

FIX THE DISCONNECT BETWEEN



There is a need for a more systematic way to align the organization to its strategy.

By Mary Lippitt

STRATEGY

&

EXECUTION

When strategy fails to achieve expected results, is it because the strategy was ill-conceived or the execution was flawed? Research is pointing more and more to problems with execution. It certainly is not a slam dunk.

The failure to execute is a major concern of executives because it limits organizational growth, adaptability, and competitiveness. Executives are not judged by the brilliance of their strategy, but by their ability to implement it. The problem is how to close the gap between strategy and actual results.

The solution is a new execution planning step. Not only will it solve the strategy execution problem, but it also offers HR professionals a unique opportunity to assume a new organizational function and secure a seat at the decision-making table.

A recent global study conducted by the HR Institute and the American Management Association found that execution derailments are due to:

- ✗ heavy reliance upon annual strategic and performance review
- ✗ slow and ineffective decision making
- ✗ weak employee engagement
- ✗ insufficient attention to customer needs
- ✗ murky roles, responsibilities, accountabilities, and progress measures
- ✗ inability to work laterally across functions and departments
- ✗ weak monitoring of progress
- ✗ ineffective delegation of execution to others.

These findings point to the need for a new level of coordination, improved integration between external and internal realities, more frequent adjustments, and a more systematic determination of how to align the organization to its strategy.

New execution planning step

The disconnect between strategy and implementation can be bridged by inserting a new planning step between strategic planning and project management. This new step, called execution planning, is a creative process to identify, communicate, and implement initiatives to achieve strategic goals.

In the rush to act on strategy, too little attention is paid to finding the best implementation initiatives. Shortcuts are taken, such as repackaging existing projects that appear to support a new strategy—which merely replicates what other companies have done without any customization. There is a clear parallel between our experience of using analysis and planning to improve quality, and how execution planning can boost implementation success rates.

Executives can copy strategic plans, but they cannot duplicate execution. Consider the automotive industry. All the manufacturers pursue the same strategy, yet few execute it well. Toyota opens its operations for observation, but few can replicate the company's results because it requires more than tools, techniques, and schedules. Execution planning addresses the intangibles of cross-functional integration, reward systems, and culture as well as the tangibles captured in most planning documents. Execution, not strategy, offers an exclusive competitive advantage.

Consider the costly history associated with implementing most enterprise resource planning systems or integrating human resource systems or other comprehensive IT solutions. For many firms, false starts, delays, and confusion characterize implementation. The new planning step targets exactly these issues.

Further, this new step ends the old ineffective practice of executives tossing a strategy "over the transom" for others to carry out. The bottom line is that this new step integrates

implementation cross-functionally and across departments, increasing the chance for success. It is a sound upfront investment that prevents the confusion, rework, and delays that characterize many implementation efforts.

Another reason strategic plans fail to produce results is that most organizations operate on an annual cycle for strategic review, performance review, and budget allocation. Execution planning provides an immediacy that is currently lacking in many organizations. When questions, problems, or issues arise, it also serves as an efficient way to resolve these issues with timely adjustments or clarifications.

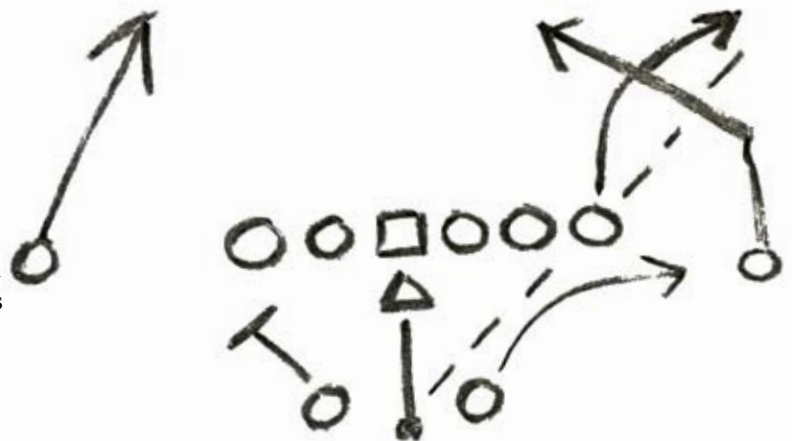
NASA reports that rockets are off course more than 80 percent of the time. They would never meet their intended destination without making the necessary adjustments. The same thing occurs during execution. Execution plans can and do go astray, but they can still be successful, as long as the variance is noted in time and adjustments are made to get back on course.

In summary, the new execution plan:

- improves cross-functional integration during monitoring
- focuses on the intangible people and cultural issues that are known to derail both strategy and change
- provides a timely review and resolution path
- launches customized initiatives that gain strong internal support
- aligns work to meet goals and cuts wasteful activities.

