Open the Right Gate

Why most companies invest in what performance _looks like_ — and neglect what it actually requires

A four-year study of 759 leaders across 157 organisations in four countries finds that business performance works like a canal lock: a handful of capabilities are gates that must be open before a firm can rise — and the ones companies chase hardest are usually not among them.

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Executive Summary

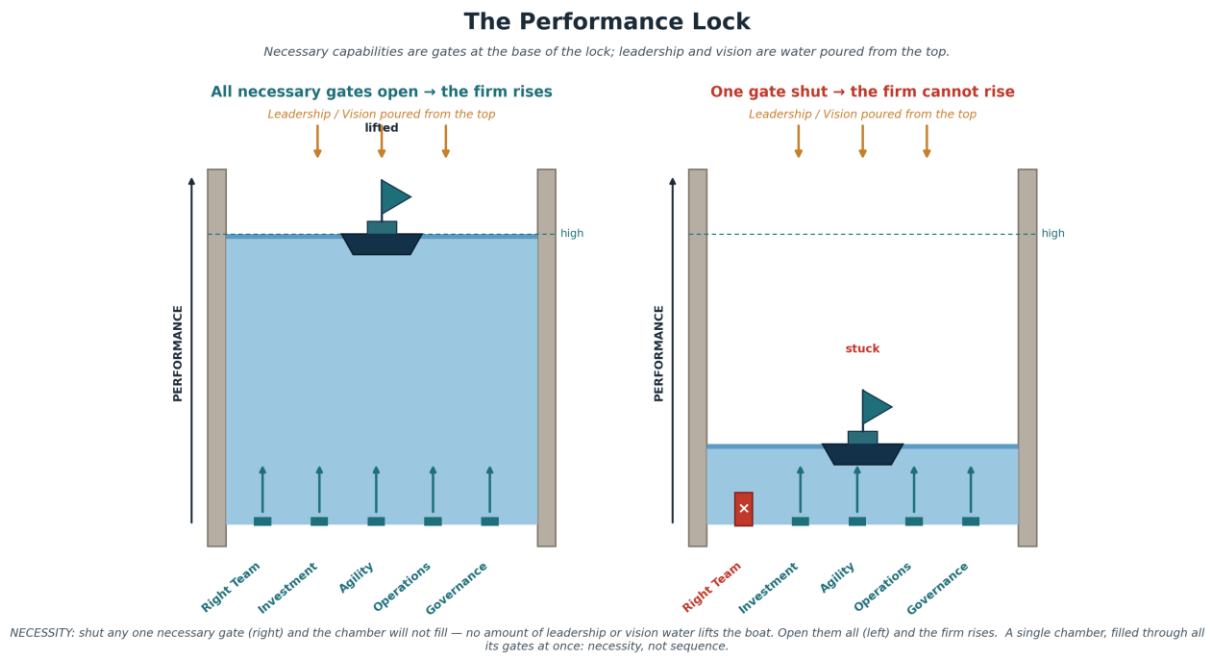
Every leadership team can list what drives performance: strong leadership, an inspiring vision, a healthy culture, smart technology. Here is the uncomfortable finding from our data: those are the things that *correlate* with success — and they are largely *not* the things that *set the winners apart*. Companies pour money into what high performance looks like, and starve what it actually requires. We call this **the overclaiming trap**, and it is the most common strategic error in our database, and likely the most expensive.

Business performance behaves like a **canal lock**. A boat cannot rise to a higher level unless the lock's gates are open; and when they are, the rising water is what lifts it. A small set of organisational capabilities work exactly this way — they are **necessary gates**. A firm cannot reach high performance unless each is cleared to a minimum level. Using a method built specifically to find such gates, we identify them: **the right team, investment discipline, agility, operations, and governance.** Miss any one and the water stops, no matter how strong everything else is.

The capabilities firms *love* — leadership self-regard, inspiring vision, culture — sit in a different place entirely. Top performers score highly on them, so they look essential. But a firm can reach high performance *without* them if its real gates are open. They are what success looks like, not what it takes. Technology is the starkest case: the capability organisations most want to buy is not a gate at all — it only pays off once the investment gate is already open.

This article turns the research into a practical diagnostic — the **Foresight Typology** — that places any organisation into one of six archetypes and tells it which gate is shut. The modal type, at about 39% of well-measured companies, is the **Overclaimer**: a firm convinced it is world-class, investing in the visible capabilities, while a genuine gate stays closed.

