

IT CAN BE DONE! SEVEN INSIGHTS TO GIVE YOUR STRATEGIC INITIATIVES A WINNING CHANCE

"More of the same is what we know how to do best. And we spend a lot of energy doing it better and better." That stern observation from a senior executive was followed by a long, thoughtful silence. We all know that business cemeteries are filled with companies that kept doing more of the same, better and better.

It is to avoid such a fate that many companies launch strategic initiatives. They are meant to focus everyone's attention on a few priorities that will shape future competitiveness. Imposing a transformed business model, addressing an emerging market need with a radically different premise, or launching a pioneering product-service concept, are examples of how to break away from the more-of-the-same obsession.

The bad news, however, is that the success rate of strategic initiatives is not very impressive. Estimates vary, but, on average, it seems that only one in three is successful. Indeed, strategic initiatives do present a big challenge for the efficient, no-slack, organization:

- **They are spread across silos:** they are meant to have cross-silo impact and they require resources from across them. Efficient organizations are not designed for this and getting people on board requires a special effort.
- **Their destination is uncertain:** over time the context will inevitably change

and require the strategic initiative to evolve to retain its desired impact. Efficient organizations don't like uncertainty so they need to learn how to learn on the go.

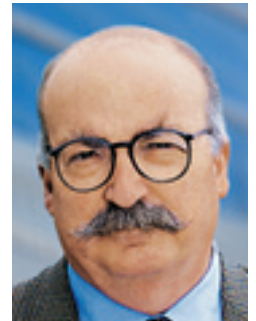
Getting people on board and learning on the go significantly disrupt the habits of efficient organizations. But such is the lifestyle of executing strategic initiatives.

Here we propose seven practical insights on how to maintain this lifestyle all along the execution journey of your strategic initiatives to increase your chances of success.

1. Stay focused

Your strategic initiative comes on top of heavy silo agenda. You need to have compelling evidence that it helps focus the execution of your strategy, rather than disperse it with yet another "smart idea." To create this execution focus, you need to prioritize those strategic initiatives that best combine high strategic impact with manageable uncertainty.

- Impact is generally measured through the expected economic profit of the initiative. But this shows the size of the impact, not its quality. Many so-called strategic initiatives belong in fact to the more-of-the-same category. You want to show that your strategic initiative builds your future competitiveness. Unfortunately, preparing the future is not encouraged by the pursuit of efficiency.



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- Uncertainty is imposed by seeking a high impact level in a fast changing context. You could say that if the outcome was certain, it would not be a strategic initiative. The antidote to uncertainty is learning: can your initiative be broken down into a curriculum of realistic “learning modules?”

Selecting the few strategic initiatives on which you will focus the attention of the organization – which implies de-prioritizing some current activities – requires executive judgment and direction. This is not enough to make things happen but without providing this focus point, relentlessly, nothing will happen at all!

2. Have the best possible team on the job

In an efficient silo organization, this is almost mission-impossible. No such organization is supposed to keep some of its best people idle. Several issues continue to plague the selection of the strategic-initiative teams.

- Selecting the team must receive as much attention as any appointment to a key position, applying solid talent-management and succession processes. Silos always have good reasons to keep their best people for themselves. But should your best people keep doing more of the same, or should they be driving your strategic initiatives? Being assigned to a strategic initiative must be a real career move, not a parenthesis.
- Strategic initiatives do require a senior-level sponsor, to make the decisions required by navigation in uncharted waters. Make sure that this sponsor has a personal interest in the success of the initiative, as well as cross-silo experience. Many senior executives rise to their positions through intra-silo success, with a parochial mindset. And make sure that the sponsor has the time available to do the job: it takes a lot more than occasionally checking the instruments.
- When assigning the team members to the initiative team, make sure that what they will no longer be doing is explicitly specified. If nothing is changed to their home-base job, the initiative will clearly not work. For example, in most instances, if the team leader is not assigned full-time to the initiative you cannot hope to be successful.

- Verify that the key performance indicators (KPIs) of the individual team members in their home-base jobs will not suffer from the success of the strategic initiative. This is often the case, for example, in cross-selling initiatives, or when certain silo activities are re-grouped into a new corporate business unit to boost their development.

3. Smart-sequence execution

Serious strategic initiatives cannot be completed in a few weeks: a three-year long initiative is not an exception. More-of-the-same organizations are good at achieving short-term targets, but they don't know how to navigate their way into the longer term. However, all-out commitments to long-haul pursuits rarely deliver on their promises. For one thing, context changes, such as competition moves, will soon overtake the strategic initiatives and make them anachronistic before they get anywhere.

- Break the execution down into a tentative sequence of short, three-to-six-month stages (some companies say not more than three months). Continuously build upon your most recent learning to confirm progressively your final destination and your way there.
- Acquire the critical knowledge up front. If it's not doable, it's better to find out as fast as possible and either abandon or modify the initiative.
- Make sure that each execution stage provides tangible deliverables, such as paying customers and cost savings. They provide a more convincing proof of the concept than just delivering further promises.
- Keep your options open. Only decide what needs to be decided now. And watch the rest to make better-informed decisions in due course.

