

*The Chicken Game
- Key Lessons*

The Chicken Game – Key Lessons

What did we observe in the game?

1/ Output tends toward the minimum, not the average

The output of a process is not the result of the average output of each subsection to the process, but rather tends towards the minimum output of each section.

Financial Planning is a multi-stage process. So blockages in any one step will slow down the whole process.

Increasing output in any one section, by throwing in more temporary resources, or working overtime, will only move bottlenecks from one section to another. It won't actually improve the speed of your process.

2/ The only ways to improve productivity in a multi-stage process are to:

- Increase the average output of each section
 - Decrease the variability of the system
 - Remove steps from the process
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For me as a business owner this information was also a revelation (like the Red Balls Game).

It stopped me from working nights and weekends to just “get shit done”.

Instead, my team and I would stop working whenever we noticed a blockage in one part of the process, and we would spend time thinking about how to resolve the real issue.

If the challenge was very large and not resolvable in a 1 hour meeting, we would agree to meet once a week for an hour to discuss the problem further, and to start chipping away at the real issue. This yielded great results and solved many problems once and for all.

This might be a specific “process improvement” meeting every week, in addition to your weekly leadership team meetings.

The biggest challenge for you as a business owner will be pausing to look properly at the real issue. It takes personal discipline and courage. The natural tendency is to want to find a quick work-around and to get the current piece of work out the door.

Don't be fooled. “Working-around” is the white sugar of business life. It feels immediately satisfying, but comes with an inevitable crash soon after.

The fastest way to short-term results is to always take the right long-term decision now. It feels slower in the moment, but leads to sustainable improvement in your business.

Resist the urge to find quick work-arounds. Solve the underlying process problem.