts.

Co-founder of Farmers Restaurant Group, Dan Simons, thinks it’s “something about the way the typical company is grown that runs counter to the seed that started it.” As Dan sees it, the counter force is the “push to be **big** rather than to be **remarkable**; to create **awareness** rather than **contribution**.” Of course, it is possible to be both a big and a remarkable company. Apple, Starbucks, Google, Disney, Nordstrom, Kraft Heinz, The Mayo Clinic, and Hillstone Restaurant Group, and ~~Boeing Aircraft~~ are examples of companies that achieve both. However, the once-but-no-longer-remarkable companies – Sears, Bloomin’ Brands, Macy’s, Delias, Toys “R” Us, and all of the legacy airlines – far outnumber the “remarkables.” An obvious explanation is that there can only be one number one, but that’s too easy an explanation as innovation proves there’s no limit on excellence.

We think of excellence for an organization as having three parts: earning a reputation for goodness, flawless execution, and being best-in-class. We know excellence has a fly wheel effect, where once they virtuous cycle of excellence begins it begets increasing rewards. Are the remarkable companies lucky or is there something about the way they are grown that puts them on a different path? Our sense of it is that flourishing companies all have something in common; namely, focus.

What their leaders focus on is embedding what made the company worthy of growth in the first place in its cultural DNA and the spirit of its people at all levels. That flourishing is the result of something that a leader does is suggested by companies that lost their mojo such as Apple, Starbucks, and Nordstrom, and regained it almost immediately when their founders retook the reins of leadership. A company that remains worthy of growth is one that has leveraged the insight, wisdom, and values of its founding. When the founder steps back before these factors have been made part of the company’s DNA, flourishing is no longer a possibility.



Fast growth makes you n(d)umb

Fast growth can have a narcotic effect on leaders, numbing them to reality and creating a false sense of invulnerability that blunts their common sense, initiative, and focus on making a company what its founder(s) intended it to be. We think of it as ignoring the details of mindful enterprise building. The consequences include refrains such as: “I know we need to [do this or that long-term guarantee against complacency], but we simply don’t have the time,” “Right now: It’s a distraction,” “Our people aren’t experienced enough,” and “It costs too much,” etc. While it’s true that there is never a convenient time to prepare for growth; however, there is a bad time. It’s when growth is underway but wobbling because the company’s leaders are not on the same page, let alone in the same paragraph.

“Begin with the end in mind” is one of the seven habits of highly effective people put forth by the late Steven Covey. Sage advice that makes too much sense to be ignored. What is it that you are trying to achieve? What do you want your company to stand for? These are not easy questions to answer. Our answer has three parts – reputation, execution, and achievement – all of which are meant to focus the thinking of enterprise leaders. Reputation is important because it matters; people want to be part of something that they can be proud of. Execution is the cornerstone of a consistent customer experience as customers do not like to be disappointed. Finally, best-in-class matters because when the times get tough – and they always do – only the best survive to flourish another day.

**BEGIN
WITH
THE END
IN MIND**

Steven Covey

Success is....?

“How do we know we have arrived at our destination?” and “How do we know we are on track?” These are questions that beg for concrete, quantifiable answers. When working with a leadership team, we start with a definition of success that fits most for-profit enterprises: Sustained real growth in sales, profit, and active stakeholder loyalty. This definition has a lot of meat on it, speaks to results, and will not happen without a positive reputation, consistent execution, and being among the best. In addition, words in your definition such as “real” and “active” stimulate deeper discussion of a company’s destination, how to get there, and why getting there is important. While leadership teams typically come up with a different definition than ours, what’s important is that the team thinks about success in terms of what, how, and why, and in the same way. Leaders like results – and a destination characterized by results should pay homage to how they are achieved and, by so doing, tap into the leader values and beliefs. It is this three part link that ensures that success is clearly defined and becomes part of the company’s cultural DNA.

For example, goodness is about doing the right thing, the right way, and for the right reason. Because personal beliefs are a primary determinant of how people think and behave, it’s critical that differences in beliefs and values be surfaced, discussed, and resolved. In our experience, team conflict is more often an issue of conflicting beliefs than bad motives. Surfacing and resolving these issues during fast growth is difficult. When a team drills down far enough, it inevitably ends up with a values-based answer to its questions of success that reveal the true motivation behind a company’s leaders and their drive to succeed.

Intentional action is the path to a flourishing enterprise

“Wellness” has gained popularity as a way of describing human health vitality through intentional action. This idea of wellness is very much like the one put forward in a seminal study of aging where the researchers distinguished distinction between “usual” and “successful” aging. People who successfully age avoid disease, describe themselves as engaged with life, and maintain a high level of cognitive and physical functioning. What struck us about the study was the emphasis on the importance of intentions.

Wellness and successful aging can be combined to describe a third idea called flourishing. This is a hot concept – at least among psychologists – that describes a person’s sense of satisfaction and contentment with life. You may know people who more than go with the flow – they flourish in that they are positive, have good friends, find meaning in their lives, are engaged, and feel a sense of accomplishment. In this light, who wouldn’t want to flourish, be around people who flourish, or be part of a company that is, itself, flourishing?

