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## 6 Necessary Mind Shifts for Implementing Strategy

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"One of the *criticisms* we would have of some of our colleagues who have studied strategy (and some consultants who advice on strategy) is *assuming* that once you design strategy, it gets executed. They don't look inside the process and realize that it's much more complicated."

- Joseph Bowler, Professor of Business Administration, Harvard Business School

### **Nine out of ten strategies fail to be successfully implemented.**

This is a statistic that is growing in influence as there is a pendulum swing away from the thought that just crafting a strategy is enough and towards that it also has to implemented. You can have the greatest strategy in the world but if you cannot implement it, it is not worth the paper it is written on.

In the last few years, an increasing amount of research has emerged on how to successfully implement strategy. The company I founded, Bridges Business Consultancy Int, a pioneer in the field of strategy implementation, has been conducting research for eight years. From our studies and work with clients globally, we identified flaws in leaders' thinking and their approach to implementation. That helps explain why nine out of ten times, leaders fail to successfully implement the strategies they create. Success in implementation starts with *thinking* differently and then *doing things* differently. After all, if we always do what we have always done, then we will always get what we have always got.

My interviews with leaders who successfully executed their strategies reveal that at some point, they dramatically shifted the way they thought about implementation. A Mind Shift occurred.

In fact, they have helped me identify six Mind Shifts that need to take place for the success of an implementation, contradicting much traditional literature on the subject. I describe these new required Mind Shifts here, noting the old mindset in quotation marks.

**Mind Shift #1 – “When crafting strategy is complete, the hardest part is over.” No, implementation is twice as difficult as creating strategy.**

For decades, business leaders have quite rightly focused on developing a strategy for change. Business schools teach the importance of strategy and how to create the right one for a company’s needs. A leader’s role is to design that strategy. The consequence, however, is that once leaders have created their strategies, they believe they have completed most of their responsibilities. The hardest part is over. Yet they habitually underestimate the challenge of implementing that strategy. Many delegate this process to others, taking their eyes off what needs to be done to put their strategies in place. After all, they believe, it is more difficult to create a strategy than to implement it.”

This is not true. Research (from Bridges) indicates that implementing strategy is at least *twice as hard* as creating the right strategy. The fact that nine out of ten implementations fail supports this statement—not because the strategy was wrong, but because the execution was poorly done.

Evidence to support this conclusion continues to grow. Research spanning 16 years at Newcastle University in the U.K. concluded that “business success is governed more by how well strategies are implemented than how good the strategy is to begin with.” A frequently quoted *Fortune* article from June 1999 stated that companies fail to successfully implement strategy not because of bad strategy but bad execution. Bridges research over the last eight years shows that nine out of ten strategies fail to be implemented successfully.

When I ask leaders in the seminars I run in 35 cities if they would prefer to have a good strategy implemented badly or a bad strategy implemented well, most speak up for a good strategy implemented badly.

If you believe that having the right strategy means you are moving in the right direction or have the foundation from which to build, that is the wrong answer. The correct answer is having a weak strategy implemented well. Why? If an organization is good at execution, then it will have in place the tools, systems, techniques and abilities to realize that the strategy is not working. They can then go back and make the required changes to the strategy.

Consider also that no leadership team *intentionally* adopts a bad strategy. It is only in its execution that leaders realize that the strategy is weak. By being good at implementation, you will be able to read the signs and make the necessary changes. Remember, it is the *implementation* of a strategy that delivers revenue, not the crafting.

The time has come in the evolution of strategy to move from just focusing on the crucial question on how you develop a strategy to how you implement it.

**Mind Shift #2 – “Most people resist change.” No, most people are open to change when it is communicated in the right ways.**

Contrary to popular belief most people do not resist change! This is probably the most controversial of the six Mind Shifts, because for years we have firmly believed that most staff members will resist change. Remember, if our current beliefs are accurate, we would not be failing so frequently. The question of why we mistakenly believe staff members resist change and its implications are critical to successful implementation.

From its research, Bridges discovered that when a new strategy is announced, staff members generally respond in one of four ways: indifference, resistance, disbelief and support. Which ones occur depend on what the change means to each individual.

Consider these research statistics:

- 20 per cent (and only 20 per cent) resist change. And these resisters tend to complain about anything and everything. They badmouth the implementation behind the leader’s back, complaining that the money could be spent better on bonuses instead of a ‘lost cause’ like this. They try to convince others around them that this strategy is just another management fad. Based on these characteristics, we call such people Saboteurs. If their views win out, the whole implementation fails. You can probably identify one or two Saboteurs in your organization!
- 60 per cent of the staff members are fence-sitters, neither supporting the implementation nor opposing it. They arrive at 9.00 am and depart at 6.00 pm. In between, they simply do their jobs. They don’t volunteer for additional work, but they don’t actively resist change, either. Based on these characteristics, we call them Groupies. Those who are Groupies like the safety they find in numbers.
- 20 per cent are those who welcome the change, embrace it and willingly support it. They become the early adopters who drive the change. Based on these characteristics, we call them Mavericks.

