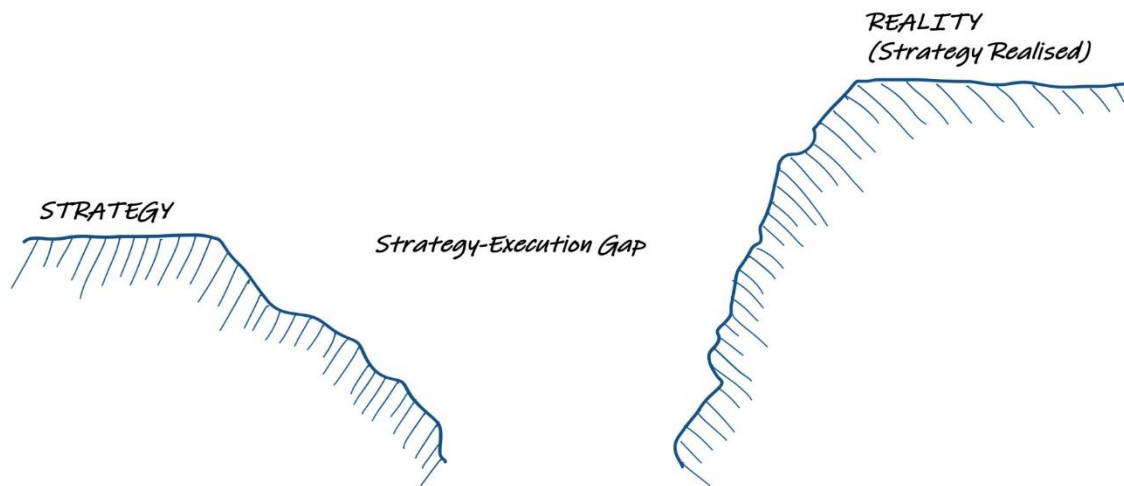


# Jump the Execution Gap and Make Strategy Happen

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Jon Ward and Marc Chouinard



## **It is not the planning that fails. It's the implementation where the problem lies.**

As Professor Charles Hampden-Turner used to say to reinforce this point: "A strategic plan always works on the spreadsheet." That was in 1991, during my MBA. Executives widely understand that a well-thought-through strategic plan is the backbone of any successful organisation when implemented and brings about the desired outcomes. Yet, over thirty years later, the difficulty with implementing strategy still exists. It is so pervasive that it has a name, the strategy-execution gap! This article identifies how modern management techniques like agile and using OKRs can help jump the strategy-execution gap and make strategy a reality.

## **The root causes of the strategy-execution gap.**

Analysis of strategic execution challenges shows that a lack of alignment, poor communication, rigid plans, the pursuit of too many opportunities, a lack of focus on delivery, poor execution follow-through and use of metrics are root causes of failed strategies.

Modern management techniques like agile and using OKRs naturally facilitate the fulfilment of organisational strategic goals. They encourage communication, customer focus, employee engagement, empirical control, and continual adjustment of the plan based on the evidence of outcomes. In addition, using these processes and approaches provides the considerable advantage of collecting metrics and enables visibility across all business activities. Best of all, modern management techniques are as applicable to business-as-usual activities as they are to business change.

## Modern management enables the alignment of the physical organisation to the strategy.

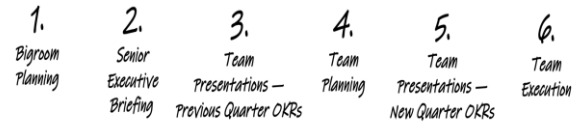
What makes modern management so successful at making strategy happen is how it aligns the structure to the organisation's value-creating activity, known as a value stream, for instance, delivering products or services to customers. Aligning structure to these value streams is a crucial tenet of Dr John Kotter's book XLR8.

