

THE FOUR DRIVERS OF **STRATEGY EXECUTION**

Building the Foundation for Execution Excellence

a guide from **achieveit**



PREFACE

As a strategy professional, you've developed your own system for checking off all the boxes along the strategy creation path. You know which exercises are critical for engaging stakeholders in the planning process. You know how to sell the various components of strategy to stalwart executives. You could present the strategy to your board of directors without even glancing at your slides.

But if your organization is like most, strategy **execution** continues to be an uphill battle. This struggle has been well-documented:

- 75% of organizations struggle to implement strategy.¹
- In a 2016 study by Bridges Business Consultancy, 67% of surveyed leaders stated their businesses were good at crafting strategy, but only 47% believed their organization is good at implementing it.²
- 33% of leaders in the same survey rated their organization's ability to execute as poor or very poor.
- In an earlier survey by Bridges, only 10% of organizations achieved two-thirds or more of their strategy. Of the remainder, the majority achieved less than half of their goals.³
- Only 2% of leaders are confident that they'll achieve 80-100% of their strategy's objectives.⁴

It's painful to realize that most organizations will fall short of their goals. However, you have the opportunity to set yourself apart and lead your organization to success. The payoff is huge; according to Professor Robert Kaplan and Dr. Dave Norton, companies that effectively execute their strategy evidence an impressive 50-150% increase in value.⁵

To become part of this empowered group, you need to engage the four drivers of strategy execution.

¹Harvard Business Review. (2016, October 03). Retrieved from <https://hbr.org/video/5143339694001/why-strategy-execution-unravelsand-what-to-do-about-it>

² Bridges Business Consultancy. (n.d.). Retrieved from Survey Results: <http://www.bridgesconsultancy.com/research-case-study/research/>

³ Bridges Business Consultancy. (2012). Retrieved from <http://www.slideshare.net/SpeculandRobin/strategy-implementation-survey-results-2012>

⁴ The Economist. (2013). The Economist Intelligence Unit. Retrieved from <http://www.pmi.org/-/media/pmi/documents/public/pdf/learning/thought-leadership/why-good-strategies-fail-report.pdf> (The Economist)

⁵ Norton, D. D. (2014, August 22). Business Results Group. Retrieved from <http://www.brg.co.za/strategy-fails/>

CONTENTS

Symptoms of a Strategy Execution Problem3

The Four Drivers of Strategy Execution.....7

Best Practices for Leveraging the Four Drivers12

How AchieveIt Can Help18

SYMPTOMS OF A STRATEGY EXECUTION **PROBLEM**

Before we discuss how to go about improving your strategy execution, we first need to examine the most common barriers to strategy execution. Do any of the following sound familiar?



