

Strategy Execution in the Aftermath of the Financial Crisis

a CFO
Perspective

Vlerick Leuven Gent
Management School

the performance factory

*it's all about
strategy execution*

34 lessons learnt from the crisis
20 tips to prepare for recovery

Strategy Execution in the Aftermath of the Financial Crisis

DEAR READER

You are looking at the research report Strategy Execution in the Aftermath of the Financial Crisis.

Since 2007, a lot of ink has been spilt on the worldwide financial crisis. Emergency responses, regulatory reforms, macro-economic analyses and predictions on the relaunch have been discussed at large.

Our research takes a different approach. We take a CFO perspective; focus on the lessons learned from the crisis and offer tips to prepare for recovery. More specifically:

- Part I looks back and collects 34 lessons learnt from 25 top CFOs
- Part II looks forward and offers 20 tips to prepare for recovery

We hope you find the information interesting, inspiring and, above all, helpful.
Go ahead and start browsing – and please do send us your comments.

Best regards,

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ABOUT THE RESEARCH

VLERICK LEUVEN GENT MANAGEMENT SCHOOL

THE PERFORMANCE FACTORY

PARTICIPANTS

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Strategy Execution in the Aftermath of the Financial Crisis

About the research

The Performance Management Research Platform from Vlerick Leuven Gent Management School and the performance factory joined forces to investigate Strategy Execution in the Aftermath of the Financial Crisis from a CFO perspective.

VLERICK LEUVEN GENT MANAGEMENT SCHOOL

Rooted in historic cities and associated with two renowned Belgian universities, Vlerick is today a top European business school and one of the very few in the world to hold three major accreditations. Vlerick's unique approach combines academic knowledge and research with hands-on business expertise – a dynamic balance that continually stimulates entrepreneurship and innovation. More information at www.vlerick.com.

THE PERFORMANCE FACTORY

the performance factory is a leading research, training and advisory firm focused solely on Strategy Execution. Our products and services help managers, future managers and organisations to increase performance through best-in-class Strategy Execution. More information at www.the-performance-factory.com.

PARTICIPANTS

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INTRODUCTION

Introduction

Not every company will survive the crisis. But most will. And the future success of these companies will be influenced by the decisions and actions taken during the crisis. Those who haven't prepared may survive the recession only to find themselves overtaken by their competitors as the economy gets back to normal.

Take a look at these figures from an article in the Harvard Management Update (Baveja, Ellis, Rigby - March 2008). A recent study of more than 700 companies over a six-year period found that *"twice as many companies made the leap from laggards to leaders during the last recession (90-91) as during surrounding periods of economic calm"*.

And most of these changes lasted long after the recession was over ? a clear indication that what you do during the crisis determines your position when it's over. Or, just surviving the crisis isn't enough, companies must take advantage of the situation to strengthen their position. As Machiavelli said more than 500 years ago, *"Never waste the opportunities in a crisis"*.

So the point is: you need to start - right now! - to prepare for recovery.

This document will provide you with practical advice to get it done. The information is a collection from our own insights and individual discussions with 25 CFOs based in Belgium.

Strategy Execution in the Aftermath of the Financial Crisis

The **first part** looks back and summarises 34 lessons learnt. As the crisis is not over, this may be a good checklist to see how you are doing. Most of the lessons are very down-to-earth but often, in times of crisis, those are the ones we tend to forget about.

The lessons are divided into 10 categories:

1. Adapt your analysis and forecasting to the new needs
2. Work on the costs but also on the revenues
3. Sometimes it's good to let go of the old truths
4. Remember: "Cash is King, Again"
5. Refine your budgeting process
6. Work on other processes as well
7. How about the people side?
8. Don't forget your partners
9. Organise flexibility for the future
10. Always guard your integrity

Strategy Execution in the Aftermath of the Financial Crisis

The **second part** looks forward and provides 20 tips to prepare for recovery. The tips are organised into 3 categories:

1. Your strategy: go beyond the classical Porter analysis
2. Avoid the budget boomerang
3. Get ready to execute

You might want to put the lessons learnt and recovery tips on the table during the next management team meeting, or spend some time analysing before you start your strategy exercise and discuss with your team. Whatever approach you choose, we hope this information will bring creativity to your relaunch discussions and realism to its execution: two crucial elements for success.

