Strategy Execution: From Powerpoint to Practice

“A strategy, even a great one, doesn’t implement itself”

MBA course | 16.03.2010 | Jeroen De Flander
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Agenda

1. The execution challenge
2. The Strategy Execution formula
3. 12 insights from the best-in-class
4. Strategy Execution Heroes
5. Strategy Execution Barometer®
6. Questions & Answers
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The execution challenge - 3 crucial questions every managers should ask

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What can I do to close the execution gap?
The execution challenge - experts and senior executives join forces

Experts

- Dr. Peter Scott-Morgan
- Sir John Whitmore
- Volker Voigt
- Prof. Vincent Lion
- Koen Schreurs

Senior Executives

- Michael Smith
  VP Group Strategy **Coca-Cola**
- Shane Dempsey
  VP HR & Comm. **Novo Nordisk**
- Douglas Johnson-Poensgen
  VP Business Development **BT**
- Alan Maxwell
  VP HR **Lockheed Martin**
- Jean-Francois Van Kerckhove
  VP Corporate Strategy **eBay**
- Hervé Borensztejn
  Sr VP HR **EADS**
The execution challenge - our contribution

Actionable, up-to-date benchmark information

250+ useful implementation tips
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The Strategy Execution Formula:  **Framework + Heroes = Performance**

**Framework**

- Organisation Level
  - Update Strategy
  - Compare & Learn
- Individual Level
  - Manage Initiatives
  - Evaluate Performance
  - Monitor & Coach
  - Communicate & Cascade
  - Set Objectives

**Heroes**

- Image of two people in superhero costumes

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The performance factory | it’s all about strategy execution
The 8

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- Manage initiatives

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the performance factory | it's all about strategy execution
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12 insights from the best-in-class: Strategy Execution ...

1. … is a discipline of its own
2. … is a vast area with blurred borders
3. … is on its way to maturity
4. … requires a great strategy
5. … requires your attention from the start
6. … has a strong timing sequence
7. … requests a integration between organisational and individual performance
8. … demands clear responsibilities
9. … requires horizontal alignment
10. … asks for measurement
11. … is a resident
12. … needs heroes
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“Don’t mix execution with operations/tactics.”
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The Strategy Execution Barometer®: actionable, fact-based Strategy Execution benchmarking data
The Strategy Execution Barometer®: participants

[Image showing a word cloud with various company names such as Samsung, HSBC, Air Liquide, Altria, Kraft Foods, GDF Suez, Nike, HSBC, ING, Walt Disney, BP, Microsoft, Nokia, Google, Sony, and others.]
The strategy Execution Barometer® looks at Strategy Execution from eight different perspectives

I. Strategy Focus

II. Strategy Communication

III. Initiative Management

IV. Individual Objective Setting

V. Skilled Managers

VI. Engaged People and Performance-Driven Culture

VII. Performance-Related Pay

VIII. Support for Managers
Initiative Management and Strategy Communication rank at the bottom when comparing all eight perspectives.
Three striking conclusions on the biggest challenge, Initiative Management

- Strategic initiatives are poorly staffed and inadequately budgeted for
  - Only 61 percent believe that initiatives are adequately budgeted and staffed.
  - Only 6 to 8 percent of respondents are happy with resource allocation

- Strategic projects lack transparent accountabilities
  - 26 percent have no clue who is responsible for several strategic projects
  - Only 21 percent find the project accountabilities transparent

- There is often a mismatch between the project portfolio and the overall strategy
  - 21 percent of all projects fail to support the strategy
  - Only 15 percent is convinced that all projects are aligned with the strategy
Three striking conclusions on Strategy Communication, the second priority

- Senior management is ignorant of managers’ understanding of the strategy
  - 33 percent of participating managers are never actually asked the question
  - Measurement of strategy understanding receives the worst scores of all communication elements surveyed

- Managers lack information on their colleagues’ goals
  - Just 17 percent are happy with the strategy intelligence received from colleagues
  - And 24 percent don’t receive anything at all

- Managers lack a clear view of the overall Strategy Execution process
  - Just 66 percent indicate that they receive information on the Strategy Execution process
  - Of all the 15 elements that determine the quality of the strategy communication, this one scores poorly and ends up in 14th place
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Performance takeaways for this session

1. Sound Strategy Execution creates competitive advantage

2. Most companies lose 40 to 60% of their strategic potential

3. You need to know exactly where you lose performance

4. Use the concept of the 8 to link individual and organisational performance

5. Remember the managers’ crucial role to get it done

6. Take on the challenge and be a hero!