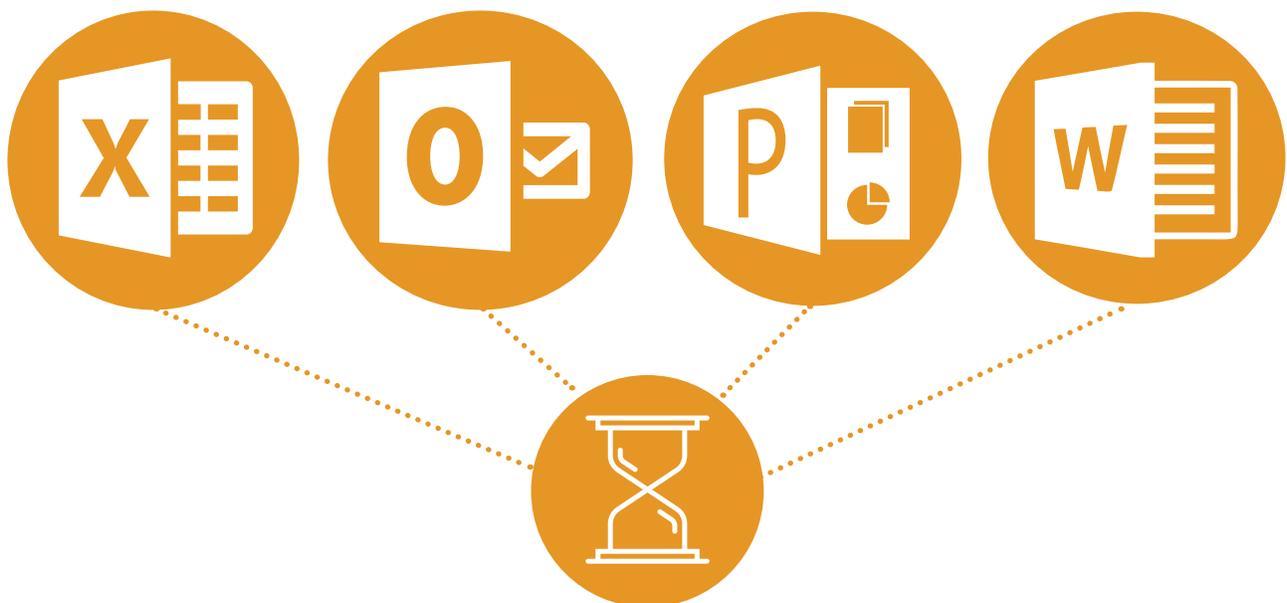
COMMON STRATEGY EXECUTION **STRUGGLES**

YOU'RE NOT A STRATEGIST, YOU'RE A BADGER

You thought you were taking a job to help shape your organization's strategy, but instead you spend hours hounding people for updates on critical initiatives. When you've (finally) gotten everyone's updates, you get to cut-and-paste from a medley of PowerPoints, Excel spreadsheets and emails into the original format you asked for. Not exactly what you signed up for, right?

REPORTING IS A SPECIAL HELL

You've finally compiled all the updates, only to realize half of them don't even explain why initiatives are on-track, off-track or at-risk. There's no context to the numbers, and you know your leadership team will ask a million questions if you present this to them. Cue the emails back and forth for details. Once you start to build your reports, you realize half of the departments are using a different version of the tracking spreadsheet. By the time you've finally gotten your reports and presentation together, it's time to start collecting data for the next reporting cycle.





COMMON STRATEGY EXECUTION **STRUGGLES** CONTINUED

MEETINGS ARE TAKING OVER

Your leadership meetings have gotten out of control. This is partially because it's nearly impossible to easily tell when (and where) your execution is on-track or off-track, especially across departments, business units or regions. The agenda for these meetings has also grown. You spend so much time discussing details and context behind numbers that the meeting ends up focusing on status updates, instead of figuring out how to move forward and whether or not to pivot in certain areas. It's difficult to narrow down the focus to just the highest-priority, highest-risk initiatives. You can already feel a follow-up meeting creeping on to your calendar.

YOUR PLAN DIES MID-YEAR

It's halfway through the year and everyone is busy. The strategic plan seems to have disappeared from public view, missing in action when it's needed most. You realize that most people are no longer being strategic – they're just busy. It's frustrating to spend months building a roadmap for success, only to realize that by mid-year, most employees (and even most managers!) can't name the organization's most important organizational goals. Once employees lose sight of their critical roles in moving the strategic plan forward, execution and results suffer, and you're left shaking your head, wondering how this happened... again.

It's easy to see how executing strategy goes from top priority to backburner as the organization gets pulled into the day to day operations. Yet these are just symptoms of the larger strategy execution issue.



THE **COST** OF POOR STRATEGY EXECUTION

Poor strategy execution has a real cost associated with it. Last year, organizations spent more than \$30 billion on strategy consulting. We've all read the statistics; everyone from McKinsey to Harvard states that most strategies (somewhere in the ballpark of 70-90%) won't achieve the intended results. That means businesses are wasting close to \$25 billion a year on strategy consulting, not to mention the additional costs of lost revenue and time in the market.⁶

If organizations could focus on one single thing to improve, they would be wise to choose strategy execution. As mentioned earlier, companies that effectively execute their strategies will see an impressive 50-150% increase in value.⁷ What other single initiative has the potential to create such massive value?

Yet if you're like most strategy leaders, you find your time being eaten away by minutiae, wishing you could regain control of your job, spend more time in execution mode and better make use of your time and talents to drive your organization to success. Enter: **the four drivers**.

⁶ Mellon, D. L. (2017). Human Capital Leadership Institute. Retrieved from <http://hqasia.org/insights/why-strategy-execution-so-hard>
⁷ Kaplan, R. S., & Norton, D. P. (2000). The Strategy-Focused Organization. Cambridge: Harvard Business School Press.

THE **FOUR DRIVERS** OF STRATEGY EXECUTION

To accelerate execution, and move from a reactive organization to a proactive one, strategy leaders need to develop a system that enables these four drivers within their organization.



ALIGNMENT

Do your front-line employees understand how the projects they work on day-to-day drive strategic initiatives and impact the organization overall?

To drive alignment, your employees and leaders first need to know what the goals and major initiatives are. They need to see the plan and see how their initiatives align to it. They need access to the strategy. The need for visibility has been well-documented. A Harvard Business Review study found that fewer than 33% of senior executives' direct reports clearly understand the connection between corporate priorities and the projects they're actually working on, and only 16% of frontline supervisors and team leaders do.⁸

In an MIT survey of more than 11,000 senior managers, only about one-third could name their company's top three goals and, "even given five tries, only about 50% could agree on the same one priority."⁹ This is still a more optimistic conclusion than that of Palladium Group, which found that 95% of employees don't know

what their organization's strategy is.¹⁰ Perhaps none of this should come as a surprise – most companies only give strategic plan access to 42% of managers.¹¹

Alignment means you're working on the right things: the activities that move the needles on the most important initiatives and metrics for your organization. Everyone in the organization (employees, managers, executives) understands how the initiatives they're working on align to the larger strategic plan. Alignment creates a sense of urgency and purpose, as well as a sense of ownership in the overall results of the organization's goals. It also ensures everyone is moving in the same direction, working together to move the organization forward.

