



How to make strategy stick

Michael Carman

The scene is all too recognisable: a pristine strategy has been carefully crafted and lovingly documented. All members of the executive have “signed-on”, brochures are printed and distributed to staff, fresh screensavers bearing strategic objectives are loaded onto PCs, and the company bulletin hails the New Strategy.

Barely three months later “The Strategy” is a distant memory, overtaken by events, rendered obsolete by a run of urgent demands and filed with its predecessors as a dust collector.

Why does this keep happening? And, more to the point, can anything be done to salvage company and group strategy so that the promise of strategic planning (a structured and ordered means of dealing with challenges, of setting priorities, and of unifying individual efforts for joint performance) can be realised?

I believe so, but it entails giving extra thought and effort to how strategy plays out. Here are a number of ways to give your beloved strategy some traction—and a fighting chance for survival.

Keep strategies specific—without getting lost in detail

Seeing strategy as a highly detailed Grand Design militates against successful implementation because it increases the likelihood of the strategy being overtaken by events. In turn, this undermines the strategy’s credibility and staying power.

The trick here is to not over-engineer the strategy; keep it specific enough so that it can be clearly implemented but general enough so that it can withstand the flow of events.

Successful strategising depends in part on pitching the effort at an appropriate level of specificity so that it’s distinct and discrete enough to be recognisable and actionable, without being so broad as to be meaningless

“motherhood and apple pie” sentiments. Examples of goals that are probably near the right level are:

- drive down inventory costs by 15 per cent
- reduce staff turnover to four per cent
- gain a foothold in the fast-moving consumer goods market through aggressive acquisitions.

On the other hand “Deploy new SAP system in the North West region in mid-June” is too specific (that level of detail belongs in an action plan) while “Be customer focused” is far too general.

Overly specific or general contributions during strategy workshops need not be rejected, however; they can be captured and then “laddered” up or down to the appropriate level of analysis and action.

Knowing the right conceptual and practical level of granularity at which a strategy effort should be carried out only comes with practice, but training yourself to recognise it is well worth it.

Build implementation considerations into strategy formulation

As US consultant and author Alan Weiss commented: “No strategy ever failed in formulation—how could it?... It’s safely entombed in a three-ring binder with coloured tabs.”

Instead of treating strategy development (or formulation) separately from its implementation, include implementation

considerations from the outset. There are a number of ways of doing this.

- 1 If a vision for the future or a strategic alternative is developed, the team carrying out the strategic analysis should then identify the barriers to achieving that vision or alternative. While this may seem out of place, strategic planning author and consultant John M Bryson points out that doing this is one way of ensuring that implementation difficulties are dealt with directly rather than haphazardly.
- 2 Implementation considerations may emerge during a SWOT (strengths, weaknesses, opportunities, threats) analysis. The SWOT analysis is the time-honoured workhorse of strategy workshops—the section of the analysis dealing with internal organisational weaknesses may make apparent some of the obstacles to effective implementation that can be captured and comprehended in implementation.
- 3 Action plans that clearly outline what is deliverable to who, by when, should be drawn up once strategies have been developed. These then need to be captured in individuals’ performance agreements.

Cascade strategies through the organisation

One of the most common complaints about organisations – particularly large ones – is the difficulty in getting strategy (and change in general) down into the organisation.

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The common experience is that strategy doesn't penetrate below a certain level of senior management: middle managers and frontline staff are doing what they have always done with no difference and there is a disconnect within the organisation. So getting strategy not only into, but through, an organisation is the challenge.

In effect, this challenge translates to how the strategy cascades through the organisation, from its high-level development and action planning at the executive level, through successive layers of management to the operational and client coalface, via business plans and performance agreements.

One thing is immediately apparent: the more layers of management, the more difficult it will be to cascade the strategy through the organisation. A company with "lean" management and a flat organisational structure has far better prospects for effective strategy implementation than does a multi-tiered bureaucracy mired in process. In fact, an effort to flatten an organisational structure may well follow the development of a market- or stakeholder-driven strategy. (As the management dictums rightly state: structure follows strategy; form follows function.)

To credibly cascade a strategy or objective through an organisation requires an understanding of the drivers of performance and their inter-dependencies. For example, to reduce transport costs by 12 per cent, to reduce defects per production run by five per cent, or to increase share in a particular product market to 20 per cent entails "unpacking" performance into its constituent parts and analysing what effort needs to be directed to which activity. These can then be allocated to and managed through divisions.

It's also worth pointing out that less is more when it comes to strategy: having only a few strategies facilitates greater focus and hence better prospects for successful cascading.

Provide leadership

The best strategy will founder for want of leadership support. As management guru Peter Drucker observed, commitment is necessary for success. Leadership is required for a strategy to gain and maintain traction. It is one of the tasks of executives not only to develop a strategy, but also to drive it forward, to put it front and centre, to invest it with energy and keep it alive.

The antithesis of this is what one senior executive once described to me as his approach: "We'll just throw it up in the air and see what sticks".

Senior management must provide the ongoing framework for accountability—and the strategic and performance reviews—which ensure successful implementation.

Ultimately, strategy is a process rather than a plan or document, and it revolves around intentional thinking and acting about how an organisation can best adapt to its environment. This "guided adaptation" requires continual discussion, monitoring (internal and external), engagement, and reward and sanction.

An organisation's leadership team creates the arena in which the strategy is accomplished, in particular communicating and reinforcing the strategy to the staff who put it into effect. When that occurs, there's a far greater chance of the pristine, carefully crafted strategy avoiding the fate of so many of its predecessors. ■

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