

THE SEVEN DEADLY SINS OF STRATEGY IMPLEMENTATION

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CEOs and senior managers are increasingly judged on the success of their companies' business strategies. Yet, despite the existence of complex strategy formulation processes in many organisations, many corporate strategies fail to actually get implemented. In this brief article, we describe the main pitfalls of successful strategy implementation.

Research by Prospectus Strategy Consultants has revealed that up to 70% of business strategies fail to get fully implemented. The strategy planning process in many organisations is treated with groans rather than cheers. It is seen as a chore that must be endured rather than enjoyed. In many cases, the output of the process, the business strategy fails to get implemented or is implemented in a form, which is quite different from the original intent.

Because of the weakness of over-centralised planning processes and the poor rate of strategy implementation, strategy planning as a major management tool went into decline in the 1980s and early 1990s. The focus of this period was on cost-reduction, downsizing, process re-engineering and increasing operational effectiveness.

However given recent market turbulence and a renewed focus on growth and expansion, strategy and strategic planning are now very definitely back in vogue. If companies are to learn from the inadequacies and failures of strategy planning in the past, organisations need to look at how they formulate their business strategies and, when they are developed, how they go about implementing them.

Strategy is of limited value unless it is acted upon. What can be done to improve the effectiveness of turning strategy into action? As often as not, it is usually the result of an organisations not committing one or more of the 'seven deadly sins of strategy implementation'.

DEADLY SIN ONE

THE STRATEGY IS NOT WORTH IMPLEMENTING

In too many cases, what is referred to as business strategy, is deficient in analytical rigor, creative insight, ambition or practicality. If the strategy is going to get the active support of management and staff, it needs to be specific, realistic and give the organisation something to strive for. Strategy making is often considered to be easy. It is easy if the strategy development process limits the scope of discovery, the breadth

of involvement and the amount of intellectual effort expended. The strategy should not just be more of the same, incremental or comfortable. It needs to be stretching or innovative.

DEADLY SIN TWO

PEOPLE ARE NOT CLEAR HOW THE STRATEGY WILL BE IMPLEMENTED

When the strategy has been developed and evaluated, it then requires a plan to prepare the organisation for its implementation. There is always a strong desire to get started and make the strategy happen. The time spent on implementation planning is often seen as time wasting. However, there are a number of important issues that need to be addressed including:

- priorities for management;
 - timescale;
 - lessons learnt from previous strategy implementations;
 - impact on structure and staff at all levels;
 - participation; and
 - risks.
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DEADLY SIN THREE

CUSTOMERS AND STAFF DO NOT FULLY UNDERSTAND THE STRATEGY

There is a tendency for chief executives and senior management to communicate the business strategy on a “need to know” basis. If you don’t put in the effort to sell and explain the strategy, how can you hope to have it implemented? Your front-line supervisory staff must understand what the strategy is about, why it is important and how it will affect them. The strategy implementation plan should include a communications plan, which sets out who needs to be told about the strategy. The plan should not only include senior management but also middle management, supervisors, staff, customers, suppliers and other key stakeholders.

DEADLY SIN FOUR

INDIVIDUAL RESPONSIBILITIES FOR IMPLEMENTING THE CHANGE ARE NOT CLEAR

It is not sufficient just to develop a very insightful and relevant strategy and hope that the logic behind the strategy will be enough to make it a reality. People should be given clear and specific responsibilities for making strategy work. The more people you directly involve in the implementation process the better. This will create a wider sense of ownership, commitment and responsibility for making the strategy happen. Accountability must go hand in hand with responsibility. If someone has been given an implementation task, make sure they do it. Part of assigning staff responsibility is giving clear, understandable instructions and tasks and reviewing progress at regular intervals.

DEADLY SIN FIVE

CHIEF EXECUTIVES AND SENIOR MANAGERS STEP OUT OF THE PICTURE ONCE IMPLEMENTATION BEGINS

It is very important that strong leadership is provided during the implementation phase. People will be looking for clues. If staff feel that senior management are not fully committed to the strategy, their commitment and enthusiasm for it will wane. Staff must believe that implementing the strategy is one of the organisation's top priorities. From the time the strategy is developed, senior management must sell and continue to sell the strategy to the organisation and to the other stakeholders. They need to explain the vision and communicate the importance of the strategy for the future of the organisation.

DEADLY SIN SIX

THE 'BRICK WALLS' ARE NOT RECOGNISED

Nothing ever goes exactly according to plan. Organisations operate in an ever changing and dynamic environment. It is important that those brick walls, which inevitably will be encountered along the way, are acknowledged and addressed. When those moments of crisis or uncertainty occur, staff should be encouraged to develop creative and innovative solutions to surmount these obstacles.

DEADLY SIN SEVEN

FORGETTING TO 'MIND THE SHOP'

There is a risk that the process of developing and implementing strategy becomes the consuming concern of senior management. They forget that they have a business to run, targets to meet, a service to provide and customers to serve. Both management and staff must believe that implementing the strategy is as important as doing the day job. One is not more important than the other and the strategy, if it is relevant and meaningful, should become an integral part of the day job.

Shareholders will not thank senior management for developing and implementing a very well crafted strategy while at the very same time, letting profitability fall significantly or customer service to deteriorate.

It is important that strategy is a continuous activity and not a once-off event. Periodic checks are necessary. Check that the assumptions are still valid. Identify and anticipate events or developments, both internal and external, which may require a revision or addition to the strategy. Make the changes quickly and communicate them to all concerned; however make sure that the changes are really required and the strategy is not being adjusted in a frivolous manner.

Strategy implementation is always going to be difficult and fraught with danger of being abandoned through inertia or resistance. Change is never easy. However, the task of putting strategy to work can be made much easier and have greater chances of success by avoiding the seven deadly sins outlined above.