⁸ Harvard Business Review. (2016, October 03). Retrieved from <https://hbr.org/video/5143339694001/why-strategy-execution-unravelsand-what-to-do-about-it>

⁹ Fortune. (2015). Your Boss Probably Has No Clue What Your Company's Top Priorities Are. Retrieved from <http://fortune.com/2015/12/08/company-priorities-communication-strategy/>

¹⁰ Norton, D. D. (n.d.). Palladium Group, Inc. Retrieved from Strategy Execution: A Competency that Creates Competitive Advantage: http://oneal.research.ucf.edu/Academics/GEB5516/Research%20Reports/2011_Palladium%20Group_Strategy%20Execution_Creates%20Competitive%20Advantage.pdf

¹¹ DeLisi, P. S. (n.d.). Strategy Execution: An Oxymoron or a Powerful Formula for Corporate Success? Retrieved from Organizational Synergies: <http://www.org-synergies.com/Strategy%20Execution%20Paper3.pdf>



VISIBILITY

Do your leaders have visibility into the status, both quantitative AND qualitative, of the day-to-day activities of middle managers and front line employees? Do they have the data they need, in the appropriate context, to make informed decisions?

To maximize their contributions to their organizations, leaders must be able to quickly and easily know the status of their team’s most important initiatives. They need visibility into what their teams are working on, the status of those initiatives, how quickly they’re progressing towards goals or milestones and any possible barriers to success. Ideally, there’s a way for everyone within the organization to see this information. This transparency creates a single version of truth and gives everyone an understanding of how the organization is performing.

Unfortunately, this isn’t the reality most people live in. Information lives in different systems. Gathering the information and compiling it into something useful is a time-consuming nightmare. This is becoming more and more obvious in the era of big data. Research by MIT Sloan found that the biggest barrier to “creating business value from analytics are not data management or complex modeling skills. Instead, the number one barrier by far in this year’s survey was translating analytics into business actions.” When context is lost, it becomes difficult for managers to make decisions based on the information.





ACCOUNTABILITY

Is there one clear owner who is responsible for tracking the progress of a single initiative? How do you ensure updates are on time and accurate?

Often, initiatives falter simply because no one is held accountable for their progress. When a team or multiple individuals are the "owner" of an initiative, there is no one clear accountable party. Like the old saying goes, "when everyone's in charge, no one's in charge." No individual team member feels the responsibility of creating results for that initiative. When a single individual is held accountable, that employee is much more motivated to avoid the hot seat and move the initiative forward.

Ideally, the same system that creates visibility into progress will also create visibility into who is responsible for initiatives, particularly initiatives that are off-track or behind schedule. Most of your time and focus should be spent on these items so you can recalibrate and get back on track.



IS THERE ONE CLEAR INITIATIVE OWNER?



ARE UPDATES ON TIME AND ACCURATE?



COLLABORATION

Is everyone collaborating on the right things, and in the right direction? Is there a record of progress accessible to everyone?

Collaboration is an overused word, but it's essential to successful strategy execution. No one executes in a vacuum, at least not successfully. And yet, collaboration is often the most time-consuming part of an employee's day, especially when it's related to a large initiative.

To collaborate effectively, an employee needs to keep other team members in the loop on their progress, without contributing to email overload or creating more noise. The team needs a record of progress that can be shared and discussed with leaders. And that record must be accessible to everyone, without living in a static Excel document on a single team member's hard

drive (or worse, in multiple versions on multiple team members' hard drives).

Being able to easily access up-to-date project statuses is particularly helpful in fast-paced organizations during times of turnover. It's expected that employees will move to different positions. While many leaving employees will likely help plan their transitions, think of how often projects get derailed simply because of a staff change. This audit trail doesn't replace in-person knowledge transfer, but can certainly help fill in the gaps for the newly-formed group to continue to work together toward a successful outcome.

These four drivers are fundamental in accelerating and sustaining execution. But how can you implement them in your organization?

BEST PRACTICES FOR LEVERAGING THE FOUR DRIVERS



HOW TECHNOLOGY CAN ENABLE **BETTER EXECUTION**

It's not a surprise that the first step in leveraging the four drivers is to consider whether your organizational culture values execution. We've written about the journey to build your execution culture in [Four Stages to Creating a Strategy Execution Culture](#). Once you've either begun your cultural evolution, or confirmed that your culture is already in a great place, what's next?

Consider a technology solution to help you track, measure and monitor the four drivers.

