

## Keys to Successful Strategy Implementation

By Ned Wootton

Even great strategies fail to deliver needed performance gains, if they don't get implemented well. It happens often. Our analysis estimates the annual impact of weaknesses in strategic-change implementation among the 200 largest Canadian corporations as a \$6 billion issue. Something better is needed, and now.

Over the years, we've participated in a great deal of strategy implementation, and have been witness to much more. Recently, we invested in an internal effort to collate observations about what we have seen, and identify the implications. We have two pieces of good news.

First, a short list of common gaps and problems emerged, and they are not rocket science. We consistently observed gaps in one or more of a series of basic best practices in the management of discontinuous change.

Second, not-for-profit executives are the centre of the opportunity – you have choices with your agenda and resource decisions that can be catalytic to implementation success.

### Recognising the opportunity

In practice, new strategies designed to deliver significantly enhanced performance improvement have a poor track record of being implemented well. Most executives can easily recall internally-generated or consultant-developed strategy documents that have done little more than gather dust. Assuming a new strategy is sound, why isn't it implemented effectively? Why doesn't the organisation respond to management's direction?

Some clear patterns have emerged.

Successful strategy-implementation efforts all met three common-sense tests:

- A. They were managed to results milestones
- B. They explicitly addressed the people issues
- C. They were resourced properly, not just with money

Sound strategies that nevertheless failed to achieve their performance objectives generally flunked one of these tests.

A. Focus implementation on delivering important business results at major milestones throughout the effort. Manage for these results, not just for process activities. All too frequently, organizations mistake the accomplishment of an activity with getting a result. 1. Quantify explicitly and precisely the end result to be accomplished from the chosen strategy.

Determine exactly what you want and quantify it in business and financial results that can be objectively tracked and measured. This requires taking strategic objectives that are often amorphous, and translating them into a robust and comprehensive set of precise quantitative business and financial targets.

2. Translate the strategic direction into a comprehensive plan of action, which includes key performance milestones along the way and specific accountabilities for performance.

Using only sheer force of will almost never works. Leaders need to create and then manage for the execution of a detailed roadmap for installing the strategy, which includes:

The key business and financial results to be accomplished by what dates;

The workplan for accomplishing each of these key outputs;

Who is accountable for accomplishing what;

The identification and allocation of resources required to accomplish each action; and

The specifications and installation plan for the measurement systems by which implementation will be tracked and fine-tuned accordingly.

3. Put metrics in place to regularly measure both the output and process goals of the implementation effort, and ensure organisational adaptability to evolve the implementation plan based on the learning achieved.

Effort to scope and design these metrics is often very high-reward. Without them it's impossible to tell if and why implementation is succeeding or failing, and to take timely corrective action as required. In our experience almost all implementation plans need to get tweaked at least now and then as unforeseen events, roadblocks, and/or consequences occur.

B. Don't overlook or pay lip service to the people issues. Existing cultures and attitudes often prevent successful implementation. 1. Involve in the plan development those who will be key to implementation success.

Ensure these individuals are involved in both the development of the new strategy and its subsequent implementation plan. This helps maximize their sense of ownership in the strategy, and commitment and energy to its successful implementation.

Their input will also help to identify a priori, and take into account in the plan, the organizational gateways and roadblocks to the desired change. President Kennedy said, "If you go high enough in an organization, everything becomes possible because there is no appreciation of the practical problems involved".

2. Determine the personal pay value ("what's in it for them") inherent in the new strategy for those employees whose support is needed in implementation.

Organizational research can discover the intrinsic benefits and motivational leverage points of the new strategy among key constituents. Once identified, ensure that this is communicated strongly, clearly and consistently through organizational messaging, programs, and management and reward systems.

The best strategies frequently involve discontinuous change in organizational culture, norms, and behaviours; change that puts people outside their comfort zone. It's human nature to resist this type of change, unless people can see a win in it for them that's worth the effort and inevitable short-term discomfort.