Those in the last group are not easy to spot because they are hidden among the Saboteurs. Based on their characteristics, we call them Double Agents. They initially resist, but can become Mavericks over time. Double Agents have seen change many times before and impose doubt that the new strategy will succeed. They have also been called to arms too often and have witnessed too many failures. However, Double Agents start out acting like Saboteurs, but once they assess that this implementation is the ‘one in ten’ that will succeed, they get on board, becoming supportive and active Mavericks.

So why is it commonly believed that people resist change?

Because of the four groups, Saboteurs make the most noise. As a result, they create the largest commotion and lead others to the wrong impression that most people resist change. In addition, Groupies keep quiet because they do not want to draw attention to themselves. Mavericks just get on with the work on hand.

If leaders fail to shift their beliefs, they will develop the wrong policies for addressing staff members' reactions to the new strategy. So as a leader, what should you do? Mostly ignore the Saboteurs and support the people who support you—the Mavericks.

**Mind Shift #3 – “It’s all about taking actions.” No, it’s about taking the right actions.**

Of course, you need to take action to implement your strategy. And of course, in business, you are always taking action, filling up the amount of time you have with activity. But the difference between success and failure is that successful leaders ask: “Are we taking the *right* actions?” Sure, staff members are always busy, but are they doing the work *today* that will deliver the planned strategy, *tomorrow*?

To answer this question, you have to first identify the right actions to take. When working with clients, I use the Implementation Compass (see Chapter 2) to identify the right actions based on the eight global best practices of successful implementation (see Figure 1)

For example, when a large software company was rolling out its global strategy in Asia Pacific, the right action initially was to convince people why change was necessary when the company was doing so well. That’s called the Biz Case. This company rolled out a teaser campaign that ignited interest and curiosity in its new strategy, starting the implementation in the right way.

**Figure 1: Implementation Compass™—A Tool to Make Strategy Implementation Come Alive**



The Implementation Compass—

- assesses your readiness to implement your strategy
- assists in crafting your Implementation Plan
- identifies the actions you need to take today to deliver tomorrow’s strategy.

A Middle East bank created its new strategy, but did not have a common understanding among its leaders. So the strategy planners developed a Strategy Map to translate their new plan into specific objectives. They also developed measures that ensured the leadership team and staff members were all on the same page.

A local government division wanted to improve its back-office operations to support its new strategy. The division leaders required staff members to engage at two levels. First, all staff members were trained on how to map their work and identify improvements within their own scope. Second, key staff members were asked to participate in cross-functional process redesigns using the DMAIC (Define, Measure, Analyze, Improve and Control – from Six Sigma) approach. Rolling out the strategy included making sure staff members tune in to both ‘radio stations’’: WII-FM (What Is In For Me) and also WEX-FM (What Is Expected From Me).

**Mind Shift #4 – “Communication is all about making sure people understand the strategy.” No, staff members also must know exactly what actions they need to take.**

Yes, before staff members can adopt any new strategy, they must first understand it. Absolutely. Successful implementation goes beyond ensuring staff members *understand* the strategy; they must also know exactly what to do and be motivated to do it.

Much communication about a new strategy focuses on its launch, which is usually marked with electronic presentations, briefings and t-shirts. Shifting the focus from the initial fanfare to staff members embracing the strategy is imperative.

Launch communication also has to spell out what each staff member needs to do differently as a result of the new strategy. The question ‘what actions should I take to participate in the new strategy?’ has to be answered for everyone. And there’s more. Ways to motivate those who implement the strategy (staff members, not leaders) must be introduced. Measures to track the new strategy need to be set up. New behaviors need to be encouraged through reinforcement. Early adopters should be recognized and encouraged so others follow their lead.

When Rolls Royce rolled out its new strategy a few years ago, it used ‘strategy storyboards’ to share the new message across its broad organization. The storyboards translated abstract ideas into concrete actions. They not only explained why the strategy was important but what Rolls Royce staff members were expected to do differently. In addition, 75 managers were trained to conduct the briefing and hold at least 4000 presentations around the world. After this effort, staff members were able to both understand the strategy and know exactly what to do to help implement it.

Realize that strategy can’t be implemented if it can’t be understood, and it can’t be understood if it can’t be broken down into action steps. While strategy is designed at the top of the organization chart, it gets implemented from the bottom up. Effective communication fills the gap and brings the two together.

**Mind Shift #5 – “What worked yesterday will work tomorrow.” No, new strategies are needed every two or three years.**

Leaders have had a habit of extending knowledge that was true yesterday when planning for tomorrow. You used to be able to rely on a strategy for eight to ten years. But those days are gone, forever.