While many organizations rely on email and spreadsheets, a purpose-built execution solution can help set success monitoring on autopilot, and free up your time for higher-value strategic execution activities. Here are four best practices your strategy execution platform should enable.

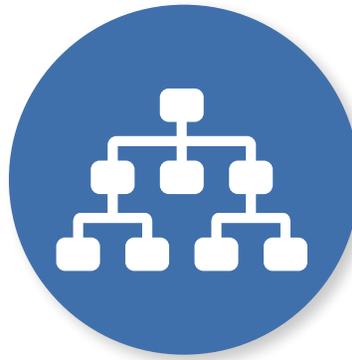


#1. CREATE A **SINGLE SOURCE** OF TRUTH

Your strategic plan identifies the most critical initiatives needed to reach your goals. However, the status of those initiatives is often scattered between a dozen emails and spreadsheets. This is overwhelming and inefficient to manage – how can you make decisions about what's most important, which next steps to prioritize or easily see which initiatives are on- or off-track, when you're busy weeding through your inbox or compiling spreadsheets?

This process only becomes more and more painful as you spread across larger organizations with global (read: multi-time zone) footprints. For global resources to remain aligned, you need a real-time, always up-to-date, single source of truth.

A technology solution simplifies this process by compiling updates in one place. Look for a solution that keeps a track record of progress updates and comments, allowing plan builders and contributors to collaborate on each item with a clear audit log. It should also have a way to provide the "why" to explain qualitative updates, so you can look at the update within context. These features allow the system to become the single source of truth for the whole organization.



#2. MAKE **ALIGNMENT** VISUAL AND EASILY ACCESSIBLE

It's easy for employees to get heads-down in day-to-day work and forget the big picture. This is more likely to happen in organizations where employees never know how their work supports bigger picture initiatives. An execution platform can make this alignment clear by showing the visual roll-up of smaller initiatives to the larger strategies they support.

This visual alignment helps employees see how their individual work impacts the progress of the organization as a whole. It also helps put leadership decisions in context, making employees feel more connected and engaged with the strategy.

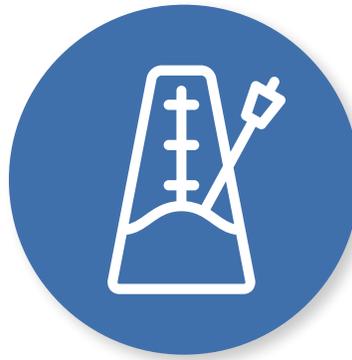




#3. ENSURE EVERY INITIATIVE HAS AN **OWNER**

The best technology solutions drive accountability, communication and collaboration by ensuring each initiative has an owner. These owners shouldn't be accountable in name only. The solution should enable reporting on an individual basis, to see how often each accountable party provides late updates, falls off-track or successfully hits their targets.

Another benefit is that no one wants to be seen as a low-performing employee, particularly in front of their peers. A technology solution allows for employees to be recognized for the good, while also providing a way to keep an eye on their off-track projects and whether the team member has been diligent about providing updates. It also allows manager to easily keep an eye on each team member's responsibilities and workload, to ensure that the burden of responsibility isn't all on one person.



#4. SET A CADENCE FOR **PROGRESS**

The most successful executors check on the progress of their strategic and operation plans frequently. While many organizations check in on a quarterly basis, this leaves very few opportunities to change course or respond to changes in the market. Your technology solution should enable frequent progress updates, and make the process as painless as possible. Painless progress updates mean you're more likely to be operating with fresh and frequent data, which means more opportunities to course-correct.

The best solutions offer a way for contributors to make updates directly from an email, and only send a single email containing all updates that need to be made by a single owner, even if the contributor's updates are tied to multiple plans. This allows contributors to seamlessly make all of their updates, without even having to log in or navigate to multiple places in a new tool.



HOW **ACHIEVEIT** CAN HELP



HOW WE CAN **HELP**

Achieveit further streamlines execution by using software to organize plans, coordinate teams and properly monitor operations and initiatives. With our cloud-based software you'll be able to:

- **Align performance to organizational objectives**
- **Clearly communicate your path to success**
- **Automate the gathering of information, updates and critical context**
- **Have accurate and timely information**
- **Combine all information in one place**
- **Gain predictability with contextual data and reporting trends**
- **Provide the visibility you need to adapt your plan with agility**
- **Earn traction with leadership to make progress on development goals**
- **Instill a culture of execution in your organization**

If you want to measure and monitor your strategic plan efficiently, Achieveit makes it easier than ever.

achieveit

ABOUT US

Hundreds of businesses are growing farther and faster with AchieveIt's Execution Insight Platform, the only solution on the market that provides both meaningful intelligence on execution and the ability to drive results with it.

Learn more at www.achieveit.com and follow us on Twitter @goachieveit.

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