THE CFO: FROM SCOREKEEPER TO STRATEGIST

The CFO: from scorekeeper to strategist

The financial crisis has pushed CFOs into the spotlight. Nowadays their influence extends far beyond traditional financial control and compliance. The international trend that CFOs are increasingly involved in strategy definition is confirmed by our research. They are asked to participate actively in strategic discussions based on their broad business understanding. The CFO role with regards to the development of the company strategy is gradually shifting from 'bystander providing input' to 'key player and co-decision maker for strategic issues'.

In general, the CFOs interviewed graded their involvement in strategy definition as rather proactive.

The interviews suggest that the extent and nature of their contribution to strategy formulation varies widely. The CFOs active at the top of the organisation are heavily involved in the actual strategy formulation, whereas the CFOs at the business unit level are logically more focused on cascading and communicating the strategy further down.

Strategy Execution in the Aftermath of the Financial Crisis

In Strategy Execution they are all implicated, by nature of their role. *"CFOs are expected to look beyond the numbers and provide insights on the bigger picture"* one of the CFOs said. In general, the CEO sets the vision and the CFO acts as his/her right hand to get it implemented.

Be that as it may, strategy in general was not the top concern for the typical CFO. When asked about their primary focus of the last couple of years, the interviewees most often pointed to cost containment, cash flow preservation and risk management. So the basic responsibilities of the finance function remain a core concern. What's more, these concerns are here to stay as a new management attitude. In view of the market uncertainty, many CFOs indeed indicated they take measures to ensure cost and risk management will survive - even in better times.

IMPACT FROM THE CRISIS ON COMPANIES IN BELGIUM

Impact from the crisis on companies in Belgium

Our research focuses on the lessons learnt from the crisis and what to do next. We do not have the pretention to be complete, but we do want to share our observations on the impact of the crisis on companies in Belgium.

Overall, based on the sample of companies that participated in our research, we can say that:

1. The impact of the crisis on companies varies, even within a sector. Pre-crisis cash position, product positions, target customer behaviour seem to play an important role.
2. In general, most companies were heavily impacted and recorded a reduction in turnover over two consecutive years.
3. A small group indicated a gain in market share and/or competitive position. The industrial activities seem to suffer more than other sectors, but caution is due to the sample size represented.
4. Size or pre-crisis sector position seems to be no guarantee to escape from a severe decline in both operating and financial results.
5. Just like the impact, there is no typical outlook for the near future. Generally speaking, many CFOs do see indicators that the worst impact is over, but most remain very cautious with regard to relaxing crisis measures.

Part

I

34 LESSONS LEARNT

ADAPT YOUR ANALYSIS AND FORECASTING TO THE NEW NEEDS

WORK ON THE COSTS BUT ALSO ON THE REVENUES

SOMETIMES IT'S GOOD TO LET GO OF THE OLD TRUTHS

REMEMBER: "CASH IS KING, AGAIN"

REFINE YOUR BUDGETING PROCESS

WORK ON OTHER PROCESSES AS WELL

HOW ABOUT THE PEOPLE SIDE?

DON'T FORGET YOUR PARTNERS

ORGANISE FLEXIBILITY FOR THE FUTURE

ALWAYS GUARD YOUR INTEGRITY

Adapt your analysis
and forecasting to
the new needs

1. SHORTEN YOUR STRATEGY REVIEW CYCLE

Today's business environment is evolving at the speed of light. Instead of using your annual strategic review cycle to kick-start your budgeting process, aim for quarterly meetings. Make sure these meetings are well-prepared to allow for sound and rapid decision-making.

2. BALANCE THE SHORT AND LONG TERM

Everybody has to make tough decisions. That's what managing a crisis is all about. But be sure you evaluate each decision against your ability to compete over the long term. Using scenario thinking is a good way to approach this. It forces you to come up with alternatives and reflect on the long-term impact.

3. START MAKING SCENARIOS ASAP

In most cases you need input from your line managers to assess the impact of, for example, deteriorating sales on staffing and other costs. Getting their input in tempore non-suspecto will help you later on. After all, you'll probably receive a more unbiased view if the question is still hypothetical.

