

Poor execution can kill a company's plan for success

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Contrary to popular belief all companies have a strategy. For companies who have not thought through their mission and how that will be translated into outcomes with value, their strategy boils down to reacting to opportunities and responding to crises as they occur. Such organizations rarely achieve their full potential and often do not survive.

Other companies – most companies – believe intellectually that some form of strategic plan is needed to guide operations and to assure good performance. Yet the majority of these companies will admit that strategic planning efforts have failed to live up to expectations and to deliver promised results. That is what execution is all about and as Lou Gerstner, who turned around IBM, said, “Fixing IBM was all about execution”.

In reality the problem is two-fold. One problem is that many companies continue to use top-down, financially-driven, tactically-focused processes that were designed to run yesterday's organizations. A second problem is that traditional strategic planning processes that use the ‘analysis and recommendation’ model where the strategy essentially pops out at the end of a process – often an isolated process -- has been called into question in the business press such as [Fortune Magazine](#). The difficulty is that by the time the strategy sees the light of day, so much money and time has been invested, that there is little opportunity for input by those who have to make it happen. Often the organization is

charged with implementing a strategy that may be flawed or which does not enjoy a sense of ownership by the organization as a whole.

Perhaps the most important shift needed to move toward strategic planning that yields results, is to think in terms of a process vs. an event. Other important concepts are that good execution is probably more important than good strategy, communication of the strategy throughout the organization is essential because strategy must become everyone's everyday job, and finally success monitoring and strategic adjustments must be made at frequent intervals, certainly more frequently than traditional annual or even multi-year intervals.

Achieving an actionable plan requires participation that is broad but efficient; collaboration created by building on the best elements from many perspectives, experiences and capabilities; and consensus achieved through debate, dialog and resolution of differences. A process that incorporates these elements provides tactics and targets representing the best thinking of the business, and alignment around the goals, path, actions, and responsibilities. An alignment-driven strategic planning process will be a new concept for some. Yet it can provide a comprehensive, efficient means to adjust varying viewpoints behind a single strategy toward a common objective. Otherwise, even the best plan cannot be executed effectively.

Even the best strategy if not executed well, will not deliver results. However, superb execution of a less than ideal strategy will usually serve an organization very well. There are two aspects of execution that merit comment – both have to do with the “people” side of the ledger.

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It's not enough just to create new tactics around marketing, sales, production and other key functions. “People” issues must also be addressed. Competencies – the capabilities an organization must have to succeed – must be present and in the right positions. Giving an individual job goals, performance metrics,

and incentives will not produce desired results if the individual lacks the competencies needed to accomplish his or her part of the strategy. Sometimes dramatic changes in the business environment create large gaps between what is needed to do a job and the competencies resident within the individual charged with doing it. It is essential that such gaps be closed -- either through a development program or replacement. Failure to close the gap when the job is essential to strategy execution will sow the seed for broader failure throughout the organization

Behaviors are the second “people” factor that impacts an organization's performance. Ask yourself the question: “Do I ever see behaviors in the organization that are counterproductive to where we are taking the company?” If the answer is even close to a “yes” or “maybe”, then the good news here is there are short term actions that can be taken to address the issue. Ignoring it, on the other hand, means wasted time, resources, people and money—costs that few companies can afford in today's environment.

Organizations that incorporate behavioral change opportunities and incentives into their growth strategies can realize substantial bottom line-benefits if they effectively define expectations and communicate them throughout the organization. By aligning behaviors with its strategic goals in a continuous improvement process, the company has the opportunity to gain significant sustainable strategic advantage over its competitors.

Consistent, unambiguous communications up, down and across the organization are the lifeline of day-to-day execution. Studies have shown that one of the main reasons why companies do not successfully execute strategy is the lack of employee strategic awareness. Further, if managers put out different messages to their respective business units as to direction, priorities, and goals redundancies, inefficiencies and errors will result. All detract from the bottom line.

Internal communications are an opportunity to reinforce key messages to the organization. Repetition of the same message by different people in authority is an effective means to not only ingrain the message into everyone's behavior but to underscore that the entire organization is on the same page.