

Strategic Implementation

The Poor Cousin

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Strategic Implementation

- Importance of implementation vs. strategy development?
- Issues?

Strategic Implementation

“The best game plan is the world never blocked or tackled anybody.” V. Lombardi

“We would be in some form of denial if we didn’t see that execution is the true measure of success.” C. Michael Armstrong

Strategic Implementation

“AT&T, Campbell Soup, Gillette, Eastman Kodak, Xerox. All these companies should be succeeding but aren't. Why? Because they don't know how to execute.”

Larry Bossidy, Chairman
and former CEO of Honeywell.

Strategic Implementation

“People think of execution as the tactical side of business, something leaders delegate while they focus on the perceived ‘bigger issues’. This idea is completely wrong. *Execution has to be built into a company’s strategy, its goals, and its culture. And the leader of the organization must be deeply engaged in it.*” Larry Bossidy,

The Discipline of Getting Things Done.

Strategic Implementation

“When you manage these processes in depth, you get robust results. You get answers to critical questions:

Are our products positioned optimally in the marketplace?

Can we identify how we are going to turn the plan into specific results for growth and productivity?

Are we staffed with the right kinds of people to execute the plan?

How do we make sure the operating plan has sufficient specific programs to deliver the outcome?”

Implementation is Different

- Operation-driven rather than market-driven.
- Action-oriented, make-things-happen tasks.
- Strategy requires few; execution requires *everyone*.

Implementation is Tougher

- Why is it tougher?
 - More time consuming challenge
 - Wide array of managerial challenges
 - Many options to proceed
 - Demanding people-management skills
 - Perseverance to get initiatives moving
 - Number of unexpected issues
 - Resistance to change, misunderstandings.
 - Difficulties of integrating efforts across groups.

Strategic Implementation

- Most know what it is: few know *how* to get things done.
- Three keys to keep in mind:
 - Execution is a discipline, and integral to strategy.
 - Execution is the major job of the business leader.
 - Execution must be a core element of an organization's culture.

Strategic Implementation

- Among other things, implementation has to do with;
 - Rigorously discussing 'hows' and 'whats', questioning, tenaciously following through.
 - Ensuring accountability
 - Making assumptions about the business environment
 - Assessing the organization's capabilities
 - Linking strategy to operations and the people who are going to implement
 - Linking rewards to outcomes
 - Changing assumptions as the environment changes
 - Upgrading the company's capabilities to meet the challenges of an ambitious strategy.

Strategic Implementation

“The heart of execution lies in the three core processes: the people processes, the strategy processes and the operations processes.”

Larry Bossidy, *Execution. The Discipline of Getting Things Done.*

A Framework for Executing Strategy.

- Entails converting the organization's strategic plan into action and results.
 - Job for the whole management team.
 - Affects every part of the firm.
 - Each manager must answer, 'what has to be done in my area to implement our part of the strategic plan, and what must I do to get these things accomplished?'
 - All managers become strategic implementers in their areas and all employees are participants.

A Framework for Executing Strategy

- Least charted and most open-ended area.
- Based on individual company situations.
- Know basics that must be covered – some more than others, depending on changes

