

Franklin University

FUSE (Franklin University Scholarly Exchange)

Scholars Showcase 2018: Innovations in Leadership and Learning

10-5-2018

Strategy Execution Improvement Requires Institutional Change

Jon Umstead

Franklin University, jon.umstead@franklin.edu

Follow this and additional works at: <https://fuse.franklin.edu/ss2018>



Part of the [Scholarship of Teaching and Learning Commons](#)

Recommended Citation

Umstead, Jon, "Strategy Execution Improvement Requires Institutional Change" (2018). *Scholars Showcase 2018: Innovations in Leadership and Learning*. 81.

<https://fuse.franklin.edu/ss2018/81>

This Book is brought to you for free and open access by FUSE (Franklin University Scholarly Exchange). It has been accepted for inclusion in Scholars Showcase 2018: Innovations in Leadership and Learning by an authorized administrator of FUSE (Franklin University Scholarly Exchange). For more information, please contact karen.caputo@franklin.edu.

Strategy Execution Improvement Requires Institutional Change

Jon Umstead, Founder at Plan Canvas, Adjunct Professor at Urbana University

Introduction

Successful business strategy execution remains a significant challenge, with failure rates over 60%.

- Only 48% of respondents said that Project Management Offices (PMOs) play an integral part in meeting goals
- 80% of small to mid-sized business (SMBs) start-ups survive the first year, but odds of success sharply decline in subsequent years

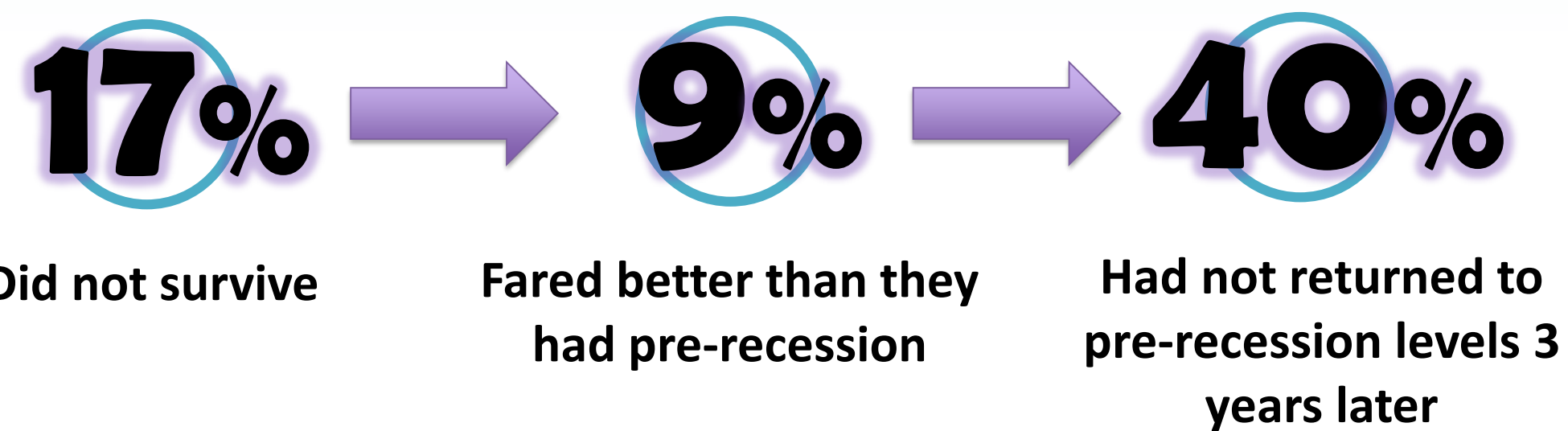
Improved Strategy Execution Management

Momentum, surviving, and thriving drive optimizing the strategic outcomes.

Cost Optimization

Cost Optimization produces the best possible outcomes given financial constraints beyond short-term net income.

- *Harvard Business Review's* year-long study found that of the 4700 companies studied during the last 3 recessions:



Digitization, Digitalization, and Digital Business Transformation

- Digitization converts an existing process into a digital process and is a critical first step for cost optimization
- Digitalization optimizes existing or creates new processes to improve business outcomes
- Digital business transformation is the reinvention or creation of a new business model via digital technologies

Employee and Customer Engagement

Engaged employees develop and retain engaged clients due to their positive experiences.

- Gallup found that, "companies that successfully engage their B2B customers realize 63% lower customer attrition, 55% higher share of wallet, and 50% higher productivity."