The prescription is simple to state and hard to do: **find the shut gate, open it first, and stop funding what merely looks like performance.**



The Performance Lock. Necessary capabilities are gates at the base of the lock; leadership and vision are water poured from the top. Open the gates (left) and the firm rises; shut one (right) and it stays stuck, no matter how much leadership or vision water is poured in.

1. The Trap: Investing in What Performance Looks Like

Ask executives what makes a company great and you will hear the same shortlist: great leadership, a compelling vision, a strong culture, cutting-edge technology. So that is where the money goes — leadership programmes, vision exercises, culture initiatives, digital transformation.

Picture the pattern at scale — a hypothetical Fortune 500 manufacturer. It commits nine figures to a company-wide digital-transformation programme and a sweeping new purpose statement, unveiled at the town hall and printed on the walls. Meanwhile the capability actually capping its margins — disciplined capital allocation across its plants, and the right operating team to run them — goes untouched. Eighteen months on, the transformation dashboard is green and the operating margin has not moved. Nothing was mismanaged. The money simply went to what performance *looks like* rather than what it required. That is the overclaiming trap, and it is remarkably hard to see from inside a confident boardroom.

Now look at what the data says actually *gates* performance. We measured 759 leaders across 157 organisations on two dozen capabilities, and then asked a question most analyses never ask. Not "which capabilities *correlate* with success on average?" — the usual regression question — but "which capabilities can a company *not do without*?" These are different questions, and they have different answers.

The capabilities you cannot do without turn out to be the unglamorous ones: assembling the **right team**, allocating capital with **investment discipline**, moving with **agility**, **operating** effectively, and maintaining **governance**. The capabilities firms chase hardest — inspiring vision, self-rated leadership, culture, technology — are ones a company can reach the top

without. High performers happen to score well on them, which is exactly why they fool people. Correlation with success is not the same as being required for it.

That gap — between what performance *looks like* and what it *requires* — is the overclaiming trap. And it is not a rare mistake. It is the most common one in the data.

THE STRATEGIC TAKEAWAY

- The capabilities that *correlate* with high performance are not the same as the ones that *cause* it.
- Firms systematically over-invest in the visible, aspirational capabilities (leadership, vision, culture, technology) and under-invest in the genuine requirements (team, investment discipline, execution).
- The right question is never "what should we add?" It is "which necessary gate is shut?"

2. Performance Is a Lock, Not a Checklist

Most strategy frameworks are checklists: a dozen capabilities to score yourself on, with the implicit promise that improving any of them improves performance. Our data says that promise is false, because the capabilities do not add up — they *gate*.

Picture a canal lock. A boat sits in a chamber between a low water level and a high one. It cannot rise unless the lock's gates are open; when they are, the water floods in and lifts it. Crucially, *all* the necessary gates must be open — shut just one, and the chamber will not fill. That is exactly how the necessary capabilities behave. Below a minimum level on any one of them, high performance simply does not occur, regardless of how strong the others are. There is no compensating your way past a shut gate: a brilliant team cannot make up for the absence of investment discipline, and all the vision in the world cannot lift a boat whose gate is closed.

This is why a checklist misleads. A checklist says "you're 80% of the way there." A lock says "your investment gate is shut, so you are at zero — and adding more vision changes nothing." The lock also explains why leadership and vision feel so important yet test so weakly: they are water poured in from the *top*. Useful, but they only raise the boat once the gates below are open. Pour them into a lock with a shut gate and they simply drain away.

One more feature matters: there is **more than one way to fill the lock**. Different high-performing firms open different combinations of gates. There is no single mandated path — which is why "copy the winner's playbook" so often fails. What is universal is not the route; it is that the *necessary* gates are open.

