In my mind, nothing is more critical to successful strategy execution than setting priorities. This fundamental discipline proves itself on a weekly basis for me. For years, I have kept a stack of preprinted priority cards on hand. I begin each week by listing the most important things I need to get done, and I work my way down the list. The difference between a productive week and a wasted week can often be attributed to whether I took the few minutes to fill out that card.

Beyond weekly priorities, it is important for organizations to set quarterly priorities. In the CEO Advantage™ process, we call these quarterly priorities “rocks.” The term derives from a word picture used by Steven Covey and other time management instructors. Imagine you have a large glass jar along with some rocks, pebbles, sand, and water. To get as much of this material as possible into the jar, you first put in the rocks followed by the pebbles, sand, and water. If you reverse the order, beginning with the water, then the sand and pebbles, the rocks won’t fit.

In your organization, the jar is your quarter, and the rocks are your priorities. Since they are the most important objectives, then only way to ensure they will get done is to do them first, giving them your best time, money, and energy. If you put them off at all, they probably won’t get done.

The quarterly timeframe is itself strategic. Anything shorter will prohibit you from focusing on larger, more strategic tasks; you don’t want rocks to be focused on day-to-day tactical issues that are handled as part of your normal operation. Anything longer will prevent the sense of urgency required to get things done. Furthermore, quarterly recalibrations allow you to adjust to a changing market landscape more quickly than the more traditional annual goal-setting.

Setting quarterly rocks is a simple process that nevertheless requires diligence and commitment from the entire leadership team. First, review the current situation. What is happening in your market and how is your organization performing relative to its long-term goals? Second, surface a list of potential rocks for the coming ninety days. Third,
through strategic conversations and vigorous debate, select no more than five rocks to focus on in the next ninety days. Fourth, assign one individual to champion that rock. The rock champion is not expected to do the rock, but he is accountable to make sure that it gets done. Finally, broadcast the rocks to the entire organization and align everyone around the effort to achieve them.

Much more could be said about how to develop a strong organizational discipline of quarterly rock setting and execution. I have clients who have been honing this skill for years. The longer they do it, the better they become at setting good rocks and – most importantly – completing them. Their experiences, however, have opened my eyes to five potential pitfalls in setting quarterly rocks.

1: BAD ROCKS

Teams sometimes set bad rocks. How does this happen? If all the information wasn’t available. Maybe the objective was not clearly defined. Many times, the rock was set without the benefit of open debate. Even the best teams occasionally make hasty judgments based on emotion, bias, or hubris. I generally find that bad rocks fall into one of four categories: non-rocks, mountains, pebbles, and amoebas.

Non-Rocks, as the name implies, are not really rocks at all. This usually becomes apparent once the work on them begins.

Some time ago, just prior to a quarterly meeting, an executive team heard from a “good source” that one of their key competitors in a different geographic region was reeling. The situation was ripe for striking. The team believed it had an opportunity to pick up salespeople, key accounts, and perhaps even acquire the competitor’s sales staff and key industry contacts revealed the situation to be far different than assumed. The opportunity really didn’t exist and the #1 rock was scratched.

We all make poor decisions from time to time, but complete information and constructive debate will help avoid them.

Mountains are legitimate objectives, but they are way too big to be quarterly rocks. You have to admire the optimism of organizations that think they can move mountains. If they set a three or one-year initiative, they think they can get it all done in a quarter.

I frequently see this with quarterly rocks set around documenting and improving key processes. The common error is to want to cover all processes in one quarter. When challenged about the size of the rock, the executive team sees no reason why it can’t be done in ninety days. The end of the quarter comes and little progress has been made, so they carry the rock to the next quarter, saying, “We will get it done this time; we have to.” Again, they will fall short at the end of the quarter. Eventually, they must come to the realization of how large the task is and assign more attainable rocks – perhaps one or two processes at a time.
To avoid setting squishy rocks, apply the SMART filter: Specific, Measurable, Attainable, Realistic and Time-bound.

The best way to get better at setting rocks appropriate for the timeframe is by doing it over and over. Rock-setting is a skill. With practice, you will get better at it.

Pebbles are wimpy rocks – the opposite of mountains. It may be something that is more appropriate for a weekly task than a quarterly priority. Rather than set an aggressive goal requiring consistent exertion of energy and resources, it is easier to fall back on a “safe” aspect of the business that needs attention. Or maybe the team just struggles to think in terms of quarters as opposed to shorter-term activities.

One executive team was debating the merits of various potential rocks. One of their annual priorities was to build a better lead generation engine for their business. To start, they needed a marketing plan to clarify the strategic and tactical marketing elements for their business. One of the rocks under consideration was: “Define who our customers are.” This was clearly important, but it was not worthy of a quarter’s worth of work. In the end, they committed to completing the entire marketing plan by the end of the quarter. This was much more comprehensive, impactful, and worthy of a rock.

