

FLOODS AND ROCKEFELLER HABITS

Theories are great as fundamentals. In the real world, it is how-to strategies, tips and realistic goals that make implementation of a theory possible. Hands-on information makes or breaks a business. You can have all those nice theories, yet you can't go anywhere without a clear path.

One of the most valuable Rockefeller management habits is recognizing a “chokepoint”—the weak link in a system—according to Verne Harnish in “Mastering the Rockefeller Habits.” The recent flooding incidents throughout Indonesia is an indication of a multiple chokepoints in the overall economic development of the country.

Chokepoint is written all over the country's wealth situation: 40 richest Indonesians have assets worth 10% of the GDP and 0.02% of the population controls 25% of the GDP, according to Merrill Lynch. Indonesia expert Jeffrey Winters points out that wealth in Indonesia is three times more concentrated than in Thailand, four times Malaysia, and 25 times Singapore.

Thanks to its intense wealth concentration, Indonesia's GDP per capita looks amazing: approaching \$4,000. This may as well be a “false sense of wealth” for average Indonesians. This figure is an indication of a chokepoint. Similar observations are found in organizations of smaller scale.

Three Rockefeller habits that any organization can emulate are: setting top five priorities, usage of



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primary data in analyses and decision making, and creating a rhythm that is the heartbeat of working days. Simplicity should be given priority and made a working culture. A strong leadership would serve as the glue that reinforces the three habits.

A leader must nurture an organization by prioritizing. Start with the most important asset: human capital. A priority can be analyzed with this framework: who, what and how. Who are the persons in charge? Do we have the right people? What are being done? Are things done properly?

Nordstrom, an upscale department store based in Seattle, for instance, is renowned for superb customer service. They have the right people,

they know what they are doing, and they know the right way to do things that would make customers happy.

Rockefeller's second habit is using primary data for analysis. They must be as accurate as possible despite the challenge that in most companies, the sales department is likely to defy accurate measurement. In large companies, accurate data collection can be quite challenging as well. Still, having primary data as often and as accurate as possible would allow decision-makers to review past performances and predict future outcome with more confidence.

The final habit is using rhythm as a way to maintaining the “heartbeat” of an organization. It would create a background pattern for every problem encountered and every problem solved. For instance, a problem should be resolved as fast as possible. The rhythm that the company must perform within a specific timeframe sets the “recommended speed.”

A “rhythm” includes periodic meetings, which follow specific formatting and time limit. A rhythm also includes organizational culture and leadership style that are preserved and cultivated from one leader to another.

Finally, a good leader would recognize a chokepoint and make it a priority to solve with available accurate and reliable primary data while maintaining optimal working rhythm. These Rockefeller's habits are simple. Simplicity is powerful. 