

Delivering The Strategy

From a first-part series in last month's issue that looked at the high failure rate of company strategy implementation to a second and final part that looks into its effective implementation, **Robin Speculand** outlines eight areas of focus that could lead to the successful implementation of organizational strategy.

In the first part of this two-part article, strategy that fails to translate into execution was posited as a question that leaders needed to be asking themselves. Leaders know from the staggering failure rate of strategy implementation that more time must be spent considering its mechanisms and merits. The recent bout of global recession has placed greater pressure than ever before on leaders to deliver on their strategy promise to shareholders, and for strategic and customized implementation to be conducted.

After ten years of research in the field, eight areas of strategy focus have been discovered in organizations that have successfully implemented their strategies. The eight areas of excellence in execution are captured within what is called Implementation Compass. These include people, business case, communicate, measure, culture, process, reinforce and review.

Excellence in execution is not just about changing measures or communicating strategy. It is about doing these eight things well and simultaneously. Research shows that one in ten organizations that successfully implemented their strategy worked in all eight directions of the Compass simultaneously. During the implementation journey, different emphasis is applied at different times but all eight directions are constantly acted on and reviewed.

Shifting Approaches, Attitudes

Implementation is about taking the right action. It is what staff members do every day that makes or breaks the strategy. Leaders are responsible for identifying what actions staff members must take and then ensuring they are doing the right things. Despite a similarity in strategy, different organizations have different implementation strategies. In preparing to execute the strategy, lead-



ers must first assess an organization's readiness. In much the same way that financial, customer analysis, training and needs analyses are conducted, an organization's current state must be analyzed. It is only then that leaders can identify the right actions to take. Far too

often, an implementation launch is little more than a town hall meeting, multimedia presentation and a coffee mug.

Any significant shift in strategy requires a significant change in day-to-day activities throughout the organization. Leaders have ►►

► a fundamental responsibility to create the right conditions for implementation in the organization, and to guide staff members on how to execute the strategy.

organization on a 10-point scale for each direction by asking questions such as “Do staff members have the competencies to execute the new strategy? Do our

house, the next step was, naturally, to implement it. This strategic implementation assisted the leadership team in recognizing the strengths and weaknesses of the current situation and in ensuring the strategy stayed on course. Once the radar layout was complete, the team could immediately see the organization’s strengths and weaknesses in preparing to implement the strategy. For example, major areas of concern were found in communicating the strategy to the whole organization and in redesigning processes to support the strategy.

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A case to consider would be Mark Hurd, who replaced Hewlett-Packard’s chief executive officer Carly Fiorina in early 2005. Hurd won the board over by walking into his first meeting with them and articulating what he saw as the problem and how he would resolve it. When Hurd joined Hewlett-Packard, he did not make any fundamental changes to the strategy. However, many of his initial actions were in exact contrast to those of his predecessor. While Fiorina immediately started acting, Hurd determined what the right actions were. He spent much time connecting with people across all businesses and testing the beliefs he had presented to the board.

In All Directions

To identify the right implementation actions, the leadership team assesses the organization on the eight areas of excellence in the Compass while preparing to roll out the new strategy. They rate the

staff members know what to do differently on Monday morning? Does all our staff know what the new strategy is and why it has been adopted? Do we have the right measures for the new strategy? Where can we redesign the process so it is more supportive and effective?”

Once completed, a Strategy Implementation Readiness Assessment (SIRA) is transferred onto a radar layout that clearly shows strengths and areas of concern in preparation for the implementation. Specifically, it prepares leaders by allowing them to identify where they need to place their focus and understand more fully what is required to implement the strategy. A banking client in the Gulf used SIRA to identify what needed to be done to implement their strategy. After crafting the strategy for two years with the assistance of a major consultancy

No Such Thing As A Stupid Question

There are questions every leadership team needs to ask on completing SIRA: we are doing well, but what more should we do? What should we do less? What are we doing that is required, but are doing too frequently? Perhaps too much time is spent emailing or in meetings. What should we keep doing? For example, frequent feedback to staff members on the implementation journey. What should we start doing that is different to what we have done so far? There may be, for example, recognition programs to reinforce the right actions. What should we stop doing? There may be actions that no longer add value to the new strategy.

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Implementation fails too frequently because leaders are not ensuring that their staff members are taking the right actions every day. Identifying the right actions and then applying the processes to make certain that staff members are taking them are necessary stages, as is the guidance of employees through the challenges that lie ahead. Leaders must also stay engaged through the implementation journey and consistently review implementation. If this were an easy task, there would not be such a high failure rate. Only through a change in approach, attitude and actions can an organization achieve excellence in execution. ■

Robin Speculand is chief executive of Bridges Business Consultancy Int. His latest book is Beyond Strategy – The Leader’s Role in Successful Implementation.