4. RECONSIDER REPORTING PURPOSE, FREQUENCY AND LEVEL OF DETAIL

Monitoring becomes even more important in times of crisis. And there is often a need for different indicators (for example, cost efficiency versus growth rates). Ask your team members to clarify their new reporting needs. Force them to be specific in what they need, why they need it, how often and in what level of detail. Then you make it happen, even if the extra reporting puts a burden on your team. The extra effort increases visibility in rough weather and is worth the effort.

Work on the costs
and the revenues

5. STRENGTHEN YOUR OPEX FOCUS

Challenge operational expenditures to the last euro. Acceptance by, or better, involvement of, all employees certainly helps. It's wise as well to start with highly visible OPEX reductions like travel restrictions that demonstrate top management is on a regime as well. So walk your talk!

6. DIVE INTO YOUR COGS

Cost of Goods Sold is very often an important part of expenses. Make sure you master the COGS drivers, how overhead costs are embodied in inventory amounts and what flow assumptions are in use. These reflections will offer you interesting improvement actions.

7. EVEN THE SACROSANCT IS OPEN FOR DISCUSSION

A crisis is ideal to challenge topics that were 'not-to-be-touched' before. For example, promote working from home to reduce facility costs or ask employees to take some days of unpaid leave.

8. DON'T FORGET YOUR CUSTOMERS

Listen to your customers and have the courage to try out different approaches. Chances are that the difficult economic climate has altered your customers' needs or loyalty dramatically. So don't rely on past research - do your homework and categorise them on buying pattern, profit margin or payment history. Your analysis will point to possible actions for improvement. An examples of such an actions is: value-based pricing to distinguish between higher tier products that incorporate client-relevant innovations and cheaper alternatives that don't.

Sometimes it's good
to let go of the
old truths

9. DARE TO LET GO OF THE MARKET SHARE LOGIC

“Business is like warfare”. You hear this so often that it is hardly surprising that many companies want to beat their competitors. But the common practice of trying to grab market share can actually harm profitability. Aggressive pricing seldom works and in the end everyone ends up with less profit. Adopt the mindset of profit-oriented management. For example, one of the key roles of the CFO during the crisis is to protect profitable revenues by making sure salespeople under pressure don't give excessive discounts.

10. SPEND MORE ON R&D

In times of crisis, Research & Development budgets are often under pressure. After all, cutting long-term investment plans does not harm the sales target in the next quarter. But consider this: some companies responded to the crisis by doubling their R&D budget. They are geared to picking profit by doing things better than the others.

11. MANAGE COST-REDUCTION TENSIONS BETWEEN DEPARTMENTS

It can be perfectly logical from a business point of view to cut costs more in some areas than in others. But these actions can quickly create perceptions of unfairness. Be careful and make sure to communicate the 'why' behind these decisions. This will improve acceptance and reduce tensions among the different groups in your organisation.

Remember:
"Cash is King.
Again"

12. IMPROVE INVENTORY MANAGEMENT

Inventory can be an untapped, cash-rich asset. Every euro of reduced inventory is a euro of cash generated. To do so, supply and demand needs to be matched more accurately. Some companies slow down production, others buy or produce goods closer to the time they're needed - also called just-in-time management. So ask yourself: What can your company do? (Keep in mind: discounting overstock is the last thing you want to do).

13. MANAGE RECEIVABLES MORE EFFECTIVELY

Slow-paying customers put pressure on your working capital. To minimise exposure, many companies have become more selective about who they extend credit to. Others have put forward payment due dates, bill more frequently or offer discounts for early payments. Some companies immediately make follow-up calls when bills aren't paid on time.

14. ADJUST VENDOR PAYMENTS WITH CARE

Make sure you inform your suppliers when you change your payment schedule. Adding time between the moment you receive invoices and the moment they are paid will improve cash flow. But without proper communication to your suppliers, you might lose a lot of credibility and your new policy can backfire. So, if you decide to pay slower, make sure your suppliers understand why and stick to the promised date.

