

STRATEGIES

FROM PLAN TO ACTION

When it comes to implementing a strategy, discipline and involving staff are key. Derek Parker examines the theories

THERE is a cliché about failing to plan and planning to fail, but the reality is rather more complicated. A new book, *Bricks to Bridges*, by business consultant Robin Speculand, claims 90 per cent of business plans fail due to poor implementation and lack of follow-through.

His conclusions come from interviews with 150 executives in companies that have tried to introduce change. "With many companies, at the start-up entrepreneurial stage, there is no written plan at all," says Speculand. "When the company is very small and everyone does whatever is needed, maybe the lack of a written strategy doesn't matter.

"As the company enters the second stage, with more employees and specialised functions, that model no longer works. A plan, a strategic direction, is needed. In fact, there is already quite a lot of information and help on creating a plan. Where the process often falls down is in the implementation.

"It takes at least twice the effort to implement strategy as it does to create it. Successful implementation is not complex but requires discipline, the discipline to do the things you're supposed to do when you need to do them, and to keep on doing them until you achieve the right results."

Speculand believes that the most common cause for implementation failure is a lack of support and action from people in the organisation. To work, a strategy has to be accompanied by a specific plan of action, as well as a mechanism to guide the transition between the old way and the new.

"It's the people at the coalface who actually have to do the implementation work," says Speculand. "But they have to know that the senior managers are committed to the strategy and involved with it."

One suggestion he makes is for the CEO to record a short message and, over the weekend, upload it to the phone system so that, first thing Monday morning, everyone gets a phone message reinforcing the importance of the strategy. But symbolic moves such as this must be buttressed by visible and accessible leadership.

Speculand also underlines the importance of being able to measure the pace and direction of change. "Relying only on financial indicators is unwise," he says. "A company can benefit from a regular review from an external party. But this is unusual, especially when the news might be bad. Ironically, the companies most likely to ignore bad news are the ones who most need to hear it."

Jeremy Bolt, a partner with Deloitte, agrees a strategic plan needs to be underpinned by solid research, both to assess the current position and to chart the future.

"Strategy is sometimes seen as separate from operations, but it must be embedded in KPIs or other metrics, with a good understanding of the strategic pillars of the business," he says. "But you have to be careful about trying to include too many indicators. A good plan is a good simple plan."

Bolt also argues that implementation issues should be considered early in the process and input sought from across the organisation to ensure available resources and capacity.

"The CEO might have final responsibility, but the chances of successful implementation increase if there is a broad ownership," he says. "Some corporate leaders might think that seeking the views of a lot of people could lead to fragmentation and dissension, but that is not my experience. A bit of debate can be a good thing, as long as the final product is agreed. In fact, a strategic plan greeted by silence from the executive team is a very bad sign."

Bricks to Bridges: Make Your Strategy Come Alive, Robin Speculand, Bridges Business Consulting, 2005.

Deloitte has a series of booklets on formulating and implementing strategic plans, available from:



Robin Speculand