Key Components of the Strategic Plan

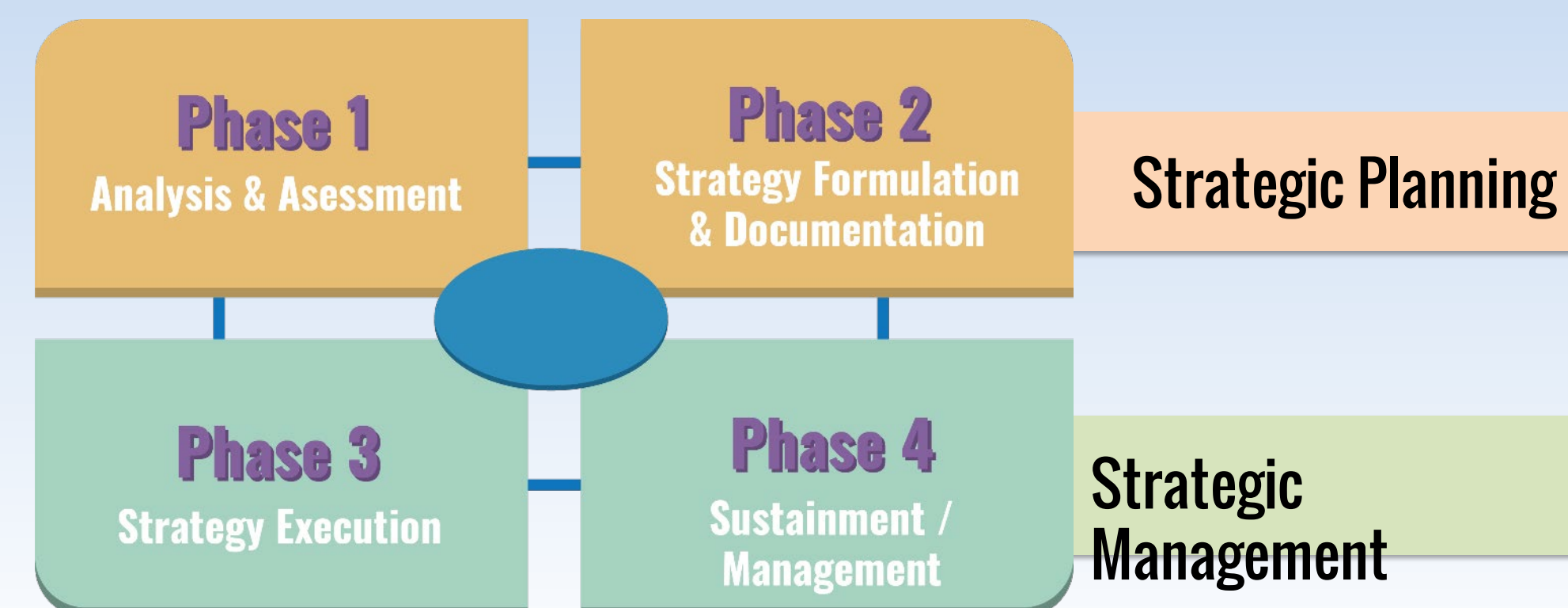
A well-defined strategy is critical and should foster progress between the vision and current reality and prioritize resource allocation.

Businesses are increasingly focused on purpose:

- *Why* is this the vision?
- *Why* is this the mission?
- *How* does it benefit employees, customers, society, or the world?



