



## BUSINESS

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### Arresting the Saboteurs of Strategic Change

29 October 2009

The best-laid schemes of mice and men, gang aft a-gley" — so goes a line in one of poet Robert Burns' pieces which aptly describes how even the best thought-out plans can still go awry.

"I guarantee you that no matter how wonderful your strategy is, you will not execute it the way you planned," said Robin Speculand, Chief Executive Officer, of Bridges Business Consultancy Int. He was speaking at a recent workshop organised by the UOB-SMU Entrepreneurship Alliance Centre. Speculand, a specialist in strategy implementation, has helped governments, multi-national companies, and local corporations like Singapore Airlines to implement their strategies.

Certainly, successful executions of even the most thought-out strategies are fraught with challenges. There are plenty of examples showing how implementation failed because of inadequate preparation or the leadership's inability to cope with unexpected events.



One of these was Heathrow Airport's fifth terminal opening in March 2008. The airport promised that the new terminal would provide a 'much-improved' experience as it can handle 45 million passengers a year and 12,000 bags in an hour. Prior to its opening, British Airways Chief Executive Officer, Willie Walsh, even went on global television declaring: "Three years of planning... we're waiting for the day....We have worked through every scenario...We believe we are ready."

The reality? On the second day of the terminal's opening, 70 flights were cancelled and 30,000 bags were mislaid. The terminal became known as a hotel for the stranded and the cost of failure was £62 million. In the words of Walsh: "It was not our finest hour."

Another example of implementation gone wrong was German retail chain Metro's foray into Vietnam. The retailer promised a new kind of shopping experience for the country. Yet, when the doors were opened, hardly any customers came. It turned that the uniformed security guards stationed at the entrance evoked memories of the country's former totalitarian rule. Local shoppers made a beeline to the local market instead. Even if local customers shopped at Metro, there was an obvious difference in culture. They would rip apart their packaged tomatoes thinking the store was hiding rotten pieces beneath the fresh-looking ones above. Metro had to give up the plastic packaging and stack the fruits the way they usually were at a farm stall.

These examples are but just a handful illustrating this cruel reality: how implementation can be so off-tangent from the initial blueprints drawn up during board meetings. Corporation leaders therefore have to be aware of the pitfalls and be ready to deal with them, said Speculand.

#### Saboteurs

According to Speculand's research, there are eight common "strategy saboteurs". They include: (1) underestimating the implementation challenge, (2) failing to think through the impact

#### BIZ TALK



#### China calls for global monetary policies

China on Monday made a fresh, thinly veiled criticism of the United States for running lax monetary and fiscal policies that risk undermining the dollar.

#### GOLD Nov 16, 2009

Type	Morning	Yesterday
24K	135.25 AED	134.00 AED
22K	126.75 AED	125.50 AED

#### ECONOMIC INDICATORS

#### US retail sales rise 1.4 percent in October

WASHINGTON — Retail sales rose more than expected in October, but the gain largely reflected a big rebound in auto sales.

#### BIZ SHOTS



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6pm

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Hotel,  
Abu Dhabi

October 27-29

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Dubai

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ACHIEVE  
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on each vertical business line across the company, (3) using the wrong change management methodology, (4) not using a strategy implementation framework, (5) not reinforcing right actions taken by staff members, (6) allowing communications to fizzle out after the initial launch, (7) spending too much time on work that no longer adds value, and (8) not taking the implementation of strategy seriously enough.

"Implementation is about taking the right action. It is identifying what you need to be doing differently on a day-to-day basis. It is about taking your big picture strategy, drilling it down and asking yourself what needs to be done today to achieve your long-term results. What needs to be shifted? What needs to change? What action must be different? Only when you start to ask these questions does implementation start to gain momentum," said Speculand.

#### **Implementation Compass**

So what are the steps executives and organisation leaders must take to ensure implementation success? Speculand has what he calls the Implementation Compass: a guiding framework that identifies eight critical areas – people, business case, communicate, measure, culture, process, reinforce and review – in which changes must occur for successful implementation.