## Contemporary strategic plans are guided by outcomes and key results (OKRs).

The use of OKRs grounds the strategic plan in the current reality and encourages the use of metrics that matter. The executive sets the target and empowers the teams set the measures. This approach enables the organisational leadership to be explicit about their intent and to establish an organisation-wide understanding of the desired outcome. It builds trust and enables teams to take responsibility for making the strategy happen.

For example, our Telecom client's strategic goal was to make XYZ a better workplace. This desired outcome drove teams to define metrics to indicate the workforce's current mindset and then set a key result target based on that measure. The same was done for customer satisfaction and critical product delivery lead times.

### How to Establish an Organisation-Wide Understanding of the Strategic Priorities and Facilitates Execution



Our telecom client uses **[1] quarterly bigroom planning** for a community of selected employees and volunteers working in teams to understand the strategy and set strategic OKRs for the next quarter. Following a **[2] briefing from a senior executive**, planning starts with each **[3] team presenting to the community their key results from the last quarter**. They explain to the community any differences between planned and actual outcomes and what they learned during the previous quarter's activities. Community members are free to question and challenge, provided this is done without criticism.

Each **[4] team** then starts to **plan their activities for the next quarter**, creating a 30-60-90-day plan. Again, the community members drawn from all levels of the organisation are free to drop in on teams and make observations, remembering that each team in the community is a self-managing unit. At the end of planning, the community reassembles and **[5] each team presents their new OKRs** illustrating how this quarter's key results progress the organisation towards the strategic goals. Community members are again free to provide feedback and non-critical recommendations. **[6] Each team works on the activities needed to achieve their OKRs independently**, but provide a monthly status summary for executive consumption.

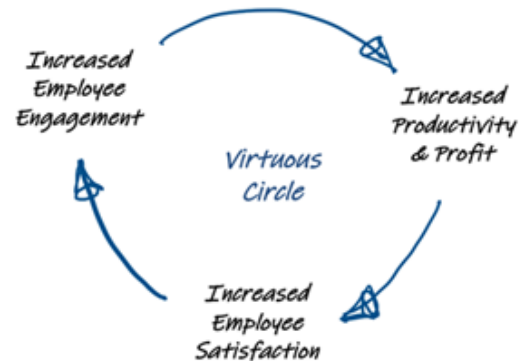
## The most vital element of successful strategy execution is self-managing teams.

The critical aspects of the approach used at this telecom client were employee engagement, strategic mobilisation across the organisation and a focus on measurable outcomes. These self-managing teams working on strategy are comprised of individuals from different managerial layers of the organisation, and each employee's voice has the same currency. Therefore, an equal voice is essential to ensure the engagement of every team member. In addition, this equal voice ensures that the best solutions are

implemented while ensuring teams don't get slowed down by administrative bottlenecks.

Employee engagement is also vital in making strategy happen. According to a Gallup report, only 36% of employees are actively engaged, and 51% are not! This phenomenon and statistics indicate that the way organisations manage people is no longer effective, and change is essential. The same Gallup report finds that organisations with higher employee engagement are more profitable and have greater productivity. And finally, in *"The 16th State of Agile Report"*, 39% of employees

working in an agile environment reported better satisfaction. The last two statistics indicate an opportunity to use modern management methods to reverse the tide and start making strategy a reality while boosting employee engagement.



**Modern management approaches foster a self-reinforcing virtuous circle of organisational growth, agility, and employee fulfilment.**

In this circle, an organisation carefully creates a culture that fosters employee engagement by empowering decentralised units to bring the most value to customers. This is critically important from a business perspective, given the customer's choice in today's digital economy. Furthermore, this approach formalises value generation behaviours into its regular operations, which the centralised information system encourages and rewards.

As a leader, if you're looking to make strategy happen while boosting employee engagement, it's an excellent idea to use modern working practices and OKRs.

For further information regarding using OKRs to fulfil strategy, please get in touch with Beneficial Consulting.

For further information regarding using OKRs to fulfil strategy, don't hesitate to contact me Jonathan Ward at [Beneficial Consulting](https://www.beneficialconsulting.co.uk).