

So let's go beyond this single-line explanation and take a broader look at Strategy Execution. Here are 12 insights:

1. ***Strategy Execution is a vast area with blurred borders.*** It includes several processes – from budgeting to evaluating individual objectives, and involves all functional domains.
2. ***Strategy Execution is a discipline of its own.*** Making strategy work isn't the same as strategy making. It's a different game with its own rules, potential pitfalls and best practices. Four important differentiators are:
  - *It involves everyone.* From the CEO to the blue-collar worker, everyone is involved in executing the strategy. Their roles might be different, but all individuals contribute to the organisation's execution effort.
  - *It takes much longer.* You can build a strategy in a few weeks (or months at the most) but the execution can take several years. It's a sprint versus a marathon.
  - *It demands short- and long-term thinking.* While executing, you need to manage your long-term implementation plan *and* worry about the nitty-gritty actions you will take tomorrow.
  - *It requires a specific skill set.* A different game demands different skills. The most important strategy skill by far is analytical thinking, whereas executioners particularly benefit from strong objective setting and people skills such as communication and coaching.

---

*“Execution is a specific set of behaviours and techniques that companies need to master in order to have competitive advantage. It's a discipline of its own”*

– Ram Charan and Larry Bossidy, *Execution*

---

3. ***Great Strategy Execution requires a great strategy.*** Even if Strategy Execution differs greatly from strategy building, it cannot

exist without it. In fact, a great execution can never compensate for a poor strategy.

4. ***Strategy Execution requires your attention from the start.*** And the start is the strategy formulation phase. Execution isn't something you worry about after you have already finished crafting your strategy.

You need to think about the implementation challenges *at the same time* you design your strategy.

Here's an overview of the five most important implementation hazards to think about while developing your strategy. To give you a head start, I have included for each one, the key question(s) to ask during the strategy design phase:

- ***The existing culture.*** Strategies that demand a large cultural shift are doomed to failure as cultural change is very hard to accomplish. Ask yourself: 'How big is the culture change needed in order to execute the new strategy?' and 'Is the required change realistic?'
- ***The existing power structures.*** Each organisation has its own power structures, invisible at the surface and part of the 'unwritten rules' within the organisation. But they *do* exist. And they *will* influence your execution capabilities. Pose the following questions: 'What are the current power structures in our organisation?' and 'How will they impact the implementation of the strategy we are developing?'
- ***The ability to change.*** Each strategy will demand a change effort. And I can tell you the effort is always bigger than you anticipate at the start. Ask yourself: 'How much change can our organisation handle?'
- ***The maturity of the execution process.*** Once finished, the strategy will use the existing execution processes in your organisation. Upgrading is possible but takes time. So ask yourself: 'What's the current maturity of our execution capabilities?', 'Is there a need to upgrade?' and 'How long will the upgrade realistically take to accomplish?'
- ***The maturity of the Strategy Execution skills.*** Related to previous. Processes need skilled people to operate them. The questions

to ask: ‘What’s the current maturity of the manager’s execution skills?’, ‘Is there a need to upgrade?’ and ‘How long will the upgrade realistically take to accomplish?’.

---

*“Culture eats strategy for lunch, every day”*

– Dick Clark, CEO, Merck

---

5. ***Strategy Execution has a strong timing sequence.*** You don’t do everything at the same time. One thing happens before the other, and the order is important.
6. ***Strategy Execution requests a seamless integration between organisational and individual performance.*** You can look at performance from either an organisational or an individual perspective. But in order to realise your strategy, a connection between both is crucial. Most will agree with this statement, but few will actually make it happen.

---

*“Building a visionary company requires one percent vision  
and 99 percent alignment”*

– Jim Collins and Jerry Porras, *Built to Last*

---

7. ***Strategy Execution demands clear responsibilities.*** Strategy Execution takes place across different organisational levels. Depending on the size of the company, these include the overall company level, one or more intermediate levels – usually called division, department or team – and the individual level.

In large organisations, you can have up to 10 different parties involved, including corporate functions, functional lines, regional structures and countries. In addition, within each of these structures, responsibilities are often dispersed among the departments of human resources, finance and strategy and the various leadership teams.

Pretty easy to lose some of your strategy in this structure, wouldn't you say?