> *A brilliant team cannot compensate for the absence of investment discipline, and all the vision in the world cannot lift a boat whose gate is shut.*

THE STRATEGIC TAKEAWAY

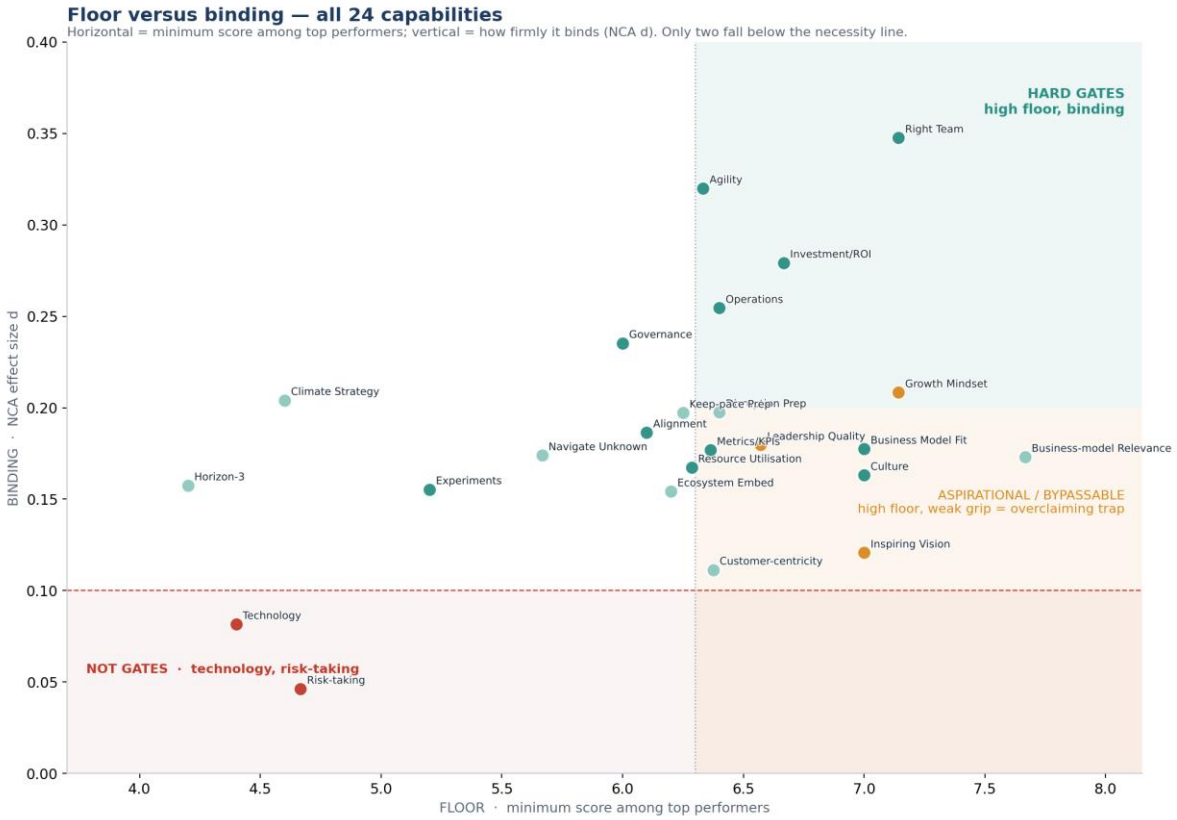
- Necessary capabilities are gates, not line-items. Below a minimum level on any one, performance is capped — full stop.

- You cannot compensate: strength elsewhere does not open a shut gate.
- There is more than one winning combination. Copy the *discipline* of opening your gates, not another firm's specific route.

3. Correlation Is Not Requirement

If leadership and vision correlate with success but do not gate it, how do we tell the two apart? By measuring two different things about each capability: how *high* its bar is, and how *firmly* that bar binds — that is, how few exceptions there are of firms succeeding without it.

Plot every capability on those two axes and the picture is clarifying. Some capabilities are **hard gates** — a high bar *and* few exceptions: the right team, investment discipline, agility, operations. These are the genuine must-haves. Others have a **high bar but weak grip**: leadership, vision, culture. Top performers score high on them, so the bar looks demanding — but plenty of firms succeed without clearing it. These are aspirational, not required. And a few — technology, risk-taking — barely register as requirements at all.



Floor versus binding. Each capability is placed by how high its bar is (horizontal) and how firmly it binds (vertical). The hard gates (top-right) are the true must-haves. The aspirational, bypassable capabilities (bottom-right) — leadership, vision, culture — have high bars but weak grip: top firms have them, yet firms succeed without them. Technology and risk-taking fall below the requirement line entirely.

The bottom-right of that chart *is* the overclaiming trap. It is where leadership, vision, and culture live: capabilities top performers display, so managers conclude they must drive

performance, and fund them accordingly. But the genuine hard gates sit quietly in the top-right, under-attended. The firm invests in the reflection and neglects the substance.