3. Avoid getting caught in the belief that changes in organizational policies and systems alone will create the required changes in behaviours and performance.

Focusing initially or exclusively on making changes to the organization's human resource policies and systems rarely turns out to be effective at changing behaviours and the way an organization manages people. These policies and systems consolidate and reinforce the desired change. In the absence of strong leadership and management from above, they are ineffective at creating it.

C. Make sure the effort receives enough of the right kinds of resources, not merely cheerleading and money. 1. Determine the organizational positions that will have the most critical impact on implementation success, and then make sure these positions are filled by the company's best people - people that can be relied upon, and delegated to with confidence.

Too many organizations see the short-term displacement/cost of moving/replacing personnel as a barrier to change without looking at the long-term economic consequence of only average performance.

2. Have enough of a grasp of the situation at ground level to know what's needed and make sure your people get it on a timely basis.

In our experience, we have seen too many situations where the people responsible for implementation are given a results/output specification (*what's required*) and an accompanying material specification (*how you'll do it*) that don't match.

The implementers think their leaders are too distant and out of touch with the reality in the trenches. They're not always wrong.

3. Ensure that all managers, including yourself, have the time, skills and systems needed to actively lead, coach and mentor staff to do the job expected of them.

Almost always, this involves some degree of organizational development/redesign, as managers at all levels are challenged to redefine their roles and where they spend their time.

If the new strategy involves significant change in organizational attitudes and behaviours, these changes need to be visibly demonstrated, lead, and managed from the top. This leadership needs

to be assumed by the leaders of the new strategic direction, not delegated by them to others. We have never seen success where senior management's attitude has been, "we'll just get the people below us to change, we don't have to".

Management needs to inspect what they expect, and demonstrate they care about the result. For some organisations, this requires significant change in where management spends its time. As General Patton once said, 5% of leadership is telling subordinates what you want them to do, and the other 95% is following up to make sure it happens. Unfortunately, many very bright, busy leaders have these proportions reversed.

Only when employees recognise that their leaders are committed to the effort, and giving it their regular and close attention, will they reconcile themselves to its inevitability and embrace its desirability.

Managers who want to drive successful implementation measured in improved results must successfully integrate two components:

A. Change-management experience and expertise

B. General-management perspective

You face a personal choice in how to accomplish that integration.

A. Change-management experience and expertise

If the drivers of successful implementation are not rocket science, why are they so frequently absent? Because the challenge of installing discontinuous change is fundamentally different than the continuous improvement that organizations are built to deliver. Not all of your team's reflexes and attitudes are helpful.

You need to recognise that explicit project management of the change effort is required. You need to identify and partner with resources who bring expertise, are able to design in all of the basic ingredients to successful change, and who stay focused on ensuring the organisation follows through on that design.

B. General-management perspective

But the change effort ultimately needs to be steered for results, not change-management theory. The management of the change project needs to harness change-management wisdom to the practical realities of running the business.

Too often we see internal and external "change experts" whose expertise in their professional domain is deep, but who fundamentally do not understand much either about what the job of the senior executive is really like, or what's at the heart of a high-performance business strategy. Like architects who know all about design but cannot deliver a building on time and on budget,

or doctors who are great with diseases but poor with patients, these “professionals” require their clients to be responsible for the translation from the professional domain to the real problem.

Your choice

Let’s assume you want to enhance performance, and have a strong strategy for how to do it. And let’s assume that you recognise the importance of process design and project management of the change effort. The question is how will you integrate change management and general management?

You can assume the challenge of integration yourself, clearing your calendar enough to steer effectively the overall change effort, drawing on the experience of your change expert. We have seen business leaders who needed to invest 40% of their time in order to be effective at that integration. This is not a 2-hour a week meeting.

Or you can find a design and project management resource whose expertise isn’t *just* in the change-profession domain, but who can effectively stand in your shoes, take on your objectives, and understand your constraints. Good ones may be tough to find, but they exist.

Recognising the need for such a choice is where successful strategy implementation begins.