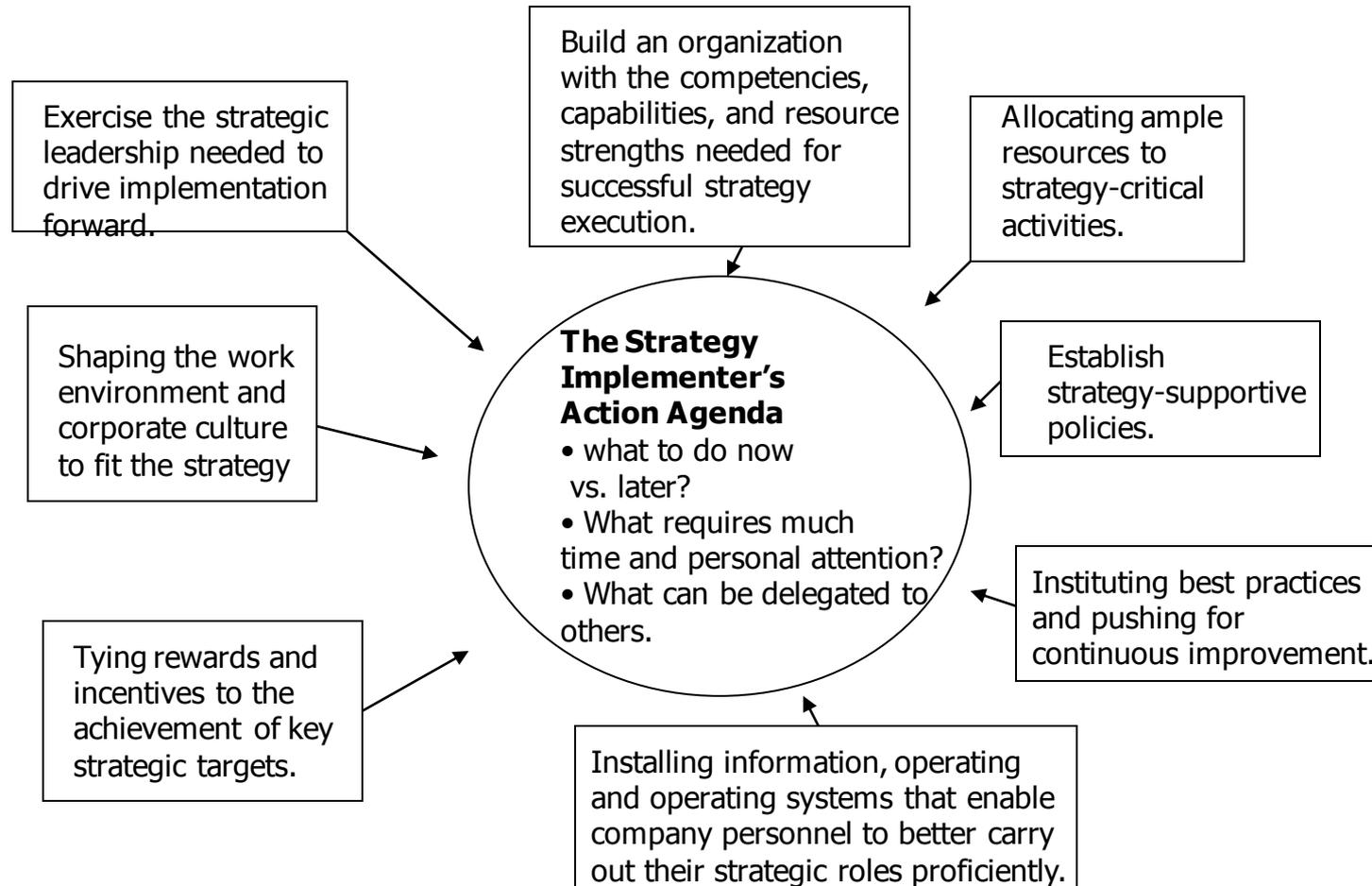
A Framework for Strategy Implementation.

- Implementation should be addressed initially when the pros and cons of strategic alternatives are analyzed.
- *Some strategies cannot be executed by some companies!*
- Form follows function – can vary even by department.

Implementation of Change

- Over half of 93 Fortune 500 companies surveyed had execution problems:
 - Took more time than planned.
 - Unanticipated major problems.
 - Ineffective coordination.
 - Loss of focus on implementation.
 - Employees incapable, inadequately trained.
 - Environmental factors
 - Inadequate leadership
 - Tasks poorly defined
 - Information systems inadequate to monitor properly.

The 'Big 8' Components of Implementation.



Leading Strategic Implementation

- Depends on nature and degree of strategic change.
- Probing assessment of what the organization must do now – and what it must do differently and better to carry out the new strategy.

Strategic Implementation

- One make-or-break determinant is how well top management leads the process.
- Middle and lower management need to push actions to the front lines and see the strategy is well executed.
- The real implementation skill is being good at determining *what it will take to execute the strategy proficiently.*

Strategic Implementation

- Senior management communicate, communicate and then communicate some more:
 - Communicate the case for change
 - Build consensus for how to proceed
 - Install strong allies in key positions
 - Urging and empowering to get process moving
 - Establish measures and deadlines
 - Reward those who achieve milestones
 - Reallocate resources
 - Personally preside over the strategic change process

Strategic Implementation

- Most important leadership trait is a strong, confident sense of 'what to do' to achieve the desired results.
- Knowing what to do comes from understanding the circumstances of both the organization and the industry as a whole.
- This is not about 'micromanaging' but about assigning tasks, making sure that people understand priorities, asking incisive questions, staffing and then following up with measurement.