

The 7 signs your strategy is failing and what you can do about it

A strategy is only as good as the capability to execute it.

Our organisations are not realising the performance and value promised in the strategy. Hence building strategic capability is fundamental to leadership success. We are all only too aware of the indications of not having strategic capability in place:

- Executive meetings consisting of endless operational updates and presentations;
- A focus on blame and justification of performance which does not foster a constructive discussion on addressing strategic issues;
- Cumbersome and inefficient decision making from an inconsistent and incoherent strategic story;
- Siloed thinking and behaviour disconnected from long term benefit and common good;
- An emphasis on creating a strategy PowerPoint deck in isolation from planning the implementation;
- Frustration with the incongruence between the stated strategic intent and the demonstrated behaviours, processes and organisation structures that constrain execution;
- Disillusioned talented individuals not making the extraordinary contributions expected.

Strategy execution is a critical discipline and those organisations that build a strategic capability are 7 times more likely to successfully achieve it.[1]

But what does strategic capability mean?

It means having the right strategic conversations.

The quality of the strategic conversations reflects leadership's proficiency at managing strategy. They are a manifestation of the understanding, alignment and engagement in the strategy. That 85% of executive teams spending less than one hour per month discussing strategy has been identified as one of the main reasons why organisations fail to execute their strategy.[2]

Having strategic conversations means having the ability to focus management discussions on strategic priorities, without getting mired in short-term operational concerns. It's about being able to address concerns candidly, rather than putting the best possible face on them. It means being able to collaborate for the enterprise's common good and long-term success, rather than competing for resources, one against the other.

What do you need in place to have these focused, purposeful discussions?

1. Clarity

Clarity on the strategic story, a consistent, coherent, concise articulation and a shared understanding of what it really means to implement it. We must work from the same page and this clarity prevents the constant dissonance organisations so often suffer when there are many different interpretations of the strategy and how to deliver it. The strategy map is an effective tool to use to describe the strategic priorities in a cause and effect model within three to five strategic themes.

2. Alignment

Creating an associated Balanced Scorecard provides the execution framework to measure, monitor and manage strategy by providing insight into strategic performance. Strategic conversations are undermined by short term operational updates on performance which drown out future-focused, strategic issue driven discussions. The way strategic performance is presented has a material impact, along with ensuring that everyone involved attend with prepared minds for the right outcome.

3. Culture

Strategy is the concern of the whole organisation. The organisation structure and operating model, the skills and talent, leadership behaviours and culture must be aligned to the strategy and people empowered, to enable it. This often requires new ways of working and leading. People can be inspired to make extraordinary contributions when there is congruence between communicated strategic intent and what is experienced, especially when personal aspirations and values are also in line with organisational purpose and values.

Dwight Eisenhower famously stated that “In preparing for battle, I’ve always found that plans are useless, but planning is essential.” The balance between developing strategy and executing it needs recalibrating. When an executive team is fully aligned on the strategy, they are more able to respond to emerging issues dynamically with accelerated decision making. More and more, the ability of an organisation to act in concert at speed is a competitive advantage.

Managing strategy is managing change. What value could you create if you could build the strategic capability to make strategy happen?

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[1] Palladium research on 350 organisations and Fortune

[2] Balanced Scorecard Collaborative research