15. PLAN ON THE LONG AND MANAGE ON THE SHORT TERM

Make sure you're not surprised by a cash crunch. Ponder upon "How long is this going to last?", "Where is the cash drain?", "How big will my cash problem be?". Try to foresee trends, plan for the long run, be proactive and ensure you have a back-up source. Once you've launched an action plan to secure cash, follow up on it very closely. Instruct staff to compile weekly cash flow statements and monitor crucial cash flow indicators like receivables, inventory and payables.

16. CAREFULLY CONSIDER THE LIQUIDITY RISK

When you know what the bottom line and cash flow will be in the coming periods, you need to make tough decisions on what risks to take. When you do this, remember that the quality of your cash flow forecast is very important. For instance, the mix of committed and uncommitted funding will rely upon it.

17. DEMAND A STRONG BUSINESS CASE FOR EACH INVESTMENT

Increase the quality norms for new capital expenditure business cases. Re-think the associated hurdles for return on investment or capital employed (ROI / ROCE).

Consider redefining
your budgeting
process

18. DON'T PROVIDE A BUDGET, OFFER A CHALLENGE

Every manager who receives a budget will start negotiating. That's the way it works. If you can get your people to accept a challenge like "bring the cost per unit back to the pre-crisis level", they will look for real improvement opportunities. In other words: don't sell a budget, let people commit to a challenge instead. It will increase buy-in tremendously.

19. CONSIDER ZERO-BASED BUDGETING

Most companies use a traditional incremental budgeting, building each budget upon last year's figures. Zero-based budgeting challenges every budget line and offers you a chance to start with a clean slate. It also challenges managers to detect obsolete activities and improve operations. Before you start however, do make sure that the extra effort is balanced with the potential upside.

20. MEASURE WHAT IS IMPORTANT

Don't waste your time monitoring old Key Performance Indicators (KPIs) that have lost their value in these special circumstances. Instead, select those indicators that matter most. These will probably be related to your cash position, access to capital and exposure to short- and long-term risk.

Work on other
processes as well

21. CONTINUOUS IMPROVEMENT

Many companies already demonstrated a culture of constantly improving their business processes and right-sizing their staff levels before the crisis hit them. Whether the objective was to intensify, merely maintain or start the practice, the financial crisis made process continuous improvement a necessity for almost all companies. Luckily change resistance is lower these days and you can use it to set challenging targets to do more with less.

22. Do NOT MIX UP COST REDUCTION WITH RESTRUCTURING

A classical cost reduction exercise doesn't impact your operating or business model - it merely trims the fat. Depending on your starting situation, it's unlikely you will be able to reduce your overall cost basis by more than 15 percent. Instead, fundamentally re-think what you do. This not only saves costs - your primary concern today - but it puts you in pole position when markets rebound again.

How about the
people side?

23. COMMUNICATION IS CRUCIAL

Most managers have the habit of reducing communication in times of uncertainty. They reason "let's wait a bit longer until we have all the answers. Then I will communicate." Don't make that mistake. Don't shy back from open and pro-active communication, even if you don't have all the answers. Your credibility will receive a boost. And this credibility will buy cooperation when those plans will need to be implemented later on.

24. CONTINUE TO INVEST IN CORE COMPETENCES

Some companies had to make job cuts and as a result morale suffered. Even if you believe that your staff has no place else to go in times of crisis, it's crucial to keep investing in core competency and leadership development. If you need to reduce cost, think about reducing external management training programmes or reducing the target group. Don't just halt all training and coaching activities.

25. BUILD A TOP TEAM

A high-performing team is a great asset in times of crisis. It will help to overcome even the most difficult challenges. In response to threats and challenges a top team will be far more likely to adapt and survive than a group of highly skilled individuals that come together as an ad-hoc working group. So keep the focus on the fundamentals of teamwork. This includes a common goal, shared values, a complementary skill-set, strong leadership, productive conversations and clear rules. This way you can ensure that when the going gets tough, the tough can really get going!

26. MAKE SURE OBJECTIVES ARE ACCEPTED

You can define a cost-reduction objective by yourself, but you need people to implement it. This requires ownership - and ownership comes with acceptance. Even if you are pressed for time, it's often a good idea to take one (or two) extra weeks to debate the cost-reduction objectives. You will make up the lost time in multiples during the implementation.

