



## Sustaining Business Excellence and Superior Results

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*"You cannot predict the future, but you can create it"*  
- Peter Drucker

There are two organizations. The first has a clear strategic plan supported by everyone in their company and they have a reputation for superior execution.

The second group has a plan that was developed during an executive team golf retreat and it rests comfortably in the top drawer of the CEOs' desk. Staff may hear rumours of its existence and managers continually refer to the focus on execution.

Which organization will achieve better results?

The obvious answer is the first organization. If it is so obvious, why does the description for the second group fit what is really happening in most organizations today? Does it describe your organization today?

Research confirms that over 75% of strategic plans fail to deliver the desired results.

The number one reason for failure is poor execution. An excellent plan poorly executed, is failure. A good plan well executed, is success.

Note that you **always** need a plan as the starting point. Execution without a plan is pure folly.

Our second organization has a focus on execution. If no one knows what the plan is, what is being executed? Pep talks from managers about digging in, working harder and other meaningless phrases only add to the confusion.

This article will lay out the basics of strategic management to help you and your organization improve your chances of success. The words

implementation and execution have the same meaning in our practice. Use the word that works for your organization.

### **What is strategic management?**

Strategic management is more than an annual planning retreat and a nice glossy document that no one looks at.

You need a simple, clear plan that outlines the desired outcomes for the organization going forward. The strategies and actions in the plan **must** be incorporated into business plans, operational plans, budgets and performance contracts throughout the organization. You must operationalize the plan. That is the key to implementation.

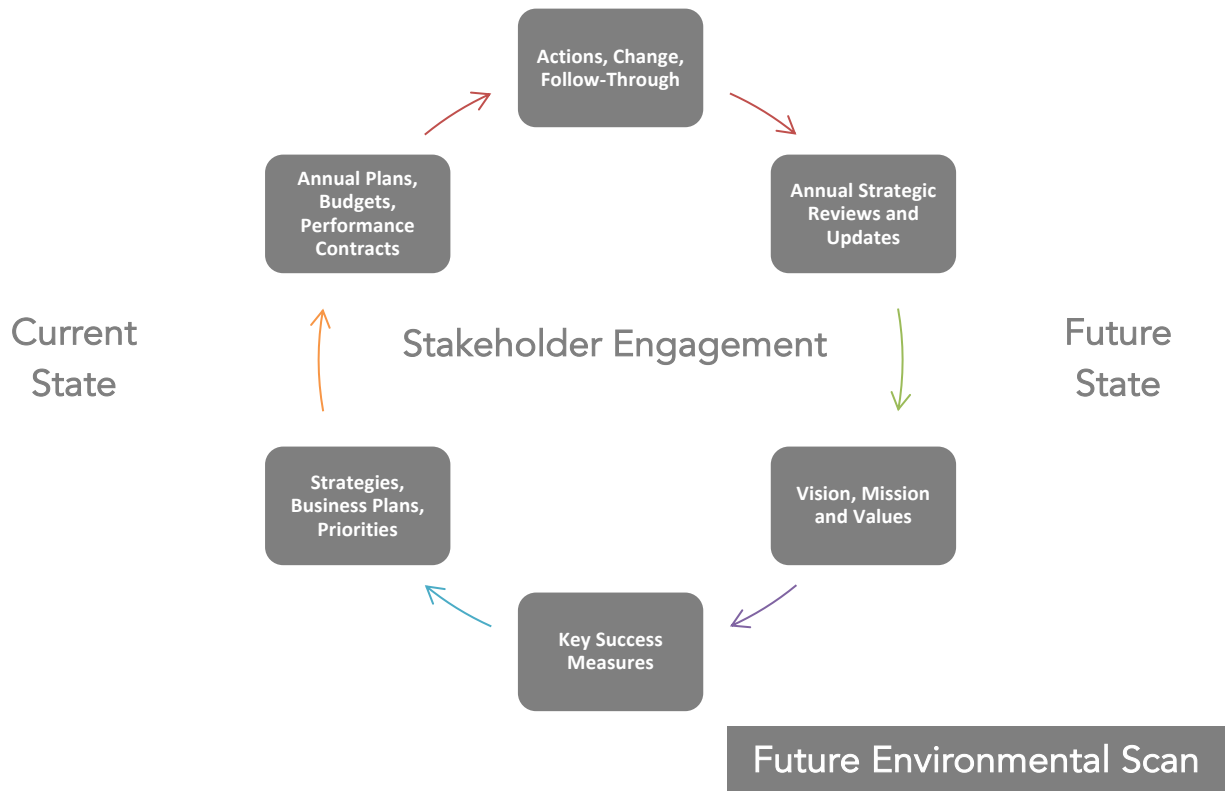
**Strategic Management = Strategic Plan + Successful Implementation + Sustaining High Performance through the Yearly Strategic Management**

