

HOW TO BE AN EFFECTIVE STRATEGIC INITIATIVE SPONSOR ROLL UP YOUR SLEEVES! YOU MATTER!

Should corporate executives be held responsible for their company's strategic initiatives? One would think so. Any yet, surprisingly, only 31% of individuals questioned recently felt that their management was effectively assuming this responsibility¹.

This is a frightening statistic when one considers that strategic initiatives are the backbone for a company to achieve its strategic goals. So what can executives do to improve the management of strategic initiatives?

Typically all major strategic initiatives have a high-level initiative sponsor who oversees the task of the strategic initiative team and is directly accountable to the executive board². We found that this role is critical and much more demanding than most executives imagine.

As a strategic initiative is a cross-functional project or program outside an organization's day-to-day operational activities, it is typically mandated top-down by the executive team and involves a high degree of coordination. A good example might be a "Key Account Initiative" where the focus is on restructuring the company's sales processes by focusing on accounts that are vital to the company. Other examples that we have recently encountered include: improving a process that cuts across several functions like supply chain optimization at Nilfisk-Advance; coordinating across business units to serve specific market segments

at Canon; and deliberately creating a new organizational capability like the innovation process at Philip Morris.

Since strategic initiatives lie outside the day-to-day organizational activity, the executive team has to assign a project team who will implement the strategic initiative during a finite period of time. This project team reports through the project leader to a high-level initiative sponsor who guides the initiative team, provides resources³ and raises the visibility of the initiative within the organization.

Our research shows that the way in which the sponsor interacts with the project team and the degree of alignment between the sponsor and team can mean the difference between project success and project failure⁴. And yet, in our experience sponsors often think that providing the team with a project brief, waving them off and then showing up at the end to celebrate and criticize is enough. So if you are planning to be a strategic initiative sponsor, how can you build an effective relationship with your team? Read on. Being a sponsor is not a hands-off job.

1. Provide direction

At the start and throughout the initiative you, as the strategic initiative sponsor, are there to remind teams of the link between strategy and initiative and to provide the big picture context. You need to brief the team on the following:



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At critical points, you will have to take decisions on behalf of the team. For instance, at major milestones, go-no-go decisions, decisions to replace team members, or even to stop the initiative altogether.

- How does the initiative contribute to the strategy? What problem does it resolve? What would be the consequences of not resolving this issue?
- What do you expect the initiative team to deliver? What would success look like?
- Are there any pre-defined targets? Why have these targets been chosen? How have the targets been set? How will the targets be measured?
- What do you see as the approximate scope of the initiative? What should the initiative definitely cover and what not?
- What do you see as the main challenges and execution risks? What will the team have to watch out for?
- How does this initiative overlap with any other related ongoing initiatives?

Capture this information in a written initiative brief before start-up. Creating the brief will help you crystallize ideas and capture them succinctly and clearly. Your team will use the brief to gain a common understanding of expectations.

Also take the time to discuss this brief with the team as this demonstrates the importance you place on the initiative and allows you to build the team's commitment. One of the team leaders we interviewed said: "Our sponsor understands the business very well. He knows the market and the customers and is clear on what can and can't be done. He provided us with a clear vision of what he wanted the initiative to accomplish in this market. This saved us a lot of time." When interviewing successful team leaders, we consistently heard that sponsors were good at providing direction.

2. Ensure resources

All strategic initiative teams need people and money. Usually team leaders can beg, borrow or steal the resources they need by themselves. But, from time to time, you may need you to intervene, especially to ensure the resources are available when needed. One team leader reported, "We needed to make several small acquisitions to make the initiative work. Our sponsor went ahead and fast-tracked the request personally with the CEO. Normally it

would take forever to get corporate approvals, especially for such small amounts of money."

Providing resources also means pointing the team towards company experts. Sponsors sometimes forget that the team may not know who knows what within the organization. As mentioned by one team: "Our sponsor forgot to tell us that we had an in-house expert who had run a similar initiative before. We spent two months re-inventing the wheel. It was irritating to say the least." Remember resources come in many forms – money, people, assets, but also networks to tap into existing knowledge.

3. Take critical decisions

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The first important decision point comes after the team has studied the problem and put together an execution plan. You must be decisive at this point. You are establishing a contract with the team that says, "I authorize you to go ahead and execute. In return I promise to give you the resources and the support you need." If you believe that the team is not taking the right approach or needs to do more work on their proposal, then say so. Don't leave them with an uncertain maybe.

Teams appreciate when you can move ahead without getting stuck in over-analyzing proposals. One team complemented their sponsor, "The site relocation was extremely complicated and complex. We had to re-fund the pension scheme by selling the acquired head office in central London and moving the office to a more suitable place. Our sponsor did not get bogged down in all the detail because he could see the bigger picture of where we needed to go. He took this decision quickly, without waiting." Keeping an initiative moving forward allows for quicker time-to-market.