There is a twist worth knowing, because it sharpens the trap. The single capability that *correlates* most strongly with profit, on average, is whether your **business model stays relevant** to your market — ahead of any gate. And what drives that average even shifts with age: for young firms it is **capital discipline**, for established ones it is **business-model relevance**. Yet neither is a *gate* — plenty of firms with a razor-sharp business model still fail on profit because a real gate is shut, and the bottleneck you cannot skip stays the same across the lifecycle: the right team. That is the whole trap in one line — the things that move the average are not the things you cannot do without.

THE TWO KINDS OF LEADERSHIP

There is a subtle version of this worth naming. Our data can distinguish two kinds of leadership: the *inspirational* kind (bold vision, charisma, growth mindset) and the *operational* kind (building the right team, allocating capital, executing). It is the operational kind — hiding inside the "right team" and "investment" gates — that is genuinely necessary. The charismatic, visionary kind is the high-bar, weak-grip luxury. This is not an argument for worse leaders. It is a warning that a leadership team in love with its own vision has often skipped the operational work that vision is supposed to enable — and in our profitability model, that self-regard is associated with slightly *lower* performance once execution is accounted for.

⚠ RED FLAG

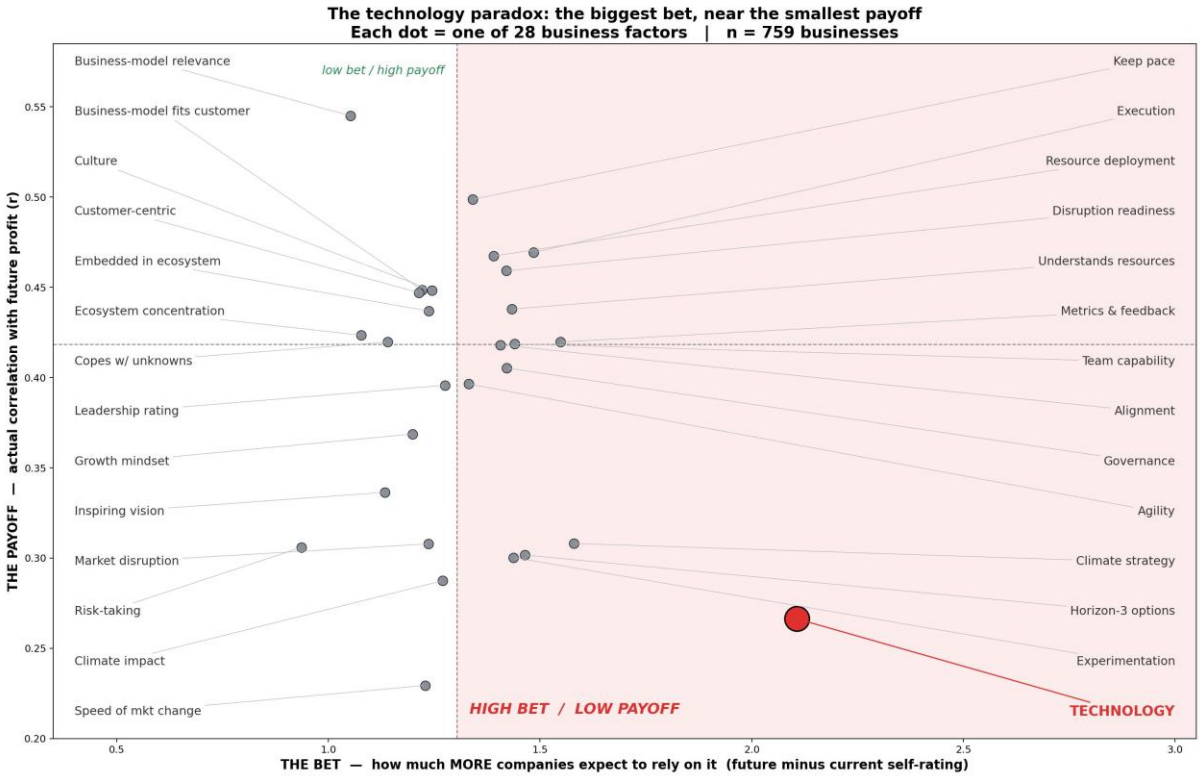
If your leadership team spends more time polishing its vision statement than deciding who sits in which role, you may be overclaiming. In our data, the teams most enamoured of their own vision score slightly *lower* on perceived profitability once execution is accounted for — high-bar, weak-grip capabilities are impressive, not required, and the hard gates (team, investment, agility, operations) are the ones that actually bind.

