

The great big strategy challenge

Robin Speculand



Robin A. Speculand is the founder of Bridges Business Consultancy Int. Pte Ltd, a Singapore business consultancy, specialising in implementing changes. He was previously Citigroup's Regional Vice President for Corporate Bank, Asia Pacific. E-mail: robin@bridgesconsultancy.com

Implementation

You have just returned from the final two-day regional leadership meeting. The team has finalised the strategy and the Board have signed off on it. All that is left to do is to implement it.

The leadership team spent six months crafting and crystallizing the strategy with the assistance of a strategic consultancy firm. The importance of responding to the rapid change in their market that had just transpired due to overseas competition was the initial catalyst that propelled the team to revisit the old strategy. Now after six months of hard discussion, market, competitor, financial and customer analysis the leadership team is ready to roll the new strategy out. The hardest part is over, right. Wrong!

Today in business, leaders are habitually underestimating the challenge of strategy implementation and as such nine out of ten strategy implementations fail.

Just think about that figure for a moment. Billions of dollars invested in creating strategies are lost. Millions of man hours are wasted and hundreds of thousands ideas evaporate. It is a horrendous failure rate that unbelievably is tolerated around the world. Far too many leaders can more easily recall an implementation that failed – whether it was strategy, technology or marketing. It is time to correct this by putting the spotlight on implementation.

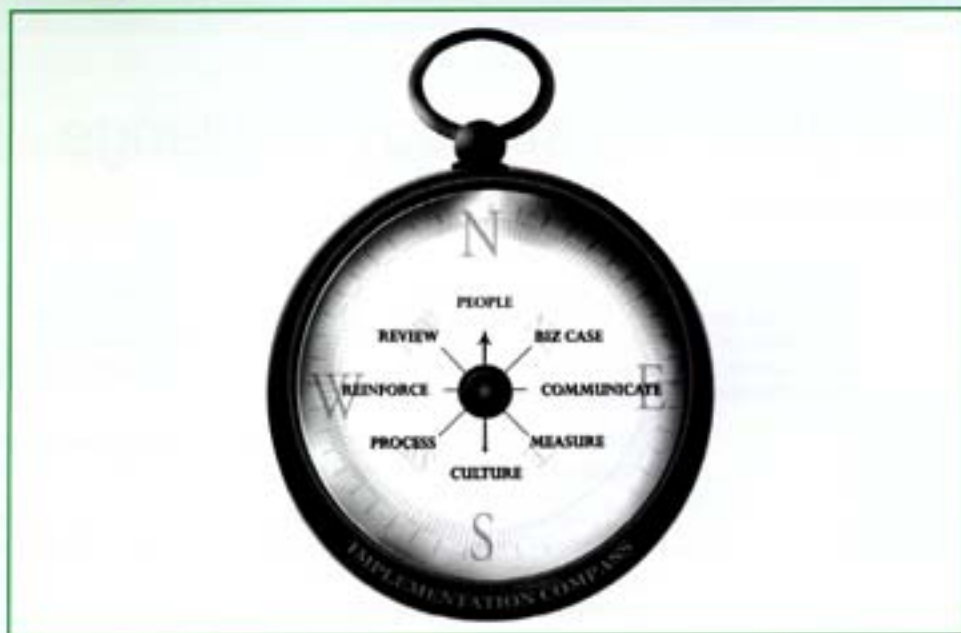
You can have the greatest strategy in the world but if you can not implement it then it is no more value than the paper it is written on.

One of the largest contributing factors to the high number of failed implementations is that when leaders return to their offices after creating their challenge, they are commonly left on their own to work out how to implement it. They must figure out how to inform the people in their division of the imminent changes; explain what needs to change and why; review the way the team is working and the current rewards and recognition to ensure it supports the new strategy; motivate their people; assess the current measures being used and report back to their peers. It is a multitude of activities that creates a maze that many leaders become lost in. What they need is a compass to guide them through this implementation maze.

The "Implementation Compass™" is a tool that provides you with the structure for your strategy to make it come alive. Instead of wandering aimlessly through the implementation maze it allows you to assess your implementation readiness and identify the key areas to tackle. It has been developed by Bridges Business Consultancy Int. (the company I work for) after five years of research and testing with clients around the world (see Figure 1).

- The Implementation Compass™ works for both small and large organizations.
- Allows you to assess your current status in preparing to implement.
- The Compass guides leaders through the eight critical elements. The degree of importance of each component varies for each organization. For example, one organization may spend more time on measurement while another focuses more on communication.
- The Compass helps your organization maintain momentum throughout its journey.

Figure 1 The Implementation Compass



In the February 2005 *HBR* Interview with Heinrich von Pierer, Siemens CEO, he was asked, "How do you know where to begin when transforming a company?" "You have to do a lot of things at once. That is an important idea. You cannot transform a company along one dimension. You have to work on all of them at the same time and in a coherent manner."

Implementation is not a single decision or action but a cluster of structured and sustained activities over a period of time.

Below is a description of the eight elements of the Implementation Compass and key questions to consider before embarking on your implementation journey.

Eight critical components

1. People It is not leadership that implements strategy but people.

Questions to consider: Do you have the right caliber of people? Do they have the competencies to execute the new strategy? Are they motivated to do so?

2. Biz Case The emotional and numerical rational for adopting the strategy.

Questions to consider: Why is the strategy center stage? Do your staff members know what to do differently on the Monday morning after implementation is announced? Do they have the right tools and techniques to implement the strategy?

3. Communication People can only adopt a strategy if they know about it and understand it.

Questions to consider: Do all your staff know what the new strategy is and why it has been adopted? Is the strategy communicated in a way that it comes alive?

4. Measurement "You must inspect what you expect." Have the right measures in place.

Questions to consider: Do you have the right measures for the new strategy? Are the measures being leveraged to guide the implementation?

5. Culture You must change the day-to-day activities of your staff members and have a culture that support and fosters change.

Questions to consider: What needs to change in the fundamental way you are working so as to encourage the adoption of the new culture? Are we using the language of the new strategy?

6. Process There must be congruence between what you say you are going to do (strategy implementation) and what you are doing (the process).

Questions to consider: Do your processes support or hinder the new strategy? Where can you redesign the process so it is more supportive and effective?

7. Reinforcement You must reinforce the expected behaviors so that they are continuously repeated.

Questions to consider: When staff members step in to the unknown and demonstrate the new behaviors, are they recognized and rewarded? Does the reinforcement encourage them to continue to demonstrate the desired new behaviors?

8. Review The weakest of the eight points among leaders – you must constantly review to make sure the right actions are being taken to deliver the right results.

Questions to consider: Do you know if the actions being taken are producing the right results? Do you know what has been learned from the implementation in the last 90 days? Do you know what you need to start doing differently from today?

By paying attention to all of these areas and assessing the organization's strengths and weaknesses against each one, the organization can prepare itself with a realistic perspective of the challenge ahead and leaders can identify the actions to take to deliver the new strategy's anticipated results.