Firstly, the people factor: are the leaders supporting the people who are supporting the strategy implementation? "The leader's role is to oversee the implementation, not to [perform implementation, which] is the staff's responsibility. The strategy is the leader's responsibility," said Speculand. "The people need to be supported to ensure that they are doing the right work. Your role [as a leader] is to encourage and reward those who demonstrate the right behaviour."

It is also crucial to help the staff understand the importance of the new strategy to the business. Rolling out new plans before impressing upon the staff the criticality and urgency involved, can very often lead to implementation failure. Closely linked to this is communication. "Everyone needs to be constantly communicated to about what is working, what is not and what is about to happen next," said Speculand.

Thirdly, are the organisation's measures tracking the old or new strategy? Often, said Speculand, most measures in the majority of companies are tracking old strategies, not the new ones. Some companies are actually tracking changes that take one to two years to be perceptible. "You need to be tracking changes that will be visible in one or two months," he said. For example, rather than tracking customer satisfaction every year, companies should be tracking customer aggravation instead, which is the number of times a customer gets upset with a company's service.

The old adage of "that which is measured improves" only works if companies are measuring the right things. As measures drive behaviour, it is important to have the right ones in place so that the correct behaviour to implement change is being encouraged.

#### **Greyhound's Toilets**

Implementation must be aligned to a company's culture for it to be successful. An illustration of this: John Monroe, ex-Chief Executive Officer, of Greyhound, North America's largest inter-city bus transport provider, had tried to get his staff to clean up bus station toilets. He sent a memo to the station managers but, no one paid any attention.

So Monroe promptly hopped onto a Greyhound bus, stopped at the first bus station en route and conducted a station assessment with the manager – in the toilet. He then went on to the next station repeating the same action. Needless to say, word got around quickly to the remaining stations, and their managers immediately had their toilets cleaned before Monroe arrived. He had found a way to fit the implementation to the culture.

Leaders also need to ensure their people have the opportunity to change the daily processes to meet the requirements of the new strategies. Behaviours and actions required to implement the strategies must be constantly reinforced so that it becomes commonplace. Review is also crucial. More importantly, during review sessions, leaders need to focus on strategy: "The role of leader is to talk about strategy, not operational issues, which is the staff's role," stressed Speculand.

### Leader's Role, Leader's Voice

The success of the implementation involves managing all eight of the above areas well - simultaneously. A leader's role is to be the voice of the strategy. "Talk about it (the strategy) at every opportunity for at least three months. You have to be living it and breathing it," said Speculand. He finds, through his consulting work, that whenever he asks a company's Chief Executive Officer, what his or her top five strategic thrusts are, and compares it with the company's five biggest initiatives and projects, they are often not the same. "Crafting strategy is often at the top of a leader's 'to-do' list, but within six months of its launch, it has disappeared from the list."

Strategy cannot be implemented if it is not understood, and it cannot be understood if it cannot be explained. "Leaders are responsible for translating the strategy into specific actions," said Speculand. "Common sense is not always common practice. You have to tell the staff what to do and drill it down." While leaders have been 'living' the strategy, their employees are hearing it for the first time. So senior management must package and promote their plans in a manner that employees can relate to.

#### "To do", "to stop"

Having a 'to-stop' list is as important as having a 'to-do' list. This comprises the actions or tasks employees must do differently or stop doing. "Staff must no longer be doing work that does not add to the new strategy," said Speculand.

He feels that the weakest area of implementation in Singapore and amongst global corporate leaders is the review process. "The odds of successfully executing a strategy that isn't reviewed frequently are slim to none." A review should be conducted every two weeks on different segments and performance indicators that show if the strategy is heading in the right direction.

"No one sets out to fail when implementing strategy but they do fail nine times out of ten. Similarly, no one sets out to craft a bad strategy. The only way we know a strategy is bad is by implementing it. The only way we know that an implementation is working is by reviewing it," Speculand noted.

"When leaders constantly review strategy and its implementation, the pay-off is tremendous."

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