BTS INSIGHTS

Exceptional Strategy Execution:

Can Your Managers Say Where and How They Contribute?

Written by Peter Mulford

Exceptional execution is neither a process overhaul nor a mechanical formula for efficiency. Making it happen requires just a few high-leverage actions.

Improving strategy execution has emerged as the key to achieving better results. CEO's regularly cite it as a top priority, but few agree on how to make it happen. A raft of business literature counsels that constructing new business processes is the desired approach. But such literature obscures a precise truth: Superior execution can be achieved by a small number of specific activities that develop managers' alignment, mindset and capabilities.

The Alignment Imperative

Nearly any leader would accept that execution starts with good strategic alignment. But surprisingly few can articulate a shared description of what their strategy is, much less what makes it distinctive. This leads to frustration horizontally across the leadership team and vertically down to the frontline team: No one is clear where and how they should prioritize their decisions.

While creating and coordinating organizational alignment may seem a dauntingly complex task, we've found that achieving superior alignment can be achieved by focusing leadership teams on answering "yes" to three questions.

1. Can you describe your strategy, and what makes it distinctive, in one or two sentences? If yes, then...
2. Would the other members of your team describe it the same way? If yes, then...
3. For each function and business unit, can managers describe where and how they contribute to strategic success?

If your management teams can answer yes to each of these questions, then you have strategic alignment. Thus, the first three steps towards exceptional execution involve investments made to help management teams articulate what is distinctive about their strategy and to develop consensus throughout the firm on where and how managers contribute to strategic success.

Alignment-building exercises can help managers understand the Where. In the case of business-model change, where new skill sets need to be developed, additional investments are required to address the How. This is where capabilities come in.

Capable to Act

The idea of building capabilities to tackle new business challenges isn't revolutionary. But here's the surprise: A few capabilities

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deliver a lot of business impact. This means that rather than engaging in the exhausting task of developing a generic and overly broad competency model, firms can get better results, faster, by targeting and developing a small number of high leverage behaviors that directly affect strategy execution.

Says Dr. Robert Brinkerhoff, author of *High Impact Learning*, "Accelerating execution through capability building is about identifying and then enabling a few vital behaviors, and accelerating strategic adoption of those behaviors in the few critical roles." By changing the high leverage behaviors—those behaviors that have the highest value for the firm—we've found that almost any business problem, no matter how complex, can be solved.

Mindset

The final element required for exceptional execution is Mindset. Mindset is easily confused with other more familiar names—employee engagement, employee ownership, employee satisfaction (E-SAT), etc.—and much has been written about each of these elsewhere. We define Mindset as a precise set of four connections that create emotional commitment in managers. Today, it is well understood that emotional commitment is an important ingredient for strategic success. As Stan Slap notes in *Bury my Heart in Conference Room B*, "A manager's emotional commitment is the ultimate trigger for their discretionary effort, worth more than financial, intellectual and physical commitment combined."

Few leaders would disagree. The irony is that for the better part of the past decade, business leaders have been preoccupied with improving productivity and operating effectiveness—doing more, faster, with less. That focus unintentionally frayed the four connections that energize employees to execute better and faster: their connections to the firm's vision, to their own values, to their own talents and to each other. (See Exhibit 1, The Connections Model). In short, the push for improved performance has frayed the human connections underpinning the emotional commitment needed to achieve it.

An Employee Engagement survey may be necessary to detect when organizational Mindset is at risk. Or, you may hear it coming: when managers say that connecting with their direct reports is a distraction from tasks; when team-work shifts from collaborations to transactions; when communication goes from live conversations to exchanging staccato yelps of digital information via email or texting. The opportunity here is to

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consider which of the four connections might be at risk from any given strategic initiatives, and what actions can preserve or strengthen the connection before you execute.

Making it happen:

Using the E:AMC Strategy Execution Framework at a Fortune 100 Fast Moving Consumer Goods firm

A leading Fast Moving Consumer Goods Company engaged BTS to assist in their transition from a sales-volume-centric Mindset (M) to a balanced profit/revenue/volume Mindset. Since it was clear that the current volume-oriented strategy was unsustainable, a fully integrated and distinctive business model was created to help managers at all levels of the business identify business opportunities—today and 10 years into the future.

BTS developed a set of high leverage actions and approaches to designing competitive offering architectures. Then a set of "next practices," along with the new skills needed to execute those actions, was identified for each level of the organization. To Align (A) managers to the new model and to build the capability (C) and confidence needed to execute, a suite of immersive business-simulation-based experiences were developed and rolled out on a global basis. These ranged from intensive leadership training for the top global managers, to one-day execution-oriented training on the front lines (and in local languages) for managers in all markets around the world. Since the start of the initiative, the firm's stock price has improved 65.3%*, reversing a six-year decline.

Says one President Director, "The simulation was the tool that made our senior leaders experience the difference our new strategy would make. It was literally a wake-up call that led them to realize the need to lead very differently going forward. By putting all our most senior managers through the program, we were able to change the culture, top-down."

In Summary:

The E:AMC Strategy Execution Framework

Exceptional Strategy Execution (E) is neither a process nor a mechanical formula for efficiency. Making it happen requires focused investments in building Alignment (A), Mindset (M) and Capability (C). E:AMC means that firms succeed not just on the basis of a mechanical formula for efficiency but also on the decisions that energize and inspire people: the power of their principles, the strength of their culture, the alignment and behavior of their leaders. It means helping our clients to realize that if a firm wants to win, strategic alignment and capability must be kept intact, while the spirit is allowed to soar.

BTS is a leading global strategy implementation consultancy dedicated to building alignment, mindset and capabilities that improve business results for our clients. Founded in 1986 and serving over 400 clients worldwide, BTS is a publically traded company with more than 25 offices in 18 countries.

About the author-
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