



PERMANENT  
EQUITY

# The Greatest Competitive Advantage

Everyone is looking for the key to sustained success: a lasting competitive advantage. On a personal level, people strive to be smart or funny or athletic, or whatever they think will make them memorable and likable. In business, companies anchor their position on having better access to natural resources or highly skilled labor, to better prices or more selection, or any number of other things that count as advantages.

But it's our experience and our belief that there's one competitive advantage that outshines the rest. It's not a secret. It doesn't require specific expertise or analyzing complicated metrics for incremental, interdependent gains. It's one "do" and one "don't":

1. Do what you say you're going to do when you say you're going to do it.
2. And don't be an asshole along the way.

That's it. It's not complicated — but that doesn't mean it's easy. In fact, extreme reliability is extremely difficult. But the more people know you're reliable, the more they trust and like you. You the person and you the business.

Extreme reliability is a conscious attempt to only say what you mean, do what you say, and do so when you said you were going to do it. Again, it's not rocket science, but it's surprisingly rare. If you think about your closest personal relationships, they are likely with the people who are consistently there, picking up when you call and showing up when they say they will. The same can be true for organizations. The best bonds grow precisely because they don't break.

## Consideration and Care

Extreme reliability disintegrates when it's not built on a foundation of care. Relationships are always going to be messy because people are messy. Expect frustrations and frictions. Individuals and groups act poorly, ego and pride flare up, and people begin to think of those around them as a means to an end, rather than the end itself.

It's that last one that gets particularly tricky. Transactional ways of thinking and interacting place the people around you squarely in the "means" position. In this mindset, people are

## Competitive Advantage To-Dos:

- ☒ Do what you say you're going to do
  - ☒ When you say you'll do it
  - ☒ For the price you said you'd do it for
- ☒ Don't be an a-hole

useful and helpful to you, and you'll like them and work with them as long as they continue to serve as a stepping stone to somewhere else. Relationships based on the utility (especially the temporary utility) of someone else are inherently short-term focused.

Compare that to relational ways of interacting, which are, at their core, built on trust. That trust requires vulnerability and belief in the good intentions and efficacy of others. In other words, relational interactions and relationship building require the hard, sustained work of the long term because they are rooted, reciprocal, and, above all, not zero-sum games. Trust compounds, relationships built on trust build over time through continued demonstrations of reliability, and each follow-through expands the potential for more and greater collaboration.

Here's a quick break down of the important differences between transactional thinking and relational thinking:

- Self interest vs. Mutual interest
- What you get vs. What you give
- Judge the results vs. Evaluate the relationship
- Win conflict vs. Resolve conflict

We should pause here and note that most people who think and act transactionally aren't doing so maliciously — they've just prioritized different things. Take the difference between winning conflicts and resolving conflicts, fundamentally different postures influencing every interaction between individuals and organizations. The first values the quick win to advance your own position or interest, while the second prioritizes communication to solve problems together. Where you place your priorities determines whether and how you build sturdy, compounding relationships.



# Follow Up and Follow Through

Being extremely reliable requires continued commitment, which can seem daunting, especially at a team scale. More people compound the messiness. What's more, it's not enough to take the motto "be a good person" and hope everything else falls into place. You've got to create the conditions for extreme reliability again and again, in every interaction – not only individually, but across your organization.

If you're aiming to serve your customers well, be a good partner to your suppliers, and create a culture of everyone trying to win together by doing the right thing, it's going to take process and it's going to take scale. People inevitably take sick days, forget tasks, make inconsistent decisions, or fail to communicate. A well-run, extremely reliable company has the processes in place that mean deadlines are still met.

The rubber really hits the road when things don't go according to plan. Doing what you said you'd do is actually pretty easy if everything goes exactly the way you thought it would from the outset. It's what happens when things go sideways that tells you whether your extreme reliability is a hard-won reality or a pipe dream. Relationships built on reliability and trust will survive even if there are small slip-ups (as long as we're open and honest about them, as well as diligent about fixing them).

It's easy to think that, when it becomes impossible to do exactly what you said you'd do, the only option left is to just hope no one notices while you white knuckle it to the deadline before figuring out what to do. But here's the thing about reliability and relational interactions – consistent communication is more important than the specifics. That's not to say that the specifics aren't important. Delivering what you promised is vital to trust. But the reality is that the field shifts, the landscape changes, and consistent communication ensures that everyone recognizes the current reality. Make it a priority within your organization and your partnerships that bad news travels fast – because bad news is never as bad as not doing what you said you'd do. One resets expectations while the other erodes trust.

What we've learned is that by weaving the idea of extreme reliability into our organizations and processes and recognizing that, at the end of the day, all we have is our word, we're able to build an accruing advantage. We're humans and we're not perfect at it, by any means, but we try to do the right thing more often than not. Over time, that means setting expectations for the people you work with, committing to consistency of interactions, building the posture of extreme reliability into the processes of your organization, having a heart to serve, and settling in for the long haul.

Simple, not easy.