Again, the best way to get better at setting rocks appropriate for the timeframe is by doing it over and over. If you find that you set a pebble, why did you do it? How will you keep that from happening again?

Amoebas are squishy rocks. These priorities are so nebulous you don’t really know how to measure their progress, much less recognize when they are complete. You can feel good about them at the end of the quarter regardless of how you performed because no one really knows for sure how they should look.

For example, imagine an executive team setting “improve morale” as a rock. How do you measure that? It’s really squishy. The very issue is based on perception, and success will be based on perception, as well. Since those who will judge success are the same people who want to see success, you’re almost guaranteed a “completed” rock regardless of the actual results.

To avoid setting squishy rocks, apply the SMART filter: Specific, Measurable, Attainable, Realistic and Time-bound.

2: ROCK CHAMPION FLIES SOLO

When the rock champion tries to do everything on his own, things usually do not turn out well. Resources are wasted, information is incomplete, and when the rock is debriefed at the end of the quarter, important questions and insights are found to have been missed by the rock champion. You simply can’t afford to go it alone.

One organization had a rock to “improve communication and decrease turnover” in a particular department. Specific objectives were defined, and a champion (we’ll call him Charlie) was assigned. At the end of the quarter, Charlie’s report on his hard work on the rock included:

- An analysis of how bad the turnover was in this department
- Some articles on communications and employee satisfaction he had found online (and was sharing with the group for the first time)
- A list of ideas on how the problem could be improved

Had Charlie made any progress on solving the problem? No, but nobody realized that until it was too late because Charlie chose to fly solo. He had not taken the time to talk to people, involve others, or implement any of the actions the executive team specified for completion of the rock. As a result, an entire quarter’s work was wasted.

This is definitely a common pitfall. Executive team members must hold one another accountable to make sure nobody tries to fly solo. One potential way to avoid this pitfall is to assign a champion from a different functional background than what seems “natural” for the rock. If the champion does not have the background to do it all on his own, he will be forced to pull a solid team together to get it done.

3: ROCK CREEP

Rock creep occurs when the scope of the rock expands during the course of implementation. As the team fleshes out what needs to be accomplished, it can quickly grow beyond the initial objective.

One fast-growing company desperately needed to hire more staff. The executive team set the #1 rock to implement a fast-track training plan designed to get new employees contributing at a high level as quickly as possible. They quickly identified a few specific outcomes, but further brainstorming added a dozen more “nice things” to include. They also surfaced some problems that needed fixing in the compensation structure and performance review...
process. All of these things legitimately needed attention at some point, but having attempted to address all of them at once, the team fell short of completing the initial rock. Their energy and resources had been spread too thin for the ninety-day timeframe.

Nobody is immune to this pitfall. The best way to avoid it is to clearly define the end point up front. Prioritization (saying no) also needs to happen within the rock. Keep the to-do list limited to those things that will meet the stated objective. Save additional items for future work.

4: SELFISH USE OF RESOURCES

Once rocks are set, individual executives might choose to withhold some of their resources for non-rock purposes. This “selfishness” is actually well-intentioned most of the time; executives believe they must continue working on what they did before, and they don’t want to leave those projects undone. But remember, the rocks are what the organization deems most important at the time. That means everything else falls by the wayside. All resources must be committed to their completion.

There are times when this selfishness is advertent. Perhaps a particular executive does not agree with the decision from the quarterly meeting, for example, so he withholding resources as an act of passive resistance. This is destructive behavior for the team and organization and indicates a deeper organizational health issue that must be addressed.

If you encounter this pitfall, confront it. The conversation may be difficult, but it must happen. The rocks simply cannot be subverted by personal agendas. Everyone must rally around the rocks; their importance overrides that of any other projects currently underway.

5: GREAT MENTAL EXERCISE

Some executive teams enjoy setting rocks but not working on them. They find the strategic discussions invigorating—a form of mental exercise—but they shy away from the “mundane” work of actually executing the rocks.

One particular executive team was very adept at this. In fact, two years of diligent effort with a business advisor was not able to help them through this pitfall. The CEO was the chief culprit. He enjoyed the academic conversations around different management concepts and business models. Indeed, he enjoyed it so much that, even as the team began to work on the rock, he would reignite the debate over the exact objective. This debate
would continue throughout the quarter and into the debrief at the next quarterly meeting. After awhile, all work on rocks stopped because executives anticipated the constant shift of parameters.

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Coaches often say that great practice leads to great performance. In other words, quality of execution depends on quality of preparation. That’s why the effort to set good rocks is so critical. No matter how good the final objective, a little-researched and poorly-defined rock is doomed from the outset. Even a well-researched and well-defined rock will fail without full commitment from everyone in the organization.

Like any skill, setting good rocks takes practice. Work at it, and learn from your mistakes. Your team will get better with time. If you habitually struggle to complete your rocks, try setting fewer rocks the next quarter. A few small victories will do wonders for your morale and drive the motivation for future progress.