4. The Technology Trap

No capability illustrates the trap better than technology. Across our database, **AI and automation** — the tools of "digital transformation" — were the single most urgent improvement priority organisations named, by a wide margin. It is the biggest bet on the board.

It is also, by our necessity test, **not a gate at all.** Firms reach high performance across the entire range of technology adoption; there is no minimum level of technology below which success becomes impossible. On the average-payoff ranking it sits near the bottom. The biggest bet, near the smallest payoff.

One boundary matters here. This holds in our sample, which concentrates in professional services, financial, and knowledge-intensive firms. For technology-native sectors — software, fintech, advanced manufacturing — the binding constraints may differ, and technology itself may well be a gate. The claim is not that technology never gates performance; it is that in the firms we measured, it does not.



The technology trap: the biggest bet, near the smallest payoff. Each dot is a business factor, plotted by how much MORE companies expect to rely on it against its actual link to future profit. Technology sits in the high-bet, low-payoff corner. Business-model relevance and fit sit opposite: low bet, high payoff.

But technology is not useless — it is **conditional**. It pays off more where investment discipline is already high, and barely at all where it is not; yet even at its best it never becomes a gate. In the lock, technology is *water*: it can help raise the boat, but only when the gates are already open. Poured into a chamber whose investment gate is shut, it drains away. And the firms reaching hardest for technology are, in our data, slightly *less* profitable, not more — the urgency itself is usually a symptom of a missing foundation.

THE STRATEGIC TAKEAWAY

- Technology is the biggest bet and near the smallest payoff. It is not a necessary gate.
- It is *conditional*: it pays off only once investment discipline is in place. Tech is the water; you still need the gate open.
- A large "we must fix our technology" gap is usually a symptom of missing foundations, not a strategy.

5. Which One Are You?

To make this usable for a single organisation, we translated the model into a diagnostic — the **Foresight Typology**. Two questions place any company. First, is it *currently* strong at both execution and innovation at once (what we call ambidextrous)? Second, is its ambition *matched* to its foundation, or is it reaching past it? Those axes produce six archetypes.

