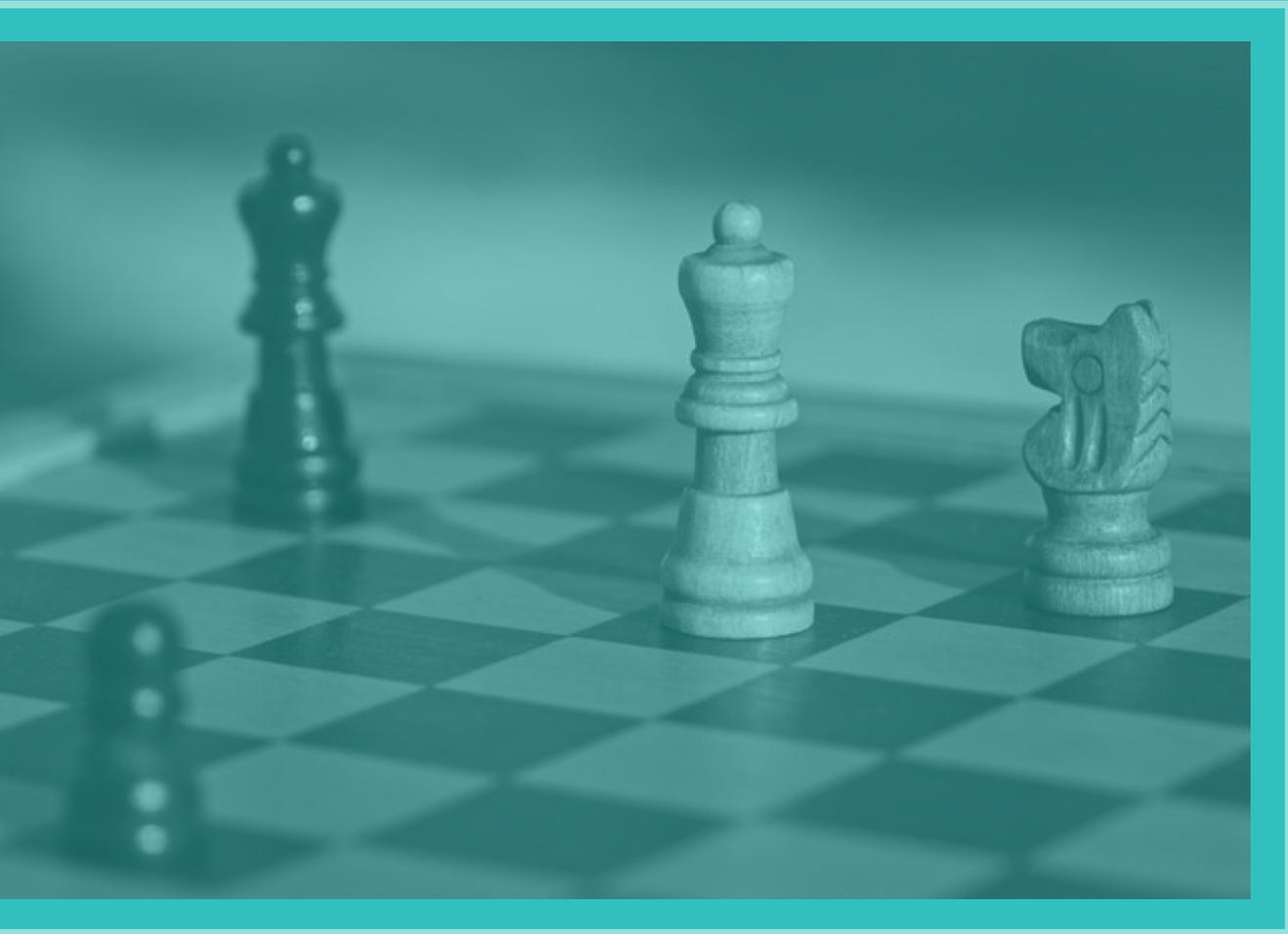


# How to Close the Strategy-Execution Gap



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Strategic planning and strategy execution are two very different processes. The first, strategic planning, takes place at the top levels of company management and encompasses the vision of how an aspect of the organization should function. Strategy execution, on the other hand, is a separate endeavor, completed on the front lines of the company.