4. Think through your next steps, in full detail

You could call it “mental rehearsal,” just like high-level athletes rehearse their path mentally. Before

you jump into action, think through what must and could happen, so as to be prepared for it.

More-of-the-same organizations are not trained for mental rehearsal because they don't really need it. But in a constantly evolving context, waiting to be in front of the obstacle to think about options is too late. Improvisation takes over, soon followed by confusion.

Strategic-initiative teams must make mental rehearsal a frequent occurrence, working with their sponsor as a sparing partner:

- Take every opportunity to review as a team who will do what and when. Explore contingencies. Think through options. Establish your learning agenda.
- Review which resources and capabilities must be available for the next steps. In a multi-silo organization, this is a transaction-heavy task and there is often a tendency to shy away from it and "hope for the best."
- Review which factors will have the highest impact on delivering successfully through the next steps. Which tasks will require most team attention? Review the execution risks: pre-empting surprises is part of the lifestyle of executing strategic initiatives.

5. Bring the organization on board

A centrally-led strategic initiative is a challenge for any silo organization because it is seen as someone else's job. And the initiative easily becomes a new silo in its own right, where it is executed in isolation, according to technical priorities.

- It is essential that the full commitment of the top team to the successful execution of the strategic initiative is visible to all throughout the organization. As obvious as it may sound, in silo cultures, this shouldn't be taken for granted. People are looking at the top for signals on how important the initiative is.
- Right from the start make sure that you have on board the many people across silos whose

jobs will be affected by the strategic initiative. To begin with, it is good practice to have them on the execution team. And all along, their feedback must be solicited to make sure that the outcome helps them conduct their business more effectively.

- Make sure that you have on board the providers of the resources required for the execution. This will allow them to re-prioritize their other commitments. You will also benefit from their insights to improve your next execution moves.
- Pay attention to the many stakeholders – some of whom could be totally unexpected – and opinion leaders who can facilitate or slow down execution. Ignoring them can be deadly, but having them on board will provide valuable information.

6. Follow through

Follow-up is recognized as essential, but often disliked. In more-of-the-same organizations, it is necessarily focused on the past: checking that what was to happen did happen. It results in investigative questioning, looking for culprits and casting blame. Those who are followed-up fear it. Those who should be following up don't want to be stigmatized as distrustful micro-managers.

When executing strategic initiatives, "follow-through" is just the opposite: it is essentially focused on the future, on what to do next.

- When the route is uncertain, it is necessary to always check progress towards the desired outcome, to rehearse the next moves, and to launch corrective actions as fast as possible. This requires a culture of transparency, where progress information is shared: looking for solutions instead of blaming, and welcoming the "messengers," instead of killing them.
- When the route is tentative, it is critical to learn on-the-go. This requires frequent formal and informal debriefing and a culture where "looking for excuses" is banned. "Well-thought-out mistakes" are seen as opportunities to learn and progress.

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- When the route is tentative, team members depend even more on each other's performance. They need to challenge and support each other to sustain the team's performance.
- When the route is uncertain, the sponsor's informal follow-through – keeping the finger on the pulse of execution – becomes even more important to pick early enough the weak signals of emerging problems.

7. Set up to win

Strategic initiatives come on top of already doing well in one's everyday job. So, people have the choice not to commit to this extra load; they simply vote with their heart. Perfectly logical arguments are not enough: people are still staring at you from the other side of the fence, saying "Yes, but..."

Commitment is an emotional state, not a logical process. And energy results from this emotional state. The implication is simple: all along, you need to allow for the personal emotional experience that makes a person commit. But in highly efficient organizations, as little as possible is left to emotion.

People are full of energy when they can perform roles that make them feel legitimate in their social context: this is a positive emotional experience. While these roles can be seen as unnecessarily self-gratifying in a more-of-the-same context, they become enormously helpful in a strategic-initiative team. Giving them space is a win-win.

As a leader, there are a few things that you can do

to allow for a positive emotional experience of your team members.

- It all starts with you, the leader: your thoughts are contagious. You cannot fool your team members if you are just simulating your own personal commitment. Are you genuinely committed yourself to the success of the initiative, or are you just expecting that the team should do the job while you can pursue your own agenda?
- Are you genuinely interested in your team members, in understanding what makes each of them tick? When asked what made most difference for them, all the effective execution leaders we talked to responded without hesitation "My personal interest in each of my team members."
- Are you genuinely making room for the social roles that set up each of your team members to win? Or are you too preoccupied with your own role?

It can be done!

In our observation, when a strategic initiative fails, at least one of these seven insights was violated. These insights are common sense. Why are they so often ignored? Execution is a different lifestyle, a culture. Launching a strategic initiative as if it was just more of the same, without building an execution culture, is bound to fail. We submit that these seven insights are the building blocks of an execution culture. They are everyday practices, rooted in deep beliefs about the respect owed to fellow human beings.

This Perspectives for Managers summarizes some of the key issues covered in the book "Smarter Execution: Seven Steps to Getting Results," by Xavier Gilbert, Bettina Büchel and Rhoda Davidson, FT Prentice-Hall, 2008.

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