

If You're Not Getting Better, You're Getting Worse

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The concept of continuous improvement may be a cliché, but to maintain a high performance organization it is essential. Organizations must embrace change and recognize that if they are not getting better, they are actually getting worse.



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SPEAKER

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SPEAKER TITLE

Chairman & Chief Executive Officer

ORGANIZATION

Domino's Pizza

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I was obviously very influenced by my experience early in my adult life as a college football player at a high level. One of the things I observed during that period is that I was a part of a very, very successful program. We won virtually every game. We won the championship every year, yet we were a bunch of 18 to 21-year old kids who could very easily develop an attitude that we were so good and so successful that we didn't need to work hard or prepare; all we needed to do was to show up and we would win.

I observed how great coaches handle a very interesting dynamic like that, because it happens in business all the time. You have a great quarter or two, you're doing very well against your budgets and plans, the media's writing all kinds of nice things about you and the easiest thing you can do is to back off and start to believe that it's all going to happen automatically. The way the coaches dealt with it was by drumming into our heads a fundamental belief system that you either get better or you get worse: things never stay the same. We heard that over and over and over again. You cannot stay the same; you're either going to get better or you're going to get worse.

Once we began to believe that as a team, we understood that it didn't matter whether next Saturday we were going into the game favored to win by 40 points: it didn't matter. What mattered was that we had to get better, we had to perform at a higher level as benchmarked against how we performed in the previous games because we truly believed - the coaches helped us to believe - that if we weren't getting better, we were going to get worse. There wasn't an opportunity for us to simply stay the same and live in a static situation.

I took that learning, went into business and I observed over and over again situations where organizations become complacent. They become apathetic. They believe that everything they touch is going to turn to gold, and that all they have to do is hand out their business card, talk a little bit about who they are and their track record for success, and that good things are going to happen. Invariably, those are the companies that fail because they don't understand the concept of either getting better or getting worse; they try to stay the same.

So, one of the things that I do over and over and over again at my organization is to reinforce the concept that we have to get better; that even during times of tremendous success, if we get complacent and start to read the press clippings and believe that we're better than we are, we're going to fall back.

One of the concepts that is truly essential if you really want to have a high performance organization is the concept of continuous improvement. It's almost a cliché but it really is something that the culture has to embrace, and it really has to manifest itself in everyday behavior. The notion is that 'I've got to figure out a way to do something a little bit better today than I did yesterday', and if you can foster that in the culture of your organization, great things happen.

A big part of it is how you benchmark your results. For many, many years as a private company, Domino's really benchmarked against themselves without looking at the outside world. We were very proud of the fact that for many years we had positive same-store sales, which is a really big financial indicator of growth and success in the retail world. Well, that was the good news. The bad news is that during those same years our competitors were growing at a faster rate. So, we were actually giving up market share. At the same time, we were hosting internal celebrations about the fact that against our own internal matrix we were doing well. We not only had to look at what had been our past results and reconcile how we were performing against that benchmark but we also needed to look at the world around us, look at our competitors and in many instances I really

wanted us to look at the very best in class. Who is out there doing the best possible job in this particular area of business? Find out what their results are and start to hold ourselves accountable for that particular level of performance.

We accept mediocrity because we can choose a lot of people around us who are just as mediocre as we are. I want to find the very, very best and I want to benchmark against them, and I want to get as good - or better. I think if I lead that expectation and I get my team and my organization to embrace it, that's how we're going to become world-class performers.