DON’T GET LOST IN THE DETAILS!

REVERSING THE DOMINANT FOCUS OF STRATEGY IMPLEMENTATION

By Marco Mancesti – March 2012
"Strategies are about implementation, otherwise they are useless!" I think we can all agree on that. But many companies would implement things much more successfully if they reversed their dominant focus and concentrated on key performance drivers instead of detailed plans.

When embarking on a new strategy or change program, many of us have experienced the same pattern:

Following a top management decision, a project leader gets assigned to the implementation, sometimes with a pre-defined project team. The project leader brings everyone together in a nice hotel and after a quick team-building, starts working on the traditional “aim-goals-objectives-deliverables.” More sophisticated teams go through a good “Strengths-Weaknesses-Opportunities-Threats” exercise, combined with risk assessment and stakeholder analysis. Then the team starts working on the plan by subgroup.

So far so good. The finish date is specified, and the critical path is crystal clear for everyone. Let's start, we're already late!

So the team engages in the execution phase, fully focused on delivering the defined tasks “on time, quality and budget.” Does that sound familiar?

Well, the point is that very often, implementations miss their expected outcome, or are so late that they fail to have the desired impact. Numbers vary depending on the study, but there seems to be a consensus that around 70% of major change initiatives fail. Why does this happen?

It would be easy just to put the blame on leadership. Of course, if the initial financial or technical parameters were wrong (for example in the case of mergers and acquisitions), or if the project's scope is not clearly defined and the initiative is not really supported by senior management, then we have a problem. If the resource providers have not formally given their approval, we have a problem. If the team has not been chosen with care and if the team members don't have a personal interest to make the project a success, we have a problem. If the leader in charge is not competent and respected, then again we have a problem.

But these are obvious failings that a competent organization might be expected to recognize and correct. Perhaps the real issue is elsewhere, in the assumption we all take for granted: that the tasks we plan in order to reach the objectives are the right ones.

Why are we so sure? And what if that assumption was encouraging us to do more of the “wrong thing” when facing execution challenges? Somehow, detailed plans, Gantt charts and heavy planning systems may make us “miss the point.”

In my view, the best protection against implementation failure is to reverse the dominant focus. Instead of focusing on the detailed plan, companies should look at these three key performance drivers:

1. Scorecard indicators: they include time (milestones), financial and qualitative targets. They should describe very clearly what we would regard as success and failure; obviously the weight given to each category varies according to the specific initiative. Continuous control of the indicators will allow us never to lose sight of the big picture, and to know when our efforts start having an effect. This is far more important than controlling whether a particular task gets completed on time.

2. Risks: whether internal or external, they have the potential to upset the destiny of an entire initiative. Continuous monitoring of their evolution in terms of exposure is absolutely critical, as is scenario planning with preventive and/or mitigating actions.

3. Stakeholders: they include top management, the sponsor, the resource providers, opinion leaders and last but not least, the project team. In short, all those people who have some power to make a strategy succeed or fail. The engagement level of all key stakeholders should be on the radar screen, because they are the ones who are constantly reassessing the project’s value to the organization as a whole.
The above does not mean that we should completely strike off procedural planning and tracking tools like "Gantt charts," or that project planners are not needed anymore. It only illustrates that the necessary detailed task planning should be left to (and owned by) the people in charge of execution, not the leader.

Some may feel that there is nothing much new in the above. The tools described are all well known. Agreed, but how many teams still focus on performance drivers beyond "quickly visiting" them during the kick-off meeting? How many of us really "reverse the dominant focus?"

Strategy implementation approaches that are obsessed with task progress often cause organizations to miss the real problems and delay the identification of warning signals. Being "on time" does not mean that a project is healthy, and being late doesn't necessarily mean failure. Even for those initiatives for which timely delivery is the main success factor, being hostage to a plan is counterproductive because it inhibits the creativity needed to constantly find the best way of reaching the objectives. Considering the accelerating pace with which external changes might influence a project, keeping such flexibility could be essential. Where time is the key, rather than the detailed plan, a risk management focus may actually offer the best chance of sticking to the deadline.

Although leadership is clearly part of the equation in the success or failure of strategic initiatives, the model used to drive the project can make the difference. For example, a similar approach was used successfully in the manufacturing division of Serono S.A., a leading biotechnology company acquired in 2007 by Merck KGaA.

Without integrated, rigorous and constant monitoring of key performance drivers, how can we expect to progress in the right direction? It's like running in the dark and expecting to reach the destination just because we put one foot in front of the other with a lot of enthusiasm!

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