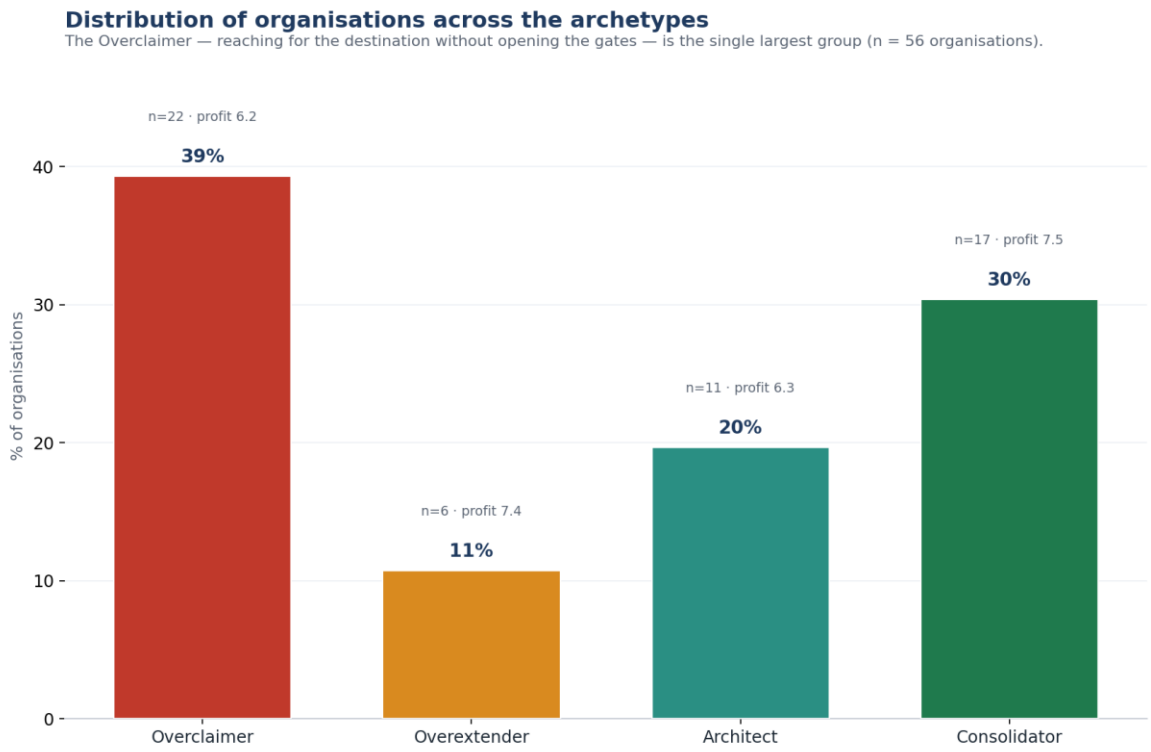
Figure 2. The Foresight Typology Map

Six archetypes positioned by current ambidexterity and whether aspiration is matched to foundation



The six Foresight archetypes, positioned by current strength and whether ambition is matched to foundation. Green = sound trajectory; amber = drift risk; red = high intervention priority.

Classifying the 56 organisations in our database with enough respondents to score reliably produces a portrait of the overclaiming trap in miniature.



Distribution of organisations across the six archetypes. The Overclaimer — reaching for the destination without opening the gates — is the single largest group.

- **The Overclaimer (about 39% — the modal type).** Convinced it is world-class at execution and innovation, but has not opened the gates to be either. It carries the widest gap between ambition and foundation, and the highest risk of misallocated spend. This group *is* the overclaiming trap.
- **The Consolidator (about 30% — the healthiest).** Genuinely strong, well-founded, investing in proportion. It records the highest profitability of the sizeable groups. This is the equilibrium every firm is trying to reach.
- **The Architect (about 20% — the most misunderstood).** Opening its gates in the right order but not yet arrived; its current scores look modest, so boards judging on today's numbers mistake it for a laggard. It is the opposite.
- **The Overextender (about 11% — the cautionary tale).** Genuinely strong today, but letting ambition outrun the foundation that got it here. Strong now, fragile later.
- **The Rebuilder and the Drifter (2–4% each — the rare cases).** The Rebuilder is aiming correctly but needs a foundational reset; the Drifter is aspiring *sideways*, with no coherent link between ambition and capability — and records the lowest profitability of any type.

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Overclaimer    ████████████████████  39%   ← modal type
Consolidator   ███████████████       30%
Architect      ██████████            20%
Overextender   ██████                11%
Rebuilder      ██                     4%
Drifter        ▌                      2%
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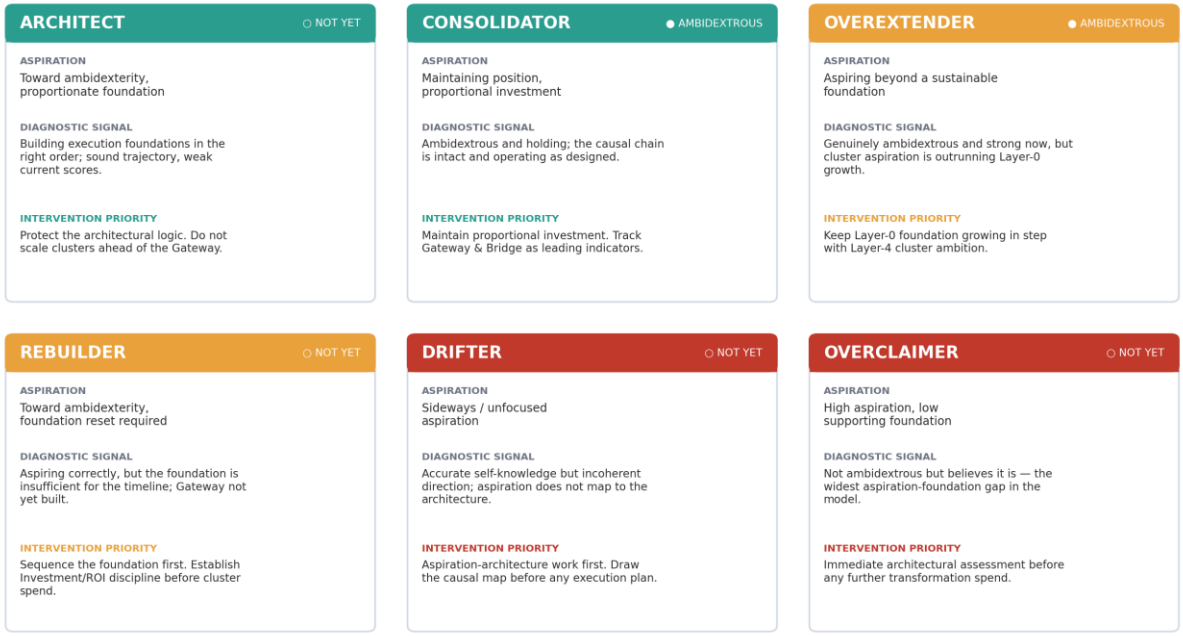
These proportions describe our sample — professional-services-heavy, knowledge-intensive organisations — and are directional, not population estimates. The value is in the pattern, not the exact share: the single largest group is the one convinced it is world-class while a gate stays shut.