All weather is local

It's not a stretch to apply the idea of flourishing to a company and how it is put together. With a few tweaks here and there, it has direct implications for the process of building a company that thrives financially and makes a sustained contribution to the broader good. Unfortunately, like most useful ideas, flourishing is a complex notion that has no meaning apart from its parts in the same way that the seasons, time of day, and weather are ideas given meaning only by their observable parts. "How's the weather?" "It's hot, dry, and windy and I like it that way." When you ask someone about the weather, what you always hear is their take on its parts, as it's the nature of the parts that they use to describe the abstract notion of weather. The concept of weather can be illustrated by a thought-cloud (no pun intended) such as the one shown in Figure 1.

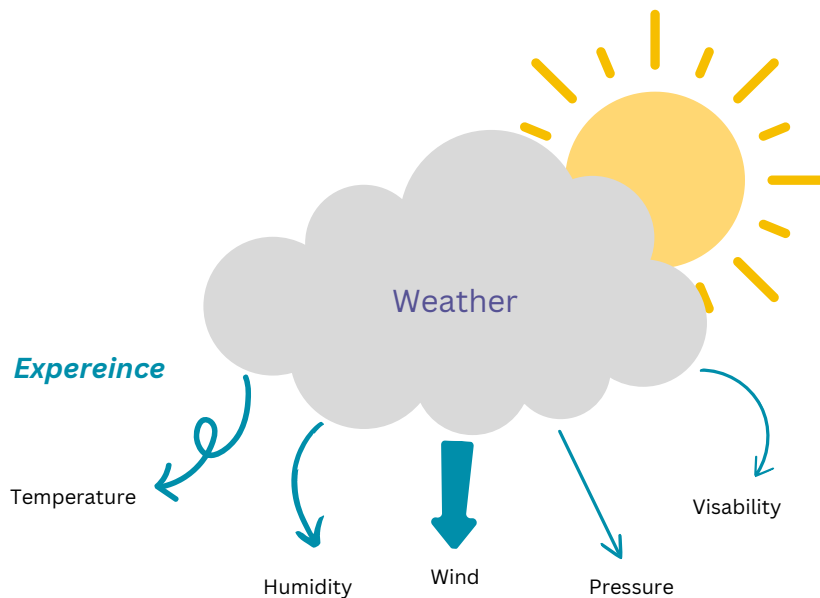


Figure 1. The concept of weather

When you step outside, you don't experience something called "weather" directly; instead, you experience measurable attributes such as wind, heat, humidity, and so forth. It's these tangible experiences that enable you to describe the weather. So, when friends call and ask "How's the weather in Colorado Springs" and we say: "Ten degrees below zero and blowing like crazy, but it's really sunny." We have said enough for most of them to know they don't want to visit. What we have done is to describe a complex idea in understandable terms that makes it easy for someone to make a decision based on something they are not experiencing directly. Weather is a phenomenon of nature, and while it varies all over the world it does so in ways that are understood in the same way by all people.



Flourishing is a phenomenon of people that describes a person's state of being in understandable terms. Figure 2 presents the idea of flourishing in terms that have pretty much the same meaning to all people.

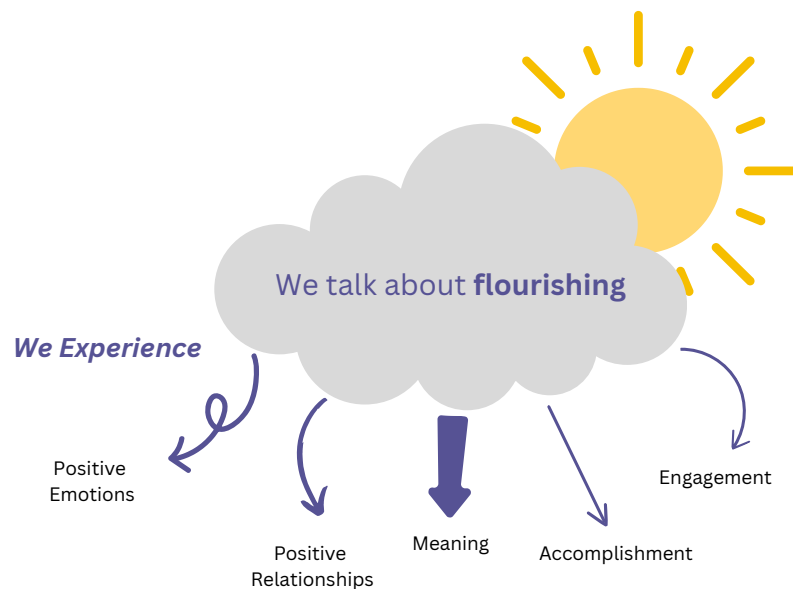


Figure 2. The concept of flourishing

As the figure shows, flourishing is made up of five things or “attributes” that allow you to say “I’m flourishing – or not” in concrete terms. From a psychological perspective, it’s called a theory of “un-coerced choice” in that, given the option, people choose to flourish over most other outcomes because it describes a high sense of functioning and represents positive choices to be well. It is an idea that has considerably more to it than the more ambiguous term “wellness.”

Why not a flourishing enterprise

With a bit of nimble translation, this idea has direct implications for how entrepreneurs and other leaders think about the success of the enterprise they are building. For them, it is also a theory of un-coerced choice in that, given the option, they would choose to have their enterprise flourish over virtually any other option. How the five attributes of personal flourishing are translated to measures of enterprise flourishing is shown in the following table.



About Corvitus

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