Implementation is where we need the full commitment from everyone in the organization. There must be clarity around the strategies and actions, measures of success, timelines and accountabilities.

Execution takes time, focus and commitment. Strategies and actions needed to successfully implement your plan can take days, weeks, months or years. All of the above pieces must be integrated into the yearly strategic management cycle (see figure 1).

Adopting the yearly strategic management cycle will ensure that your organization will build and sustain high performance year after year.

Figure 1: Yearly Strategic Management Cycle



Success in strategic management requires you to follow some simple but vital steps. The work, discussions and decisions within each step may be difficult but the steps are straight forward.

### Support at the top

You need to start with a simple, clear strategic planning process. This means that **everyone** in the organization is aware of the steps, timelines and where they will be involved. We stress that everyone needs to be involved, at some stage, to ensure support throughout the organization. We use a “Plan to Plan” discussion with senior management prior to starting the planning process to map out the steps, engage the necessary stakeholders and establish timelines.

The process must be actively supported by senior management to ensure commitment throughout the organization. Setting the direction for the organization going forward is a primary responsibility of senior management and it cannot be delegated. The activities related to carrying out the planning process can be delegated to a small team or

secretariat. This team can be established on a permanent basis to ensure that strategic management practices are fully integrated throughout the organization. The team must have direct accountability to and support from senior management. We strongly recommend the use of outside facilitation for the planning process. This brings a more balanced approach and eliminates concerns around bias, hidden agendas and favouritism. An outside facilitator can ask the tough questions that those in the organization may be reluctant to bring forward.

### People support what they help create

You must involve all key stakeholders right from the beginning of the process. Who are your key stakeholders? Everyone that can have an impact on the success or the failure of your plan. People support what they help to create. So get them involved from the start. You do not need everyone in the room at every step. But everyone should be clear on where, when and how they will have input into the process. Engaging stakeholders speeds up the strategic management process and dramatically improves your chances of success.

You will receive all kinds of input and some of it will be hard to accept. It is very important to **embrace skeptics**. These folks are your best friends. You need skeptics to test the validity of all parts of your plan. Don't confuse skeptics, who ask the tough questions and push for a better product, with cynics that just want to disrupt the process. Purge cynics from the process and your organization.

*"Skeptics are your best friends"*

- Stephen Haines

Many organizations continue to see strategic planning as a secret process to be undertaken by a limited number of people at the top of the organization. They roll out a plan using the *"Decide – Announce – Defend"* model which ensures limited support and therefore limited success. In most cases it is total failure.

***See articles on Strategic Planning for a complete step by step process that will ensure you build the plan that is right for you.***

### Now the hard part

You now have a draft plan developed by a broad range of stakeholders. It clearly sets out the direction for your organization, and the strategies and actions necessary to make it happen. ***Are you finished?*** No, that was the easy part.

Now you must implement the plan. You are entering the execution phase where most organizations struggle. We strongly recommend a **Plan to Implement** discussion. This may be one meeting or a series of meetings depending on the size and complexity of your organization. Plan to Implement should take place a month or two after the planning retreat. This gives everyone time to digest all of the great stuff that came out of the planning retreat. Another way of saying time for “sober second thoughts”.