There is a population-level echo of the same trap. Today, about a third of organisations are genuinely ambidextrous. Projecting to their own stated ambitions, nearly **two-thirds** expect to be — a collective +29-point leap, concentrated on the hardest goals. Ambition is not the problem. Reaching for the destination without opening the gates is.

Anatomy of an Overclaimer. Picture a 120-person professional-services firm — the kind that fills this group. It scores a respectable 6.8 on the innovation cluster (vision, experiments, technology) but only 4.2 on execution, and its single lowest gate is the **right team, at 3.1 against a bar of about 7.1**. Ask where it wants to invest and the answer is technology — a +2.4 ambition gap — with barely a glance at the team gate (+0.3). Everything about its self-image says "innovator"; everything about its gates says "the team gate is shut." A confident board, judging on ambition and vision, green-lights the AI roadmap. The lock says the opposite: until the team gate opens, the innovation water drains away. (This is not a real company — it is a composite of the pattern — but it is the most common pattern in the data.)

> *Quick self-test: if your board thinks you are a Consolidator but your operations score sits below 6, you are probably an Overclaimer. The gap between how you are seen and where your gates actually stand is the danger.*

Figure 3. The Six Foresight Archetypes at a Glance



The six archetypes at a glance: current status, ambition, defining signal, and the intervention each needs.

THE STRATEGIC TAKEAWAY

- Two questions place you: Are you strong at both execution and innovation now? Is your ambition matched to your foundation?
- More than a third of companies are Overclaimers — reaching for a destination they have not built toward.
- A modest-looking Architect is worth more than a confident Overclaimer. Judge trajectory, not just today's scorecard.

6. The Playbook: Find the Shut Gate

The value of a lock model is that it turns "improve everything" into "open the one gate that is holding you down." Here is the loop.

Measure. Survey your leadership team — three or more people — across the full set of capabilities. (One more finding: internal coherence is a warning light, not a gate per se, but teams that *disagree* more about their own capabilities perform measurably worse, even after accounting for their scores.)

Locate the shut gate. Find the *necessary* capability — a hard gate: right team, investment discipline, agility, operations, governance — that sits below its bar. That is your binding constraint. Set aside, for now, high scores on vision, culture, or technology; they do not lift the boat while a gate is shut.

Open it — and don't fund the reflection. Direct your transformation budget at the shut gate, not the visible one. If governance is your constraint, the levers are measurement discipline

and better use of existing resources — not a new vision statement. If investment discipline is the constraint, move from annual budgeting to disciplined, stage-gated capital allocation with explicit kill-criteria. Above all: do not pour money into leadership retreats, culture campaigns, or AI pilots while a genuine gate is closed.

Re-measure. Run the survey again after the cycle. As gates open, your archetype should move toward the sound-path types. If it does not move, that is diagnostic in itself.

The through-line for all six archetypes is the same: **open the lowest shut gate before touching anything above it.** That single discipline — sequencing your fixes by necessity, not by visibility — is what separates the Consolidators from the Overclaimers.

The same loop, six starting points. The gate changes with the archetype; the discipline does not.