The disconnect in strategic planning versus execution can lead to a strategy-execution gap – the difference between how you envision a strategy, and the reality of making practical changes to daily operations to achieve it.

In a [study](#) conducted by Price-Waterhouse Coopers, over half of the executives surveyed said that their companies are not focused on executing their strategies. Furthermore, almost every executive (96%) expressed concerns about at least one barrier to success, either on the strategic planning or the strategy execution side.

Organizations need to do two things to eliminate the strategy-execution gap: first, improve their understanding of how employees are implementing the strategy; and then, connect strategy leaders to those responsible for delivering the change. By doing this, the organization will have set up successful feedback mechanisms to regulate the long-term progress of the initiative.

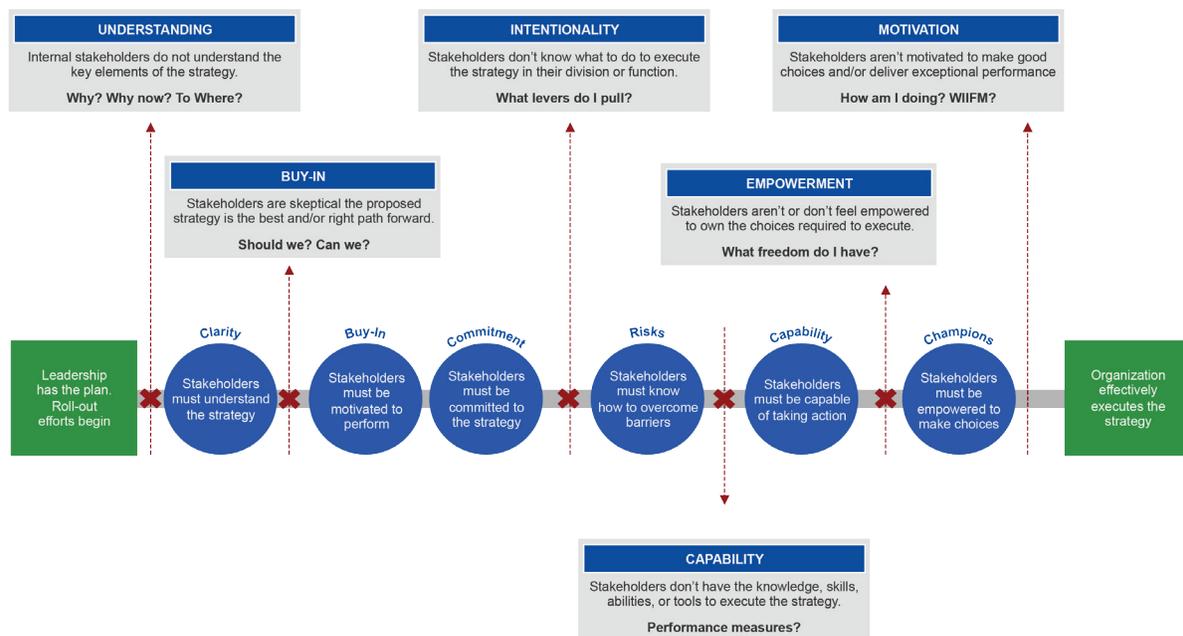
Once a company defines a strategy-execution gap, it is essential to set a cohesive approach to close it. Closing the gap involves a six-step process which can be tailored to help the organization achieve a strategic goal.

## Create Understanding

*“Where are we going, and why?”*

The first and most important step in moving from strategic planning to strategy execution is to create a common understanding within the group. It is vital that those tasked to implement an objective have an accurate understanding of what the intended endpoint is.

