Processes 1

Internal clocks

Organisational business life is rhythmical and cyclical with the clocks set externally to mark things such as 'quarters' and 'year end'. This tends to orchestrate internal cycles, but also creates straightjackets. You should create your own internal clocks, your own internal game.

There is nothing magical about a 365-day cycle, I know. It's called a year and it works for everybody. We also have seasons and a 24-hour night/day cycle. But 'the quarter' (3 months) is an invention of the stock market. It is an arbitrary unit of time that forces those in public companies to report (earnings, results in general, etc.) and orchestrates the internal rhythm of companies. The quarter is magical. It doesn't exist, but we behave as if it is *the* unit of time.

Also, think of the annual budget cycle. As a manager, you are rich on the 1st of January and you become progressively poorer as you get closer to the 31st of December, only to get rich again on the 1st of January. Is that not a bit crazy? In some companies you will also be spending a lot of time on the so-called budget process 'for next year' (i.e. how rich you will be on the following 1st of January). And you are doing this whilst still spending the money of the current year.

What happens with new ideas, new initiatives, things that were 'not in the budget' or that you had 'no budget for'? You park them for assessment, for review in…the next budget cycle, usually next year, 365 days into the future! Of course there are exceptions and you may have the authority to re-allocate funds across the firm and make decisions on the spot for substantial reshuffling. But the average manager does not. The 365-day budget cycle doesn't make any sense in terms of making decisions rapidly, perhaps to react to market changes or innovation, to fund new ideas or to allow for agility to adapt as you go along. It is a very rigid framework and simply too long-term thinking. It suits the company's reporting obligations, but other than that, it doesn't do anything for rapid reaction or for creating a sense of urgency. Don't get me wrong, I know that we are not going to get away from the annual cycle! But you should consider installing parallel internal clocks.

The 100-day budget is a more sensible way to factor in new ideas and new projects and is a more manageable period of time. Imagine that you were rich three times a year instead of just once! People would not be delaying decisions until the next strategic review in the summer (to be followed, if you are lucky, by your plans going to the strategic approval in the autumn and then again to final approval in December, so that you can spend again in January).

Let me warn you again that reading many of these things may produce a pavlovian reaction of the type: "*Of course we won't do that! If there is an urgent need to fund something, we'll find the money*." To be fair, many very senior people think like that. But unfortunately this is not the reality for the average marketing department or R&D review meeting. The stock market calendar or measures of time that have little to do with your real needs may have hijacked you more than you realise.

I suggest you force yourself to think about what life would look like if you were to create your own, selfish internal clocks that didn't have to follow natural calendar units or corporate reporting obligations. The 100-day budget is a good example. 100-day focus is not uncommon in politics, where we give a newcomer '100 days' to see what changes he will implement. 100 days is also artificial, but the point is that if you use it because you have decided to do so, then this is a good period for you.

Possible internal clocks that have worked well in my client work are:

- 10-day brainstorm without action, where you declare a period of continuous exploration without the need to ‘start doing things’ (some of your doers may start having withdrawal symptoms, but that’s a risk you need to take).
- 90-day ‘onboarding’ period for people joining the company.
- 45 days post-merger: as a way to carve out a period of time where you can picture exactly what’s happening on day 1 and what you will see in place by day 45. 45 is an artificial number that you can change.
- The above-mentioned 100-day budget.
- 20 days to explore options for X and come up with a decision and plan.

CREATE YOUR INTERNAL CYCLES INDEPENDENT FROM CORPORATE EXTERNAL REPORTING OBLIGATIONS (STOCK MARKET, SHAREHOLDERS). ACCOUNTANTS CAN ALWAYS LINK BOTH IF REALLY NECESSARY.

BE IN CHARGE OF YOUR OWN PACE, THE ONE THAT SUITS YOU.

HAVE COUNTDOWN CLOCKS ON THE WALL: 23 DAYS TO X; 13H 30' TO GO UNTIL THE PRESENTATION TO THE BOARD.

DEFINE YOUR '45-DAY PROJECT' AND YOUR '100-DAY BUDGET'.

USE LIFE-LINES, NOT DEADLINES. DON'T BE IN THE CADAVER BUSINESS. IF SOMETHING HAS BEEN ACHIEVED AND IS LIVE, IT IS NOT A DEAD-LINE.

Your own ideas/plans

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Imagine...

Imagine that you could create a culture where a sense of urgency was the norm, a well-established behaviour. A culture with shorter cycles for debate, decisions, resource allocations, etc. What would the organisation look like? Establishing internal clocks totally designed for internal needs would create a sense of ownership and control, being on top of things, having the ability to react to things faster and to make decisions in shorter cycles. It would also differentiate you from other organisations more used to standard (external) clocks and would brand the organisation in a particular way. Imagine the benefits. And imagine which small initiatives you could take (perhaps one new, counterintuitive internal clock) that would spread virally as soon as people saw the benefits of it. Observe the behaviours under new internal clocks.

In your organisation.