

Enabling successful strategy execution

Authors: Hilary McGuire and Talia Litman

Enable successful strategy execution: stay focused

The economic volatility of the past few years has made growth difficult even for robust and well-run businesses. This has led to businesses thinking more carefully about how they can compete in an increasingly competitive marketplace. With the lack of an economic tailwind driving growth, management teams have to adopt more focused practices and work harder than ever to create value.

For some businesses this has involved optimising their operations, increasing efficiency and cutting costs. Those that have managed to 'shed the fat' successfully could now be considered efficiently run but they are still struggling to generate growth. As a result, many management teams have begun to seek alternative ways to create additional value.

Amongst businesses we work with, many are engaged in a plethora of initiatives that range from better management of their virtual presence, re-branding, to product development, innovation and service improvement. For most, it is not the lack of opportunities that seems to be the main challenge, but rather the ability to focus on executing the key initiatives that deliver the biggest uplift.

Often change initiatives are launched without careful assessment of the internal capacity and capability needed to deliver them effectively. The end result is that management teams are left distracted and struggling with too many items on their to-do list leaving them unable to execute any of them properly.

One of our clients found a neat way to avoid ever-expanding work plans within his business: *"We made a rule that for every new item added to our plan, we scrap another. We have a somewhat flat management structure and limited capacity at senior levels so every time we undertook a new project, other things fell off our radar. We are adamant to do just a few things, but brilliantly."*

So what does it take to focus effectively and deliver on value creation plans?

1. Develop clear objectives

It is fair to say that most businesses have a good understanding of where they want to go. However, while the majority are run with a focus on measuring progress towards financial targets, many do not clearly articulate key internal objectives that will get them there, nor do they have the criteria or processes in place to measure them properly.

The development of clear, measurable objectives is vital. A financial director we have worked with notes: *"We put a lot of work to figure out the three key objectives we had to execute that would keep us in the game, as well as three key objectives that would help us win the game. We chose two metrics for each objective that we review and measure our progress against religiously. We have adjusted the structure of our reporting and can now measure regularly if we are on track"*.

This approach also allows each new initiative proposed to be evaluated within the context of the objectives set. One of our clients printed his businesses' objectives on a one page strategy map which he kept on his desk at all times. If a staff member approached him with a "great new idea" for a project, he made them point to where the project linked to on his strategy map. If they couldn't answer, he sent them away.

2. Communicate objectives and define clear accountabilities

We are constantly surprised at how businesses struggle to communicate strategic content to their workforce. More than often, middle managers are operating with relatively little awareness of how their

work contributes to the broader business objectives and how their performance drives overall value creation.

Businesses who clearly articulate their overall strategic objectives to their workforce, and who understand how to cascade clear accountabilities in order to measure performance at all levels, are the ones that have a greater awareness of their internal capacity and are more successful in focusing their resources on what matters most.

3. Leverage key strengths within the organisation

It follows that a greater degree of clarity around key objectives and internal accountabilities allows for greater visibility on the required strengths within a business. Where businesses often trip up is in not properly aligning the capabilities needed at all levels to deliver on the strategy. For example, it's not always about hiring the best and the brightest, but it is about aligning their collective skills and experience (through specific hires or leadership development) to the strategic direction of the business now and in the future.

Ultimately, to succeed in today's market leaders need to be bold by committing fully and visibly to their strategy. This requires setting, communicating, executing and measuring clear objectives without distraction.

Creating value is not an impossible feat and it is those organisations that truly master the art of focused execution that will reap the benefits in times of uncertainty.



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Tyler Mangan
The Office
31-35 Kirby Street
London EC1N 8TE

+44 (0)207 492 1969
info@tylermangan.com
www.tylermangan.com