27. INCREASE PERFORMANCE COACHING

Most people get nervous and edgy during a crisis. They stop thinking clearly and under-perform. But this is exactly what you need to avoid in times of crisis. You need all the available potential to get the job done. Performance coaching is a great way to help managers stay at the top of their game in difficult times.

28. NURTURE HIGH-PERFORMERS

During a crisis, you need to hang on to your most talented people as they are the most likely to leave first. The best way to keep them on board is to involve them in the exercise your company is going through. Give them a role to play. Don't leave them on the bench. If you are up for it, you can even consider attracting top talent - several are available and motivated to work for companies that navigate professionally through the complexities of the crisis.

29. WEED OUT POOR PERFORMANCE

There's never a good time to allow for poor performance - but due to past decisions (or a lack of them), most companies still employ quite a few low-performers. Well, now is a good time to take appropriate action. In times of crisis, the social climate accepts lay-offs. This reduces costs and sends a clear signal to your high-performers. So, don't waste a good recession - take those steps you always wanted to take but never got around to taking.

Don't forget your
partners

30. DID YOU TRY MULTI-BANKING?

Having multiple banking relationships has been common practice among large companies for a long time. Nowadays, with the financial crisis, even smaller businesses tend to view only single banking relationship as a risk. So whether you already work with several banks now or are refinancing with new banks out of principle, consider taking more than one banking partner to act as depositor, creditor or guarantor.

31. DEVELOP A TRUE PARTNERSHIP WITH CUSTOMERS

If you develop a true partnership with your clients and extend supply chain relationships with contractors and clients or do joint business planning, synergies - even shared cost savings - are possible. Getting past the 'Us versus Them' mentality between clients and suppliers and basically aligning the conflicting goals of two companies involved, will take time but can be very beneficial to both. Developing a true partnership is not a new idea, but using a crisis situation to increase the bonding is. Do you see any opportunities to strengthen the relationship?

Organise flexibility
for the future

32. DEVELOP A FLEXIBLE COST STRUCTURE

Ideally, your cost base breathes evenly with your revenues, contracting as needed when you're in troubled water and expanding when things loosen up. Okay... granted, Utopia doesn't exist, but building in flexibility in all your contracts (personnel, ICT...) is possible. Use the crisis situation to investigate creative options to create that flexibility. One of the companies even decided to sub-contract its R&D.

33. USE PERMANENT WORKGROUP STRUCTURES

Project teams are common practice. But have you considered establishing a few permanent, multi-disciplinary business teams that work on specific challenges such as speeding up the reporting cycle, disinvestment of activities etc? It puts flexibility in your organisational structure and helps to do more with less without suffering quality loss.

And last but not
least: always guard
your integrity

34. MIX BUSINESS WITH INTEGRITY

A CFO is the right hand of the CEO and the protector of the company's integrity. We all know that, especially in times of crisis, there is enormous pressure to present a favourable financial picture. But where do you draw the line? It's the job of the CFO to say 'No' when s/he feels that the presentation of figures can endanger the reputation of the organisation. "It may be legal, but it's too close to the line" should be part of the vocabulary of every CFO.

Part

II

20 TIPS TO PREPARE FOR RECOVERY

GO BEYOND THE CLASSICAL ANALYSIS

AVOID THE BUDGET BOOMERANG

GET READY TO EXECUTE

Go beyond the classical analysis

The crisis is in full swing. And most corporations are downsizing: from trimming the fat to crash diets. And, as a result, the long-term focus gets buried under short-term priorities.

But at some point in time that will come to an end. Forgotten strategic topics will pop up on the radar screen again. And you will probably agree with us that it won't be business as usual ... the world around us has changed dramatically in the last 12 months.

Your strategy review - the kick-start of every thorough budget process ? needs an extra punch. You want ? and probably need ? that something extra that helps you and your company digest the changed environment and prepare for a strong recovery.

The classical elements of a sound strategy review (like a sound analysis and scenario planning) remain the basis ? but that's not enough. You need to dig deeper into existing analysis areas and be creative by looking at others.

