EXECUTING TO WIN – SETTING THE TEAM UP FOR SUCCESS

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Preface

Before jumping into market research, strategic planning or execution of a strategy, it is highly recommended that an assessment of growth readiness is conducted. Whether facilitated by the internal team or an external firm, growth readiness is a point-in-time view of an organization's ability to successfully drive growth. MarketWise offers an in-depth assessment, which follows the process diagrammed below and takes approximately two weeks to complete.

The full assessment includes getting to the point of a complete understanding of the cross-functional set of perspectives within the organization, based on in-depth conversations, followed by a report of findings, recommendations and a discussion of next steps. For those interested in a preliminary assessment, MarketWise provides a quick view survey without charge, which can be used to roughly calculate an organization's score as it stands today. In either case, the idea is to Identify the current state, gaps and barriers as they relate to setting the organization up for growth. Without this, market research and/or growth strategies may be put into place before the organization is truly ready to embark on those journeys.

Executive Summary

Once the strategic plan is built and communicated to the organization as a whole, there are two choices: 1) put it on the shelf and revisit it again in a year; or 2) manage the plan, to ensure flawless execution. It goes without saying that the first option isn't really an option, but the reality is that this is the approach some companies take. This usually happens when the strategic planning process was forced upon the team, so much so that while it was ultimately completed, it was viewed as an academic exercise only, so the team reverts to business as usual as soon as the planning process is completed.

When this occurs, busyness will ensue, but it becomes unlikely that big changes will occur, since nobody is focused on anything but the tactics of the business. Instead of falling prey to that outcome, especially considering the many examples of companies that failed to plan and then failed altogether, it's imperative that the execution of the plan be treated as critically important, as should the development of the plan.

Consider football, which as it turns out, has many parallels to business; there's a mission (provide entertainment), there's a vision (delight fans by winning), there are strategic objectives (win the Super Bowl), there are strategic imperatives (win the division), there are project/product/marketing plans (build the team and plan the games), there's an operating plan (how the money will be made) and there's communication (to ownership, team members, the press and fans). Like in business, without planning and great execution, the environment is chaotic and the results are often disappointing.

On the other hand, when the plan is well thought-out and understood; and the teams are excited about the roles they're playing, engagement, energy and performance can be better than they've ever been. This is the point at which companies succeed wildly, creating new markets, beating their competitors and achieving or surpassing the objectives they set out to accomplish.

Critical to success is rigorous management, which comes in the form of regular reviews, discussion, identification of challenges, elimination of roadblocks and holding people accountable for meeting their obligations. Culture plays a big role in good execution as well, since to succeed fully, the environment needs to be positive, the right people need to be in the right positions, everyone needs to feel heard and appreciated, leadership needs to be authentic and those who don't perform need to be moved out.

Introduction/Background

The best research and strategy don't matter unless execution as close to flawless as possible is put into place. To accomplish this, the objectives need to be clear and completely transparent to everyone expected to play a role. From there, an annual operating plan that can be broken into monthly objectives is critical. Each member of the team should have responsibility for their objectives and progress should be reviewed regularly (monthly), in a structured, disciplined way. As challenges present themselves, the strategy team should utilize a solid problem-solving process to determine root cause and to put an action plan that will resolve whatever is blocking progress into place.

The Problem to Solve

The key to flawless strategic execution is great strategic planning, backed by credible market research and rigorous debate and involvement by a cross-functional team; and lastly, a foundation and a culture within the company that are ready for execution and growth.

The reality however, is that some companies, maybe even a lot of companies, have cracks in the foundation of some sort and often, cultures that aren't oriented toward making the changes that will enable growth. Additionally, many strategic planning processes are done at the very senior levels of the company, without any or much input from those closest to the business every day, which can lead to misdirection, false assumptions and a lack of buy-in once the plan has been completed, all of which results in a lack of execution and therefore not much progress on the strategic movement of the company.

Recommended Approaches

To start, those who were involved with the strategic planning process are likely the ones who will now have the responsibility of executing the plan in a way that ensures strategic progress. As discussed previously, good strategic execution depends on buy-in, which at this point will have come from the strategic planning process. Before getting too far into execution however, the entire company needs to have been exposed to the plan, including where the company is going, why it's going there, how it aligns with the mission and vision and most important for those expected to execute, how each role contributes to the progression of the plan. Said another way, everyone in the organization needs to know why they're doing what they're doing; and they need to believe they're set up for success, individually and as a team. This plays a significant role in the culture of the company, because it illustrates transparency, team-orientation and ideally, the set up for a win/win/win; the company, the individual and the customer.

