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## **Learning Byte 256: Promised-Based Management: The Essence of Execution**



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# PROMISED-BASED MANAGEMENT: THE ESSENCE OF EXECUTION

This is a précis of the article “Promised-based management: The essence of execution” written by **Donald N Sull and Charles Spinosa**. The original article appeared in the Harvard Business Review, April 2007: Reprint: R0704E. The original article can be purchased at: [http://harvardbusinessonline.hbsp.harvard.edu/b02/en/hbr/hbr\\_current\\_issue.ihtml](http://harvardbusinessonline.hbsp.harvard.edu/b02/en/hbr/hbr_current_issue.ihtml)

Commitments people make to colleagues and customers has a great impact on the effectiveness of task execution. Many important business initiatives stall or just aren't done. This problem can be overcome when employees make and keep promises (commitments) to colleagues, customers, outsourcing partners, and other stakeholders. Commitments need to be cultivated and coordinated in a structured way. Promise-based management can assist executives in effectively dealing with **three common challenges in business**:

## 1. Coordination and collaboration:

The conversations raised in making commitments allow people from diverse backgrounds to arrive at a common understanding of what needs to be done and foster a sense of personal obligation to keep one's promise to deliver something.

## 2. Agility:

Standardization in business enhances efficiency and reproducibility. However, with time they reduce the ability of the organization to change quickly when this is needed. When employees voluntarily make promises to deliver something within an agreed time, their reputations are at stake and they are more likely to act with urgency and discipline.

## 3. Increase employee engagement:

People promise to do things when their personal goals are congruent with that of the company. To achieve engagement employees must own and manage their own personal promises that will increase efficiency, effectiveness and overall performance.

## Three steps to applying promised-based management:

**1. Achieving a meeting of minds:** Parties to the promise should arrive at a common and realistic understanding of what each wants. They also need to understand possible obstacles and constraints and how to overcome them.



**2. Making it happen:** This is the time for action. The provider of the promised output may need to adjust his or her actions and communicate or renegotiate with the recipient when circumstances change or actions don't pan out as planned.

**3. Closing the loop:** The parties provide feedback to each other and even agree on how they might work more effectively together in the future.

## Five characteristics of a good promise:

1. Good promises are declared publicly.

2. Good promises are active - they “comprise offers, counteroffers, commitments and refusals”.

3. Good promises are made voluntarily.

4. Good promises are explicit – they must not be vague. The parties to the promise must have a shared understanding of the specifics of the commitment.

5. Good promises are mission based – The rationale for and business context of the promise must be clear to both parties.

Requests and promises are the basis of collaboration and making joint work possible. Promises are the “fundamental units of interaction in businesses”; when kept, they make things happen. Broken promises are a source underperformance, disappointment and frustration.

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