4. Act as sparring partner

You are the sparring partner to test the team's thinking. Challenge their ideas, examine their

assumptions, raise “what if?” questions, and probe for contingency thinking. Enquire about major risks that might throw the initiative off-track and challenge team members on how they will deal with these risks.

While sponsors have to keep the team’s eyes on the big picture by pushing them to focus on the priority steps, they cannot afford to only stay at the high level. Sometimes you as sponsor will need to dig into the detail. Also, being a sparring partner means building trust and showing a personal interest in the team’s well-being. This is very important.

But all of this takes time and means you have to be available on a regular basis. One team leader said, “My sponsor is really too busy to take the time to coach me properly. I need him to sit down and help me to think through the initiative strategy and to help me see the longer term view of where we are going. I need someone who can play mental ping-pong with me. It seems like he is always looking at the operating issues. Sometimes I feel like a lonely boat on a big ocean.” Spending time with the team is the only way to spot all the small signals that show whether your team is on track.

5. Synchronize with others

You have an important role in keeping the rest of the organization in tune with the strategic initiative. On a daily basis, the team is expected to manage this interface with the rest of the organization. However, sometimes high-level intervention from the sponsor helps. In essence, you must act as the team ambassador by mobilizing support and gaining buy-in from influential stakeholders. This also means continuously maintaining a positive buzz about the initiative. A positive reputation keeps the initiative top-of-mind within the organization.

As the ambassador for the initiative, you should be speaking to influential stakeholders early on and explaining why they should support the team. Often team members work on their initiative alongside their regular job. Frequently, they can end up totally overloaded, working long hours, and pushed to the limit. As the sponsor you should be watching out for this and be ready to intervene

with their line managers if the situation is getting out of hand.

You must defend the initiative internally and buy the team time to act. One team told us “Our initiative was not going well. We were way too optimistic and we promised too much. As a result our sponsor got e-mails from his colleagues asking him to stop the initiative and people even started to make jokes. He defended our initiative with all these managers and now that it’s finally succeeding, they have stopped asking questions.” In the short term, sponsors often have to be prepared to take the brunt of any organizational criticism and provide the team with a safe umbrella under which they can focus on their tasks. The pay-off for the sponsor is ultimately delivering a successful initiative.

6. Monitor the execution energy

The energy level of the sponsor can be contagious. The sponsor can spur the team onto higher performance by demonstrating a high level of personal commitment during both formal review sessions and chance corridor meetings with team members. It also allows you to assess how the team is doing.

Keeping the energy up is best accomplished by small acts of recognition; hand out praise to the team when things have gone well, enquire how the initiative is coming along when a team member passes by in the corridor. This recognition confirms that you are still committed to the success of the initiative, which will motivate the team to try harder. One team really appreciated how their sponsor stood by them and encouraged them through some dark times. “He was great when the going got tough. We had such a difficult time. The company that we were working with went bankrupt. At one point we got the machine going but then it totally broke down. It was just one thing after another. But our sponsor kept cool and was very pragmatic saying that this was “typical for a development initiative.”

7. Follow-through with the team

Ultimately, the sponsor has to make sure the company gets value for money from the initiative.

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This means demanding periodic progress reviews to monitor how the team is advancing through to final project completion. This is the main purpose of follow-through. You cannot delegate this job. It involves checking whether the team reaches its milestones and whether it can meet overall initiative targets and deadlines. Strategic initiatives represent a major financial investment and responsible sponsors hold their team accountable and make sure the initiative provides measurable payback.

The seven deadly sins of sponsorship

- 1. Not knowing what you want strategically from the initiative** – It's not enough to say: "I'll recognize it when I see it".
- 2. Not paying attention to resources needed** – They will somehow get access to what they need.
- 3. Not being able and passionate to take decisions** – If you don't care then why should they?
- 4. Being continually absent and unavailable to rehearse with the team** – So you are busy, who isn't?
- 5. Promising to do coordination tasks for the team and never delivering** – This is the quickest way for the team to lose respect for you.
- 6. Assuming that the team can just get on with it on their own** – More than 50% of the time they can't. Are you prepared to play those odds?
- 7. Not being demanding enough** – You get what you insist on. Don't settle for less.

1 Palladium Group's 2007 Global Survey of Strategy-Focused Organizations.

2 Some companies prefer to engage a steering committee composed of major stakeholders to perform the same role. Usually one member of the steering committee is ultimately responsible for the success of the initiative.

3 The Project Management Institute defines sponsors as the individual or group within or external to the performing organization that provides the financial resources, in cash or in kind, for the project.

4 Our research analyzed 360° data from 179 strategic initiative teams. Feedback on 12 dimensions was gathered by the team, upstream and downstream stakeholders as well as the sponsor. In addition we gathered feedback from 25 strategic initiative teams. Using interviews we asked the team members to describe the behaviors of the sponsors which were more or less valuable to the team and then surveyed how these behaviors were linked to the overall perceived effectiveness of the sponsor.

IMD is ranked number one worldwide in executive education (*Financial Times*, 2008).
IMD's MBA is ranked first worldwide (*The Economist*, 2008).