Planning retreats are great and a vital step in strategic management. The discussion, ideas, team building and passion that come out of these sessions cannot be replaced. The question that must be answered in Plan to Implement is: *can we actually implement all of this?* In my experience, no plan ever comes out of this step unscathed. That is OK. Some strategies will be given a higher priority. Some will be postponed until next year. Some may be dropped. All strategies must be matched against the ability of the staff in the organization to get them done. Always remember that you have on-going operations that cannot stop just because you have a new plan.

#### **You must be prepared to make some difficult decisions.**

All of the strategies and actions that you have agreed on must go into operational plans throughout the organization. This is where people will see their day-to-day efforts connected to the strategic plan. They must have sufficient funding to successfully complete their new assignments. Budget decisions are never easy, but you cannot move forward without them. What are you going to stop doing to reallocated funds?

New initiatives must be given full support or people will very quickly realize that the strategic plan is not worth the paper it is written on. Senior management must take on an advocate role to send clear messages of the importance of each initiative. I do not like the term “cheerleader” in this case as it is much more than “rah rah” and canned platitudes.

#### **Who is accountable?**

Another vital piece is ensuring that someone is accountable for each action or initiative. It must be an individual person – not a division, job title or committee. There must be a **face** for every action so people know who is taking the lead and is responsible. Most initiatives will require more than one person to get the job done but there is only one lead person. That person’s performance contract must include this piece of work. If performance contracts, throughout the organization, do not change significantly with the approval of a new strategic plan it is

impossible to execute. People will only do what they are being measured on.

The responsibility for the successful implementation of the plan starts with the senior executive team and should clearly cascade through the organization.

### **Action Summary**

We recommend that all of the strategies and actions from the strategic plan be put into an action summary. The summary will also include the person accountable, timelines and status updates. This becomes a very powerful document that can be reviewed at any interval to see where the key initiatives are at. It will become the driving force at board and management meetings. You can see at a glance the status of what is really important.

### **Yearly strategic management cycle**

From figure 1 you can see that we have covered the planning phase and implementation steps. This is not the time to “drop the ball”. We must continue to push to get actions completed, follow through on commitments and make all necessary changes. The plan must be reviewed on a regular basis and a transparent annual planning process instituted. When it becomes “the way we do business” you will be well on your way to ensuring you achieve the third piece of strategic management – sustaining high performance through the yearly strategic management cycle.

### **Simplicity – Clarity – Action – Results**

At **The Rhiness Group**, we stress the importance of simple, clear plans and actions that drive to successful results. Do not confuse simple with easy. Many of the initiatives undertaken will be hard work and test your organization.

By keeping things simple and clear you provide the right guidance to the talented people in your organization. Turn them loose and let them soar.

## Tips and Tools for Excellence in Strategic Management

- ✓ Plan to Plan with senior management
- ✓ Always take a Systems Thinking Approach
- ✓ Use the Strategic Thinking Simplicity model for planning
- ✓ Do a rigorous future environmental scan
- ✓ Involve key stakeholders – people support what they help create
- ✓ Plan for the future – start with desired future outcomes
- ✓ Take a “helicopter view”
- ✓ Embrace skeptics – they are your best friends
- ✓ Add scenario considerations to all discussions
- ✓ Match your desired outcomes with success measures
- ✓ Honestly assess your current state
- ✓ Use the Action Bridge to close the gap
- ✓ Build an Action Summary page with strategies and actions
- ✓ Have clear individual accountabilities and timelines
- ✓ Plan to Implement – this is the hard part
- ✓ Adopt a yearly strategic management cycle
- ✓ Remember – Simplicity, Clarity, Action, Results

Check out our other articles for best practices, tips and tools to help your organization become an industry leader at strategic management

[www.RhinessGroup.com](http://www.RhinessGroup.com)

*Simplicity – Clarity – Action - Results*