Strategic Planning vs Strategic Management



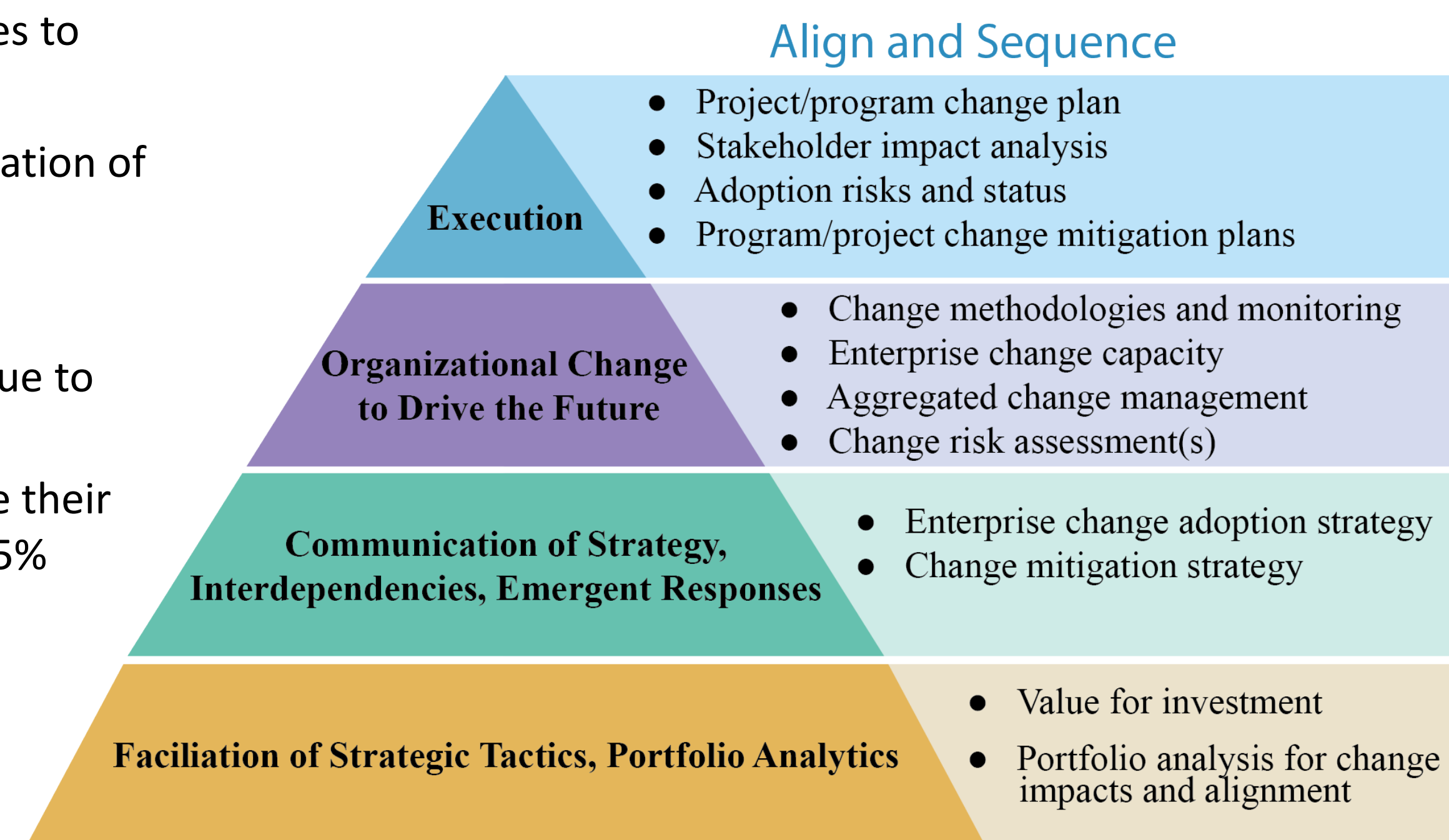
Strategic management remains an enormous challenge, evidenced by the 60% to 70% failure rate of SMBs.

Something Has To Change

The PMO function is perceived as ineffective and isn't sufficiently implemented to achieve maximum value.

- PMO methods and tools (e.g., Balance Scorecard) are commonly too difficult to implement

Strategy Realization Office



Strategy Realization Office

The SRO is not limited to large enterprises.

- Collaboration across all aspects of the enterprise, regardless of company size, is critical to SRO function
- SMBs can employ the functions of the SRO without establishing one



Strategy Execution Management

SEM tools should be centralized within the SRO.

- SEM tools integrate with systems of record and systems of engagement
- SEM tools support the success of strategy execution in the following ways:



Conclusion

- Institutional change will improve strategy execution through the adoption of the Strategy Realization Office (SRO) and enabling Strategy Execution Management (SEM) tools.

- For large Enterprises, the SRO is a next-evolution of the PMO, with key differences:

- An effective SRO's field-of-vision spans the entire enterprise
- The SRO's scope is not limited to IT projects; it also includes non-IT business initiatives
- The SRO focuses on outcomes and on-going results more than a PMO's limited focus of being on-time and on-budget
- The SRO continuously monitors, modifies, and communicates prioritized strategic changes.
- The SRO is technologically enabled through SEM tools.

- For SMB companies a simplified approach and enabling SEM tools are required.

Key Terms

- Strategy Realization Office (SRO) improves communication, visibility, alignment, and collaboration across all aspects of the enterprise
- Strategy Execution Management (SEM) is an emerging software market that achieves the SRO's mission via the 4 strategy phases:
 - Analysis
 - Formulation
 - Execution
 - Sustainment