A new mindset

In 1941, although the admirals at Pearl Harbor were highly experienced, they failed to see the possibility of a surprise attack. A common world view, or group think, contributed to their shared blind spot. Research conducted at Ohio State University, titled "Why Decisions Fail," shows that this phenomenon also permeates business. The study found that 80 percent of management decisions are made without ever considering an alternative.





This decision-making mode might have been safe in the 1800s and early 1900s, when the pace of change was slower, but in our current dynamic business environment, it is dangerous. As Darwin's theory suggests, "It is not the strongest of the species that survive, or the most intelligent, but the one most responsive to change." A single viewpoint limits our ability to see trends and effectively adapt in a timely manner.

To neutralize group think, multiple mindsets are infused into execution planning so that new options can be explored. This broad framework provides insight through key execution priorities. The framework functions as a checklist to ensure that all contingencies are considered and that the best alternative is executed. It also helps to communicate the plan to others. When a plan reflects all priorities, a high level of acceptance is more likely.

Execution planning may not yet have the panache of strategy formulation, but it substantially increases the likelihood of solid and sustainable results. It is the steak to strategic planning's sizzle. It also offers HR and learning professionals the opportunity to serve as execution planning facilitators and become a valued business partners.

A new role

Execution planning and HR and learning professionals are a natural fit. HR and learning professionals understand their entire organization, develop leaders and skills, and are process masters. Accounting and sales serve as prime examples for how an expansion of roles into finance and marketing, respectively, led to an increase in stature as key business players. If HR and learning professionals reposition themselves as contributors to execution, they will become indispensable partners to the executive team.

Can HR and learning professionals perform this role? Yes. Their skill sets match those required for an execution planning facilitator, including

- ✕ mastery of systems and integration mechanisms
- ✕ ability to assess and develop new competencies

- ✕ knowledge of culture and change management
- ✕ organizational analysis skills
- ✕ coaching and facilitating skills
- ✕ ability to forecast and prescribe
- ✕ consulting and customer service skills
- ✕ questioning skills.

The following example demonstrates that this new role is not a matter of technical skill; rather, it requires mindset flexibility, effective questioning, and an awareness of process. I was working with a large manufacturing firm that had just adopted a growth strategy, when one of its older plants was cited by the Environmental Protection Agency (EPA) for violating new pollution standards. Top management's initial thought was to spin the problem through public relations, which would assert that the older plant should be grandfathered or given a period of time to comply. By relegating the issue to PR, top management could avoid any further distraction.

This was not necessarily the best tactic. I only had to ask a few questions before management started to investigate other options. I asked, "Are there any potential connections between growth demands and the current regulatory citation?" To encourage the exchange of ideas, I also asked them to identify every potential response. The list they generated included shutting the plant down, challenging the new requirements in court, retrofitting the plant to meet the new requirement, and replacing the plant's technology with new technology that would meet EPA standards.

With options on the table, I turned the discussion to each of them. Everyone agreed that any action that would advance the growth strategy would be compelling. Pressed to list additional factors, the executive team identified legal costs, community and customer goodwill, employee retention, union acceptance, meeting projected growth demands, initial cost outlay, tax savings, consumption of management time, competitive position, and support from the industry trade association, to name a few.

After careful evaluation, it became clear that the best decision was to introduce new plant technology that would also expand capacity to enable growth. What started out as a defensive public posture shifted in context and impact. The company was viewed as a responsible corporate citizen while it increased capacity, reduced operating costs, and prepared for growth.

The kickoff was coolly received by employees because the new technology would affect the size and skill of the workforce. The union resisted a reduction in force, but an agreement was easily negotiated when a no-layoff policy was offered and a training plan crafted. During a temporary closure of the old facility, a new quality team was established and put through training to prepare for a vigorous process improvement effort when the plant reopened. And it did. Costs per unit fell 30 percent. The entire plant transformation was documented, and best practices were identified with the expectation that other plants would adopt the new technology.

This is one example of how HR and learning professionals can help organizations close the execution performance gap between strategic planning and implementation. What it takes is an understanding of what execution planning is, a framework to ensure comprehensive analysis, and an ability to ask questions using each priority in the framework.

What can you do to start? A few suggestions:

- Look for an execution planning effort within HR to practice the new execution planning step.
- Conduct a “lessons learned” exercise on a recent execution effort to demonstrate how your knowledge can leverage better implementation.
- Partner with a colleague and prepare a model to use during execution planning.
- Reach out and offer assistance to guide a new execution initiative.

Execution offers HR and training the spotlight they need to prove value as business partners. All that is needed is the willingness to start executing. **T+D**

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