

Execution Is Missing in Action

By Michael Laff

What politicians may lack in vision, corporations lack in execution, at least in the eyes of many of their leaders.

According to a recent survey by OnPoint Consulting, 49 percent of business leaders report a gap between their organization's ability to articulate a strategic vision and their effectiveness in executing that vision. Of the 49 percent who noted an internal gap, 64 percent lacked confidence that their company could change course.

More than 400 companies participated in the survey; 240 of which have annual revenues exceeding \$250 million. Two-thirds of the respondents employ 2,500 workers.

"Over the last 10 to 15 years it's become apparent that most organizations are quite capable of developing a strategic vision," says Richard Lepsinger, president of OnPoint Consulting. "Where the breakdown occurs is many companies

are not achieving their desired outcomes, which then causes frustration."

A wide range of industry leaders were queried. The pharmaceutical industry fared better than other sectors—fewer acknowledged a gap between vision and execution and fewer were pessimistic about being able to change course. Leaders in the chemical, manufacturing, and financial services who reported a gap were particularly pessimistic about reversing their fortunes.

Perspectives about whether an organization is living up to its ideals did not vary by rank. Senior managers and middle managers generally agreed about the direction of their organizations.

Lepsinger cites five factors that separate high-performing organizations from those that are struggling to achieve their

The BIG Number:

49%

of companies report a gap between articulation and execution of a strategic vision.

goals: change management, an appropriate organizational structure to achieve goals, appropriate participation in decision making, leadership consistency in abiding by the mission, and coordination of actions across departments.

Despite the hand wringing about the failed objectives, there is little need to start from scratch and rewrite or rethink the organization's mission statement, Lepsinger believes.

"Mission statements are written at a high level," Lepsinger explains. "They are meant to be inspirational and to drive strategy. In my opinion, companies should not put more detail in their mission and vision statements because that would make them unwieldy."

Many of the suggestions offered in the report seem obvious, but the study reveals that sound management practices are still lacking in key areas. One often-cited failure is management's maintenance of two sets of priorities: one for the organization as a whole and a separate one for themselves.

If employees see that their leaders do not abide by the ideals they preach, that is a contributing factor to the breakdown between vision and execution. The report cites an instance when the former president of American Airlines offered huge "stay" bonuses to senior executives, while asking the rest of the staff to accept deep pay cuts.

Perception of a Gap and Confidence It Can Be Closed

Is there a gap?		YES	NO	YES, BUT IT CAN'T BE CLOSED
INDUSTRY	Pharmaceuticals (37)	46%	54%	41%
	Healthcare (111)	54%	46%	61%
	Financial Services (87)	38%	62%	64%
	Insurance (45)	48%	52%	57%
	Manufacturing (111)	54%	46%	68%
	Chemicals (18)	50%	50%	89%
	Overall (409)	49%	51%	64%

Source: OnPoint Consulting

Michael Laff is an associate editor of T+D; mlaff@astd.org.