So, here's a list of 8 dynamics you should integrate into your upcoming strategy review process. Some build on classical strategy analysis and will hold no surprises for you; others are probably new analysis areas and challenge you to look beyond the obvious.

1. ECONOMIC DYNAMICS

This is the obvious one. The one you hear on the news every day. The one you most probably know best and have integrated already. This is all about macro indicators telling us what happened in the past, while economists (try to) predict what is going to happen and politicians try to stabilise the market. These dynamics should definitely be included, but only in your basis as you start. Don't limit yourself to listening to what others write or say, but dig in. What does it really mean? How acute is the danger (think of the Mexican flu)? What does it mean for my sector, for my company?

2. INDUSTRY DYNAMICS

Some of your competitors won't survive the crisis. Others will, but they will definitely look different. They might have had an extreme makeover. And there will be new players on the market – competitors, suppliers, and customers too. In other words, business won't be as usual. You'll need to find out how the crisis has affected – and will continue to affect – the dynamics in your industry with all the different players involved: from customers and private and public investors, to suppliers and partners, to existing and new competitors. KPMG research involving 852 companies in 29 countries indicates that about 50% of the companies are changing – or planning to change – their business model (reported in *De Tijd*, 3 June 2009). Find out why changes have occurred in your industry, predict what is going to change, and see how all this can be played to your advantage.

3. CUSTOMER DYNAMICS

You were well aware of your customers' needs before the crisis. But do you still know what they are today? Chances are that the difficult economic climate has altered your customers' 'needs', or loyalty, dramatically. So, don't rely on past research – do your homework. You might be very surprised by the results.

4. BUDGET DYNAMICS

How fast can we make budget changes? An interesting question, when you know that the 2011 budget has been made in the midst of one of the largest economic crises of all time. Most probably, your - and your colleagues' - current budget ideas are coloured strongly by the current crisis and are very cost-driven. But watch out for the boomerang! If the financial climate improves, you might be stuck with an inflexible budget. So, look at the budget dynamics in your company and evaluate the time needed to shift gears when necessary.

5. DECISION DYNAMICS

The crisis has scared many executives. They have become hyper-vigilant and avoid taking risks. Long-term decisions are postponed until things stabilise. Be bold and put this on the table. We are not saying that you need to take unnecessary risks. You might want to be more careful about certain decisions than you were before ? but you don't want to become paralyzed either. Entrepreneurship always goes hand in hand with a healthy dose of risk. Each executive team should put their decision dynamics within the team foremost on the agenda.

6. EXECUTION DYNAMICS

Take into account what you can do. Restructuring has a negative impact on morale and impacts your change capacity as well. Good people have left or may be leaving soon. The amount of stress your remaining managers are experiencing is very high. Proper supporting processes might be at risk. We will touch upon this in more detail in other articles. The key take-away is: a previously approved strategy could very well be less realistic today, due to reduced execution capacity in your organisation. It's crucial to take this into account now!

7. LEADERSHIP DYNAMICS

Last but not least, you should examine the captains on your ship. How well did they perform during this extreme crisis situation? Any signs of burn-out? Is their style suitable to guiding the company through the recovery period?

8. PEOPLE DYNAMICS

It's impossible to win without the right people. So ask yourself the following questions: Who's still in your company? Are they going to stay, or are they just waiting for the right moment to leave? As you know, the job market follows a pattern different from that of the economy ? so, when do you expect the job market to pick up again?

Avoid the budget
boomerang

9. START WITH A SOLID STRATEGY REVIEW

Don't rush into the budget exercise. This year, budgeting isn't business as usual. Even when your company isn't directly impacted by the crisis, the competitive landscape in which it operates will be. So, spend the extra time on reviewing your strategy and make sure that you map the different dynamics that impact on your company. For tips and ideas, read the strategy tips above.

10. DON'T STOP RESTRUCTURING

Finish what you started. Don't stop the restructuring mid-point. That would be the worst thing to do. Remember, successful strategy execution also means successfully executing your restructuring initiatives. So make sure you finish the restructuring you have planned. Don't leave any loose ends - plan the financial and human resources in your budget to tie them up.

