



KEEPING YOUR STRATEGIC INITIATIVES ON COURSE

Break up the journey into short stages

By Professor Xavier Gilbert (February, 2008)

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You don't sail to the horizon, do you? Yet, many strategic initiatives seem to be doing just that: what exactly they are aiming for is not totally clear, and it will be a very long journey. Even worse: the point of departure is often quite fuzzy. No wonder so many end up nowhere at all.

Most organizations know how to get short-term results, especially in emergencies: cut costs quickly, boost sales this quarter, etc. But very few know how to achieve longer-term strategic impact in a fast changing environment. Changes in customer needs, competition and technology, soon overtake their strategic initiatives: they become obsolete and irrelevant before they get anywhere.

In navigating through the future, as opposed to reacting to it, you should follow these four rules:

- Decide what problem you want to resolve
- Decide how you will know that the problem is resolved
- Break the journey down into short stages
- Let the crew take ownership

Decide what problem you want to resolve

Many strategic initiatives focus on peripheral issues and leave out the root-causes of the problems they want to address. Are customers dissatisfied because your CRM doesn't work, or because they find that they are not being listened to? Root causes are often complex issues that are preferably left for later. But they won't go away unless they are explicitly addressed now.

Root causes will also point to who the target users of your initiative need to be. During execution they are easily forgotten. The new talent-management process, for example, becomes the 'perfect HR process' rather than one that helps build better management teams in the business units.

One often hears managers say: "I'll tell you what the problem is! Don't waste time on this!" Well, it often turns out that everyone has a different view. Agreeing first on the problem to be addressed is the first step in making sure that it will be resolved. This is not time wasted.

Decide how you will know that the problem is resolved

Too many strategic initiatives are only defined in broad-brush terms: 'Making the organization more customer focused', 'promoting entrepreneurship', or even 'making our products more differentiated', have the advantage of being non-controversial endeavors. But you will never know if you have made it.

Every initiative is based on a dream. While dreams are essential to breaking barriers, they need to be achievable and have a tangible outcome. If the initiative is looking at improving a business process, how do you measure the improvement? If the initiative is about a new product, by how much will it boost sales?

Ultimately, we all want an answer to the question 'When it's all done, what evidence do we want that our dream has come true?' While qualitative assessments are tempting, they should be avoided: a glass is always half-full and half-empty.

Break the journey down into short stages

Long-haul journeys that strive on promises of a better world rarely reach their destination. Strategic initiatives that promise a much higher competitiveness in three or four years usually fail. The rest of the world will not hold its breath. Competitors will not sit quietly waiting for you to be done. So it will never end up the way you imagined.

Break down your strategic initiative into a sequence of short stages, from the 'most likely to work', to the 'music of the future.' As a general rule, none of these short stages should be longer than six months (some companies say three months).

Each and every stage must deliver a tangible outcome that adds a stone: a pilot market where the new product sells, or a critical piece of knowledge that will yield cash in the next stage. This is evidence that you are making progress. Too many initiatives just keep delivering promises for too long. You can only be patient with big promises if you see tangible progress.

The rule is to sequence these stages as a learning curriculum. What do you need to learn first before you can move forward? So, make sure that each stage delivers the knowledge that will be required for later stages. And make sure that you get any information that could kill the initiative as early as possible: for example, whether a technology works, how a competitor will react.

Finally, don't commit to an all-out adventure. Decide on the immediate next stages that make sense and keep your options open for the later ones. You will probably end up with a different outcome from what you originally had in mind. But it will be a much more

relevant and effective one. This is the skill of navigating through the future that so few companies and so few leaders possess.

Let the crew take ownership

It should be clear that setting the course for this navigation is not just done once at the start of the journey. It is done every time changes in the context require it. It is updated whenever new knowledge is obtained. Continuously examining route options, exploring their upsides and downsides, thinking through contingency measures, and choosing the route for the next stage, must always be a team task. There are four main reasons for this.

The first reason is that this form of mental rehearsal makes people much better prepared to cope in real time with disruptions. The second is that many different functional specialties will have to cooperate through execution and need to think out together their route forward. The third reason is that the task requires challenging each other's thinking with 'what if?' questions. And, finally, this teamwork develops the joint ownership and accountability that will fuel execution energy.

Navigating through the future

Navigating the future means shaping your future: you should make change and disruptions an ally for choosing new routes that will make your strategic initiatives successful. Success will rarely be what you first imagined. More-of-the-same organizations find this annoying. But it will be in clear and relevant competitive advantages.

This article is based on a chapter from Professor Gilbert's new book "Smarter Execution: Seven steps to getting results". Professor Gilbert teaches on the Orchestrating Winning Performance program.

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