It can be easy to fall into the trap of assuming a common understanding, using the safety net of a generalized, ‘town hall’ style presentation to believe that everyone has the same perception of the new strategy. Instead of asking, “do you understand?”, it is better to ask “what do you understand?”



The second question requires active listening to determine how well the message was received and is a more time-intensive proposition than the simple yes-or-no of the first. However, this question gives the presenter a better grasp of whether the message was received as intended, and insight into potential obstacles to progress if understanding is inconsistent. These issues can be identified and addressed at the introductory phase, rather than causing problems during the implementation phase.

## Obtain Commitment

*“Should we go there, and can we get there?”*

Once the group understands the desired outcome, leaders need to ensure that the team is committed to the future desired state. A lack of commitment swiftly turns into a lack of momentum, which can render a program of change completely ineffectual. Commitment must be discussed, negotiated, and agreed upon between initiative owners and those responsible for delivering the plan. Leaders should be able, at this point, to identify any barriers that are holding back required commitment and either improve the project or reframe its communication, to address employee concerns effectively.

## Define Focus

*“What actions do I take that help us get there?”*

Once the employees responsible for delivering the plan understand and are fully committed, it can be scaled through focused, coordinated efforts. Specific employees can be put to work translating the conceptual intent to practical actions targeted at achieving the strategic result.

Managers must help their teams to understand, specifically, what to do or change in their day-to-day role to make the future desired state a reality. Each team involved in the initiative must connect their daily tasks to the overarching strategic concept.

## Develop Capability

*“How will my performance be measured?”*

Both managers and non-managerial employees must have the capability to execute the strategic plan for it to succeed. New skills may be necessary for employees to implement the new strategy, and anticipated discrepancies should be identified and addressed with training.

Investment in training should target specific employees based on the urgency of the skills that are required. Functional capability gaps can be closed and owned by team leaders, identified through an ongoing dialogue. Team leaders should discuss with their employees, and with one another, what the future needs regarding skills will be, and how those skills will tie to performance management programs.

## Emphasize Empowerment and Choice

### *“What choice do I have?”*

In the implementation of a new strategic process, enabling employees to make choices, rather than forcing them down narrow roads, increases the likelihood of success. Indeed, [studies](#) have demonstrated that an individual’s motivation to put training into practice increases when they have chosen to attend the training program in question. Even more significantly, [similar studies](#) have shown that by telling managers that they must do something, with no freedom of choice, managers will rebel. They will not resist, but instead, will take actions that are contrary to the request. It is, therefore, important for initiative owners to provide freedom of choice to those delivering the plan.

The main idea here is to be clear on the ‘what’ – which required actions and related skills for successful strategic execution -- and to give employees some discretion on the ‘how’ to best achieve these actions.

## Illustrate Motivation

### *“What’s in it for me?”*

All of the previous challenges have been about increasing the group’s probability of moving forward. By doing this, we have been expanding the group’s understanding of, and personal connection to, the initiative. Through all these steps employee motivation will improve because they will have felt listened to, understood and engaged in the journey.

To ensure sustainable progress, it is worth giving thought to ongoing motivation; what will employees gain when the future state is different from today’s existing state? How can this be communicated, highlighted and demonstrated to the change agents?

In organizations with a high level of openness, these questions can be explicitly expressed and ideally, addressed and incorporated into new and existing performance rewards systems to keep motivation high. However, in most organizational systems, many questions will be hidden beneath the surface, and if not addressed, they can soon convert into blockers of change.

For a healthy company, which successfully manages to close the strategy-execution gap, it is crucial to bring those questions to the surface and to connect those asking to those who can respond to them.

While surveys remain a popular method of gathering employee data and answering questions, they are limited by a lack of dialogue. Change agendas fail when leaders rely on a broadcast message without measuring employee understanding.

An ongoing dialogue is necessary to keep employee motivation high, and to address new and continuous employee concerns so that the strategy-execution gap remains closed, and the strategy has the potential to succeed as envisioned.