- **Overclaimer** — the confidence is masking a shut hard gate, usually team or investment. *First move:* freeze the vision and AI spend, and open the lowest hard gate.
- **Architect** — the gates are already opening in the right order. *First move:* hold the line, and get the board to judge trajectory rather than today's modest scorecard.
- **Consolidator** — no gate is shut. *First move:* protect the discipline that got you here, and watch for drift into over-extension.
- **Overextender** — ambition is outrunning the foundation. *First move:* slow the new bets and re-fund the base before it cracks.
- **Rebuilder** — a foundational gate needs a genuine reset. *First move:* rebuild that base gate before resuming the climb.
- **Drifter** — ambition and capability have come unlinked. *First move:* re-anchor the ambition to a reachable gate before spending anything more.

A worked run. Take the composite Overclaimer from the previous section. *Measure:* the team score, 3.1, is the outlier. *Locate:* the shut gate is the team gate — not technology, however loudly technology is calling. *Open it:* redirect the AI budget into hiring, role clarity, and an operating rhythm — not a vision offsite. *Re-measure* in two quarters: if the team gate lifts, the archetype should start sliding from Overclaimer toward Architect. One gate, opened in the right order, moves the trajectory more than the entire innovation roadmap it replaced.

> *Do not pour money into leadership retreats, culture campaigns, or AI pilots while a genuine gate is closed.*

THE STRATEGIC TAKEAWAY

- Don't improve everything. Find the shut gate and open it first.
- Most organisations over-invest in the visible capabilities and under-invest in the binding ones. Rebalance.
- Internal disagreement is a warning light. A leadership team that cannot agree where its gates stand underperforms.

A Plain-English Glossary

The Performance Lock — The model. Business performance rises like a boat in a canal lock: a few necessary capabilities are gates that must be open, and opening them is what lifts the firm.

Necessary gate — A capability a company cannot do without. Below a minimum level, high performance does not occur — and no other strength compensates. The hard gates are: right team, investment discipline, agility, operations, governance.

The overclaiming trap — Investing in the capabilities that *correlate* with success (leadership, vision, culture, technology) while neglecting the ones that are actually *required*. The most common error in the data, and likely the most expensive.

Floor vs binding — Two things to know about any capability: how high its bar is (floor) and how firmly that bar holds (binding). High-floor, weak-binding capabilities look essential but are bypassable.

Equifinality — There is more than one winning combination of open gates. No single mandated path to high performance.

The Foresight Typology — A diagnostic placing any organisation into one of six archetypes based on its current strength and whether its ambition is matched to its foundation.

A Note on the Evidence

This article distils a peer-review-track research programme. The findings rest on a database of 759 leaders across 157 organisations in four countries (South Africa, India, Thailand, and Qatar), spanning professional services, financial and insurance groups, hospitality, technology, education, and public-sector bodies. The instrument's two dozen capability measures, scored against a single hard outcome — profitability — derive from Wing's (2023) doctoral research on how backcasting can be applied to organisational future-fitness (University of Johannesburg).

The necessity findings use **Necessary Condition Analysis**, a method built specifically to identify capabilities a firm cannot do without — a different and complementary question from the usual "what drives performance on average." The winning combinations use **fuzzy-set configurational analysis**. Both are, by design, resistant to the main hazard of survey data: the tendency of a single respondent to rate everything highly at once. We measured that "halo" directly and controlled for it three ways, including the gold-standard method-factor model; the core execution-to-performance signal survives it.

Two honesty notes. First, every measure here is a *perception* — what leaders believe about their organisation — because perception is what drives how leaders allocate attention and capital. Connecting these perceptions to independently audited financial results is the programme's next priority, and until it is done these are patterns in how organisations see themselves, not proven links to audited returns. Second, we tested and found *no support for* a tempting alternative — the popular idea that performance follows a fixed step-by-step sequence. The capabilities behave as a system of simultaneous gates, not a chain. Reporting that honestly is part of the evidence.

The full methodology, effect sizes, and a candid account of what perceptual data at this sample size can and cannot support are set out in the companion academic paper, *The Performance Lock: A Necessity–Sufficiency Model of Organisational Performance*. This article is its practitioner translation: the same model, written for the leader who has to act on Monday.

The bottom line for a leader in a hurry: your performance is not a scorecard to be maxed out. It is a lock to be opened in the right place.

So this week, look at your transformation budget. What share is going to team, operations, and governance — the gates? What share is going to leadership retreats, culture programmes, and AI pilots — the water? **If the second number is larger than the first, you do not have a strategy problem. You have a sequencing problem. And you already know which gate to open first.**