So in order to make it work, you need to define clear responsibilities for all parties involved.

**8. *Strategy Execution requires horizontal alignment.*** Building on the previous point, I'd like to stress the importance of a strong horizontal collaboration between business and support departments. Their relationship should go beyond the annual budget and monthly operational meetings.

**9. *Strategy Execution needs heroes.*** Managers are the most important players in the execution contest. In fact, strategy remains a paper exercise without managers taking the right actions and fulfilling their roles. They contribute content, are the links between organisational levels, and act as performance role models.

And this requires the right attitude. Execution isn't something *others* should worry about. Each manager should:

- Acknowledge the importance of Strategy Execution.
- Understand what Strategy Execution is all about.
- See execution as an essential part of being a leader.
- Know how to maximise their crucial role in the whole process.
- Develop the necessary Strategy Execution skills.

On top of that, senior managers need to put the necessary processes in place to ensure that all managers in the organisation become execution heroes. This is a challenge in itself.

---

*“Strategy Execution isn't something other people should worry about while you are doing something far more important”*

---

**10. *Strategy Execution asks for measurement.*** In many organisations, Strategy Execution is still a black box. You throw your strategy in one end and performance comes out the other end. But nobody really knows what did the trick. It's impossible to say what worked

and what didn't. Even worse, companies change things for the worse because they don't know the key elements of their execution success.

So, as with all other business activities, organisations need to measure their performance. It's time to open the implementation box and see what's inside. Here's how:

- *Find the strong and weak points of your execution process.* If possible, compare them against your competitors. Evaluate the complete process or zoom in on one or two steps. Do the exercise for the organisation, one or more divisions, or start with only a small team.
- Once you have gained these insights, *focus your energy on those things that matter most* for the organisation. In other words, set priorities.
- *Don't forget to keep doing what you do well.* Once you've identified your strong points, make sure you keep them best-in-class.
- *Have a long-term perspective.* It takes time to build capabilities. Small organisations should count on 18 months to become best-in-class. For a large multinational, it can take up to three years to get there. Your measurement approach should take the long-term into account.
- *Set intermediate goals and measure your progress.* While you do want a long-term measurement perspective, you also want to define and track intermediate targets.

**11. Strategy Execution is a resident.** Constantly changing environments, customers, competitors and employees require Strategy Execution to be an ongoing process. It should be institutionalised within the organisation: a permanent activity – part of the organisation's culture and DNA – that is driven with persistence and discipline.

---

*“After a business implements a strategy, competitors will react, and the firm's strategy will need to adapt to meet the new challenges. There is no stopping point and no final battle. The competitive cycle continues on perpetually. Produce and compete or perish”*  
– Thomas Timings Holme

---

**12. Strategy Execution is on its way to maturity.** Robert Kaplan and David Norton started a new management revolution in 1992 with the introduction of their Balanced Scorecard concept.

Originally launched as a new way of measuring strategy, taking into account other measures rather than merely the financial ones, the Balanced Scorecard quickly became the instrument that made managers think harder about the implementation of their strategy.

And today, more than a decade later, Strategy Execution has grown out of its infancy and is on its way to maturity.

## **The 8 - a unique Strategy Execution framework**

Strategy Execution or performance management is a complex process. In fact, it's a mix of several processes – and the ideal process picture is different for each organisation.

But even with a different mix, each best-in-class performance management process should include some basic building blocks. Luckily, many of them are readily available within most organisations. They include:

- Tried and tested approaches for reviewing a strategy.
- Strategy cascade tools, the Balanced Scorecard being the best-known.
- Techniques to structure, execute and monitor strategic projects.
- A proven approach to set, monitor and evaluate individual objectives.

What is lacking however, is a simple framework to integrate and align all of these different building blocks.

And that's where the 8 comes in. It combines the most important building blocks into a coherent image.

The 8 doesn't cover all of the ins and outs of the Strategy Execution process. It's not supposed to. It's not a rigid step-by-step instruction. But it does provide a necessary, simple framework for Strategy Execution.

You can make your execution framework more complex if you prefer. For the organisational cycle in particular, there are some sophisticated models around. Kaplan and Norton describe one in their latest book *The Execution Premium*. You can find a second one that also includes organisational structure impacts in *Making Strategy Work* by Hrebiniak.