Today, many organizations (depending on their industry and product) plan strategy for only two or three years. The cycle of change occurs more and more frequently. As a result, you can no longer depend on yesterday’s model for success; you must craft strategy more and more often. That means you need to implement a new strategy more often than ever before. The current economic crisis reinforces this need.

On the Standard & Poor’s list in 1985, 35 per cent of the companies were considered high risk (that is, their probability of achieving long-term, stable earnings growth was low). In the 2006 list, that figure had risen to 73 per cent. As another indicator, from 1973 to 1983, 35 per cent of those companies listed in the Fortune 1000 were new. From 1983 to 1993, 45 per cent of the Fortune 1000 companies were new, and from 1993 to 2003, 60 per cent of them were new. Maybe *Fortune Magazine* predicted company performance best when it forecast “continued chaos with a chance of disaster. The challenge is getting comfortable with it. ”

One company comfortable with constant change is Google, which provides various Internet services. The company has built a culture that not only allows its change-friendly people to adapt easily, but it has also become the number one company people want to work for in the United States. Google receives over 3000 job applications a day.

“Googleplex” headquarters today is crammed with conference rooms, hallway buzz sessions, sandy volleyball courts, youngsters whizzing around on motorized scooters, and an ‘anything goes’ spirit. In addition—

- The 17 legendary cafes on Google’s main campus offers 20 cuisines and fantastic (and free) food (e.g., lobster gets served for lunch).
- Google engineers spend 20 per cent of their time pursuing and developing their own ideas.
- Google’s organizational hierarchy is flat.
- Google holds 64 per cent of the market share in its category in the U.S.
- In its 10-year history, Google has created more investor wealth in less time than any other company in history—US\$10.6 billion in revenue earned.
- Sheryl Sandberg, a 37-year-old VP, made a mistake that cost Google several million dollars. When she informed founder Larry Page, he replied, “I’m so glad you made this mistake.”

The late management guru Peter Drucker observed that “maintaining yesterday is difficult and time consuming and therefore requires the institution’s scarcest and most valuable resources—and above all, its ablest people—to non-results.” Acting this way means your people are not available to create a successful tomorrow.

**Mind Shift #6 – “*Strategy must be reviewed twice a year.*” No, it must be reviewed twice a month at least!**

In many management meetings, Bridges research has revealed that 85 per cent of managers’ time is spent on operational issues while about 15 per cent is spent on strategic issues. But leaders are not meant to solve day-to-day problems (although they do because it feels good and they can do it); they are responsible for crafting and implementing strategy.

What indicates that an organization is good at implementation? When that ratio gets reversed. That is, when 85 per cent of the managers’ time is spent on strategic issues and 15 per cent on operational issues.

Changing your strategy means changing the dialogue/agenda at your meetings and specifically at your management meetings. Once it’s successfully changed, the effect will cascade down through the organization. Your immediate reports will pay attention to what you pay attention to.

The catalyst for this dialogue change is frequently scheduled strategy reviews. If leaders are responsible for both crafting and executing strategy, doesn’t it follow that implementation should be discussed as frequently as possible? In my experience, successful implementation requires conducting strategy reviews every two weeks.

During these reviews, you are not analyzing the whole strategy. Rather, you break it down into small chunks. You would examine, for example, the actions being taken, the behaviors and the measures every two weeks. Then every quarter, the strategy would be reviewed in its entirety.

To predict where an organization will be in two years, therefore, do not look at its strategy on paper. Instead, pay attention to the daily actions its leaders and staff members take.

In this article, I have explained six Mind Shifts that leaders should adopt, but I probably haven’t succeeded in changing your mindset completely. Behavioral psychologists say it takes 21 days to make a change stick.

Still, I hope I have at least planted a seed of doubt in your thinking. This seed will be further fuelled by more study results and by your own experiences. Then you will be ready to adopt these six Mind Shifts that will lead to success on your implementation journey.

## **Note**

1. The Implementation Compass provides you with a structure that can make your strategy successful. Instead of wandering aimlessly through the implementation maze, following this Compass allows you to assess your implementation readiness and identify key areas to tackle. The Implementation Compass has been developed by Bridges Business Consultancy Int based on eight years of research and testing with business clients around the world.

## **About the author**

Robin Speculand, the founder and CEO of Bridges Business Consultancy International, a pioneer in the field of strategy implementation. Widely acknowledged as a thought leader in implementation, Robin has written the bestselling books Bricks to Bridges - Make Your Strategy Come Alive, and Turning It On - Stories to Ignite, Excite and Engage. Robin is a masterful event facilitator and engaging keynote speaker. His work has been featured in the media, including BBC Global and Financial Times. For more details, go to [bridges@bridgesconsultancy.com](mailto:bridges@bridgesconsultancy.com)