11. THINK LIKE JOHAN CRUIJFF

One of the most successful trainers and players of all time is known for the words: "Every advantage has its disadvantage and vice versa". You just need to look for them. One example: the current economic climate creates cost consciousness. Use this to your advantage. Take a cost conscious approach to your budgeting. Areas where it would have been impossible to discuss cost reductions might be put on the table today - especially if you base your competitive advantage on the cost side, ride out the wave completely and take advantage of the cost awareness business climate. Keep everyone on a tight budget leash.

12. DON'T PUT THE SUPPORT DEPARTMENTS ON A YO-YO, STOP-GO DIET

But they are often caught by surprise and respond re-actively. This results in a short-term, stop-go strategy. As a result, the department ends up worse off than before. Support departments need a long-term vision and budget approach as well. Make sure you know the end game - the business model that you would like to aim for - and look ahead at flexible budget solutions as preparation to shift when the time is right. In other words: have a long-term vision for the support departments in your department as well.

13. SCRUTINIZE ALL PROJECT SPENDING

Don't just re-launch a project that has been put on hold. Before you know it, you are back at business as usual with the old, revived projects sucking up all available resources (and therefore money). Don't assume that what was needed before the crisis is still needed today. Re-evaluate, challenge and budget accordingly.

14. MAKE SURE YOU ARE READY FOR THE TURNAROUND

The crisis will end. It will not happen in the next three months, but it is just a question of time. Most companies, however, will be defining their budgets over the next three months. And budgets are like oil tankers - they need time to change course. So discuss today how the company can react swiftly when opportunities do arise. You don't want to be left standing on the deck of your oil tanker, watching all the opportunities pass you by, unable to stop and turn to chase after them.

Get ready to
execute

15. EVALUATE YOUR EXECUTION CAPABILITIES

Your execution capabilities will help your organisation to deliver the strategy and turn it into performance. However, in times of crisis, organisations often accidentally cut out some of the skills, processes, technologies, values and assets that make up these core competencies, causing an entire competency to weaken or even disappear. Think about the cuts that were made during the crisis and evaluate the damage done to the overall execution strengths.

16. PREPARE TO HIRE GREAT PEOPLE

The labour market is still hibernating in most countries but spring is in the air. If you stopped investing in employer branding, this is the time to get going again. Also, make an inventory today of the people you will need and develop ideas for how to get them. You want to be in the front row when people feel secure enough to start looking for a new job.

17. DEVELOP YOUR EMPLOYEES

Most organisations have cut their development budget drastically. And while this was often done out of necessity, it's a situation that cannot last forever. It doesn't mean going back to the usual training plan. In fact, it's smart to re-think and improve the development approach in your organisation. It may be a good moment to review your development plan and see how you can do more with less. Most companies can reduce their development spending by 20-to-25 percent while simultaneously increasing quality by 10-to-15 percent. It just requires the right burning platform. And that's not an issue in today's business environment.

18. DECIDE TODAY HOW YOU WILL MONITOR EXECUTION TOMORROW

You don't want to hear from the accounting department six months down the line as to whether your execution programme is on track or not. You need real-time and leading (read: predicting) indicators that will give you early warning signs as to if and how you need to change course. And as each execution is unique, there is no "one size fits all" set of indicators that will work in every situation. So it's important that you get into the habit of building and monitoring your own dashboard that is adapted to the needs of the specific execution challenge. So start building that dashboard today.

19. FIND TIME

How to carve out enough time for strategy execution is a crucial question that needs an answer. Finding the time to do certain tasks seems to be the key challenge of the current times. Everyone is too busy. Everyone is running on their treadmills as fast as they can. But if people don't have time available, they won't be able to execute a strategy. So creating capacity to get things done is a major challenge and often requires not only prioritisation skills, but also solid negotiation and influencing skills to get things moving.

20. MANAGE STRESS

For most individuals, this has been one of the most stressful periods in their business life. And quite a few of them are stretched to the limit, with burn-out risks just around the corner. When the economy picks up, your company will need to shift gears again, demanding that people go the extra mile. There is a risk that this could prove a push too far. Be aware of the impact that the crisis has had and continues to have on the energy levels of people in your organisation and take action to restore the balance before jumping into a new adventure.

ABOUT THE RESEARCHERS

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