

## The One Main Thing

By Steve Major

What is the one main thing that your business needs to focus on?

There is always one main thing and one main measure that a business needs to understand. This essential item is what drives the business. It is the critical lead indicator that reveals the health of the business.

This one main thing in the business will vary from business to business, from industry to industry. Whilst there are common elements amongst industries and businesses there are still substantial differences that mean that the one main thing, the one main measure will be different.

It is not to say that other areas of the business don't need to be focused on, or that other numbers are not important to know. What it is to say is that there is one area of the business that is the real 'engine' of the business.



Photo by Kevin van der Draai

It is like the dashboard in our car. There are a number of indicators that the dashboard highlights to us, but there's also no doubt that the number one indicator is the speed of the

vehicle. We all know that we need to keep within the speed limit on the road, we know that going too fast can lead to accidents, we know that we need to travel at a certain speed to get to our destination. It's not the only indicator of the vehicle, but it's an important one to focus on.

The analogy is not perfect because the speed of the vehicle is not necessarily a perfect lead indicator. The One Main Thing that we need to focus on needs to be able to tell us about the future results of the business.

The One Main Thing is like the focal point of the camera. To take a good photo it needs to be in focus. The camera needs to be targeted at the particular object or person. The One Main Thing is like that focusing. It directs our attention to what really matters.

An excellent case study of The One Main Thing is told by Gordon Bethune, CEO of Continental Airlines in the late 90s in his book "From Worst to First". When Gordon joined as CEO of Continental the one number that the business focused on was cost per passenger mile. Measures change behaviours and this measure as the main focus led to some crazy behaviour.

The easiest way to reduce the cost per passenger mile was to reduce all those little things that passengers actually find important. So the first thing that was cut was the quality of the food, then they cut the seating spacing, then the baggage handling, the gate staffing and it went on. So yes the organisation achieved the cost per mile that they were after, but they also achieved bankruptcy. They were known as the worst airline in America for on-time arrival, and had a reputation for losing baggage. The

principal area they were focusing on, a cost cutting measure, led to behaviour that delivered that, but it drove the business into bankruptcy.

The logic of the selection of this measure was that management believed they would be able to increase profit and thus shareholder value. But they forgot the customers and the team. The customers abandoned the airline in droves.

So Gordon threw this metric out, and introduced a metric that wasn't even measured by Continental Airlines; on-time arrival.

Gordon believed passengers are principally concerned about getting to their destination on time and with their bags. The focus on on-time arrival changed the attitude of the business radically.

Yes, it wasn't the only metric they measured, there were a number of others that they measured at various levels, but this was the measure that they focused on. This was the measure that everybody in the business understood the importance of and this was the measure that everybody in the business got paid a bonus on if improvements were made. This became the one main focus point in the business.



The result? In the space of 15 months Continental Airlines went from a significant loss, to a profit. It went from being the worst airline, to being the best airline in the United States in 15 months. One number changed, one measure changed the focus of the organisation.

The starting point in looking for the one main thing is looking at the business how the customer sees it. The area that we need to focus on is that area that if we get wrong we don't have a business. If we get wrong, the customers are upset by.

Once we know the area of importance from the customer's perspective then we need to design a measure that will tell us how we are going.

Finally when we have identified this one main thing in business, the one main measure, it needs to then be clearly understood by everybody what it is. A simple scorecard could be then made to show how the business is going in this area, how this area is improving; how that number is improving or declining. It needs to be easily understood and honestly reported to everybody in the business.

To go back to the Continental story, lost baggage was an important variable as well, but lost baggage wasn't the number one item. On-time arrival was the number one; it was the key focus point that they needed to get right. Lost baggage they also needed to get right, but it had to be a support area to on-time arrival. There will be support areas to the One Main Thing in any business that are important but are not the main focus point.

The next aspect about this concept of the one main thing, the one main measure is it does not stay constant. For example just because customer lifetime value or the customer repurchase rate is an important measure now, does not mean that it will be in two years time. It does not mean that it will be the area that we should be focusing on in two years time. Measures do expire.

The business changes as it grows, the market changes and the customer needs change. These all have an impact and mean the focal point of the business will change. To that point, this process of looking at the focal area of the business means we need to keep coming back and reviewing it. This means constantly talking to customers about what is important to them.

I use the example of Continental Airlines, a large American example because Gordon wrote an excellent book for recounting his experiences, but I can give you countless examples of small and medium businesses where important numbers, measures and focal points have been applicable

A small engineering firm turning over approximately \$6 million per annum; were achieving excellent quality standards. They had extremely good processes in place to ensure that the technical engineering result was exactly to client specifications. They were meeting a very important client need. But it was not always on time.

This was happening because their quality standards were resulting in a lot of rework. So to meet the customer expectations on quality they were reworking the engineering to ensure the end product was fine.

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So the important focus area that we worked on was how to get down this rework percentage. A simple measure was created and graphed. This was then placed around the factory. We then asked everybody that worked there, “How can we get this down, it’s causing us to have delays in the product going to the client, it’s causing unnecessary costs. How can we fix this problem?”

The management in essence said, “We don’t know really how to fix this, please help”. Within six months, that rework percentage had halved, in nine months it had gone down 70%. Then it was no longer the number one focal point of the business driving future value. That measure expired as the one main thing. It was still important, it still needed to be kept track of, but by working with the team we had been

able to significantly improve the result for the client of delivering a quality product in the time promised. Other issues and other areas of development became the focal point of the business moving forward.

**So in summary: -**

- a. What is important from the customer’s perspective?
- b. How can we measure that?
- c. How can we create a simple scoreboard?
- d. How do we involve the whole team in focusing on this One Main Area?
- e. How do we review this focal point to ensure it is still relevant?



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