Ten questions to help you turn strategy into reality



Sustainable growth depends on delivering the right strategies the right way. Yet this is something that organisations appear ill-equipped to do. Our work at the Brightline Initiative is <u>examining</u> what causes the gap between strategy and implementation and how it can be closed. Our research suggests that business leaders need to answer ten key questions for their strategies to more effectively make the leap from design to delivery.

1. Is delivery as important to you as design?

Strategy design can be an exciting process. It is cerebral, based on marshalling facts and figures, views and opinions, hunches and suggestions. Creating a coherent and persuasive strategy is part art and part science. It is demanding, difficult and vitally important, but without implementation it is nothing.

In a 2017 Economist Intelligence Unit <u>global survey</u> of 500 senior corporate executives, over 90 per cent admitted they failed to reach all of their strategic goals because of flawed implementation.

2. Does the leadership team take responsibility for delivery too?

Once you have defined and clearly communicated the strategy, your responsibility shifts to tracking implementation. You need to know where in your organisation change happens and who manages the programs that drive change. You proactively address emerging gaps and challenges that may impact delivery. Without this discipline, your strategy has little chance of success.

3. Do you mobilise the right resources?

Consulting firms and more fluid organisations are adept at ensuring that their best people are working on the projects that need them most. In contrast, hierarchical and other organisational structures can limit mobility and many organisations struggle to release their best minds to become involved with implementing key strategies. "Always put your best talent on critical initiatives and make sure that you reward them accordingly, but more importantly make sure that they will have roles after the completion of the assignment," advises David Marlow, company transformation lead at Bristol-Myers Squibb, in his article (page 55 of the Strategy@Work book).

4. Do you leverage insight on customers and competitors?

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Organisations atrophy when they lose touch with their customers, whereas the best leaders are constantly seeking insights from customers and competitors. In the EIU survey 53 per cent of companies said that changing customer expectations/demands impeded implementation. As a result, the majority monitored customer trends. But only one in five reported having effective feedback loops to use all of this data in strategy delivery. In a Harvard Business Review article, Amy Edmondson and Paul Verdin argue that customer input – at all stages – is a vital lubricant of strategy and execution. It creates what they call "strategy as learning".

5. Is your implementation bold, focused and as simple as possible?

Delivery is complex – often global, always interconnected. To succeed, the constant emphasis must be on boldness, focus and simplicity. The Boston Consulting Group talks of "smart simplicity". This involves empowering people sufficiently for the requirements of their jobs by giving them the right resources, removing unnecessary constraints, and aligning interests by consequences to actions and results.

6. Do you promote team engagement and cross-business cooperation?

Support and understanding of the strategy throughout the organisation: Middle and line managers must be engaged and activated as strategy champions rather than just as managers and supervisors. In the EIU survey, 62 per cent of respondents said that lack of buy-in from middle managers, line managers or both created a significant barrier to strategy implementation at their organisations.

Second the understanding that teams are the means by which strategies are delivered. The Boston Consulting Group refers to *performance integrity*. By this it means a highly motivated and thoughtful project team with a bias for action, clear on its objectives, with a strong leader and sufficient member resources, plus the right mix of skills for the effort.

7. Do you own the decisions you make?

Commit to making strategic decisions rapidly. Move quickly to correct course, reprioritise, and remove roadblocks. Accept that you likely won't have all the information you want, and rely on those you can trust to deliver sufficient reliable input to allow thoughtful decisions. Consider and address risks and interdependencies explicitly—both upfront and regularly throughout delivery. Build a lean and powerful governance structure to reinforce accountability, ownership, and a bias towards action, based on agreed metrics and milestones.

8. Do you check ongoing initiatives before committing to new ones?

Organisations tend to overburden people with strategic initiatives of one form or another, creating change fatigue. You must regularly evaluate your portfolio of strategic initiatives. Add new initiatives in response to new opportunities, but first be sure you understand both the existing portfolio and your organisation's capacity to deliver change. Agility, the organisational capability to quickly adapt strategy in response to external and internal changes, plays an important role in both the governance and management of any portfolio of strategic initiatives.

9. Do you develop robust plans but allow for missteps?

We live in fast-moving times. Even the most far-reaching and elaborate strategies must contain room for learning and realignment. Strategy planning cycles are more rapid, dynamic, and agile than in the past. Delivery teams must be able to experiment and learn in an environment where it is safe to fail fast. In practice, this means you must discuss challenges openly, and adjust the plan as needed for success. Learn to reward failure, or at least accept it as a valuable input.

In agile organisations it is common to have frequent interactions between teams and leaders, to review and understand what went wrong, what worked well and what needs to be improved. It is a powerful iterative process. This is not simply about communication, it is about interaction up, down and across the company.

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Interestingly, what appears to be evolving is acceptance of the need of a hybrid approach to strategy. The intention is to manage the current business and operations while dynamically seeking out the next disruptive idea. This can be seen at Volkswagen Group according to this report (page 23, second column). The company's chief strategy officer Thomas Sedran talks of a "two-speed organisation" – "One part goes with proven processes that lead to reliable products. This is necessary for those developing vehicles because delivering an unsafe one can cost you the company. For the other part, where you need to be much quicker, but where the impact of a failure is less severe, you need to be agile and have different planning and execution processes."

10. Do you celebrate success and recognise those who have done good work?

Success in organisations is often whispered rather than celebrated. If strategy delivery is to become embedded in any organisational culture, successes must be widely and wildly celebrated. It is notable how adept the best business leaders are at acknowledging good work. They tend to have developed a personal means of communicating great work – a handwritten note, a phone call.

Any leader who can answer these ten questions in the affirmative is well placed to translate strategy into delivery. Even failing to deal with the issues raised by one of the questions can fatally handicap even the most brilliant strategy.

Notes:

- This post gives the views of its authors, not the position of LSE Business Review or the London School of Economics.
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