Holistically, the elements of a culture that can enable growth include the following:

- There's a vision coming from the top of the organization
- Everyone understands the strategic plan and why their role matters
- The environment is positive and "can do"
- The right people are in the right positions
- Everyone feels heard, appreciated and fairly compensated
- Leadership is fair, honest, transparent, authentic, consistent and humble
- Those who don't perform are moved out

It's fair to say that accountability comes from engagement, which comes from culture. With this in mind, it's time to start talking about how to manage the specifics of accountability, since by now, there should be comfort that the culture is heading in the right direction.

Before proceeding further, it should be noted that execution is made up of three distinct areas of activity, including: 1) addressing structural gaps and roadblocks; 2) managing progress of the strategic initiatives; and 3) executing the tactics of the project, product and marketing plans that support the strategic initiatives.

<u>Structural:</u>

Structural gaps and roadblocks are intended to be identified during the growth readiness assessment phase, as discussed in the preface of this and other MarketWise white papers. Examples of these items include:

- Not thoroughly understanding the market and/or its macro trends, competitors, unmet needs, etc.
- Lacking a product management process, clear direction to product development, etc.
- Not having established processes to build and execute strategy effectively
- Missing go-to-market capability

<u>Strategic Initiatives:</u>

Examples of strategic initiatives are almost limitless, but here are a few common initiatives:

- Create a recurring revenue stream
- Build a product management function
- Move from a direct selling model to direct selling + channel
- Expand into select European countries
- Partner with an adjacent, complementary company
- Acquire a competitor

<u>Tactical Execution:</u>

Here are examples of the elements that may make up the tactical execution category:

- Establish a 3-year product development roadmap
- Expand the product line to appeal to a broader segment of the market
- Cost reduce and re-price an offering to better align with competitive forces
- Introduce an as a service offering
- Name a new product
- Establish updated value proposition messaging
- Build a month-by-month marketing plan
- Decide and manage the promotion budget
- Establish a thought leadership program
- Assemble a sales incentive plan
- Design a channel program

Once structural items, strategic initiatives and tactical plans are established, accountability for hitting milestones becomes critical. A good way to start is to clearly articulate ownership. A proven tool for this exercise is the RACI (Responsible, Accountable, Consulted and Informed) table, which is a simple categorization of ownership.

Matrix of Ownership – RACI

Initiatives	Responsible	Accountable	Consulted	Informed

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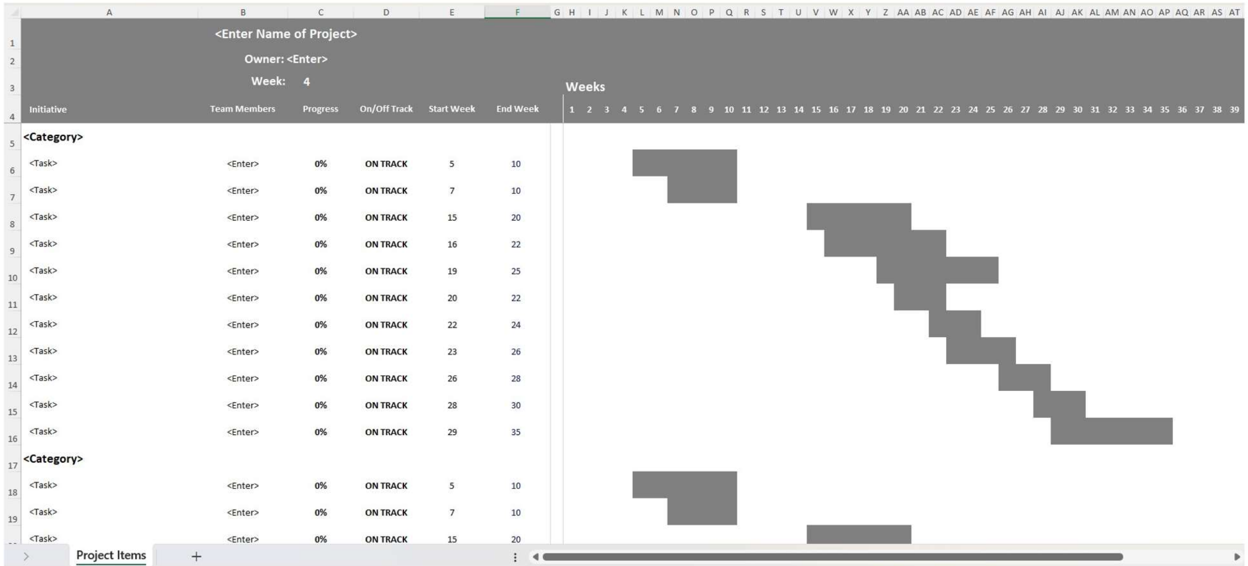
Once the RACI has been decided, the expectation should be that each of those named "responsible" begin putting their project plans into place, for each strategic initiative identified. This should be built as a team, with input from all who are listed on the RACI, again, so that communication remains transparent and buy-in stays intact. A template for project planning is below.

Strat Initiative 1– Timeline



Initiative	Team Members	Progress	On/Off Track	Start Week	End Week
<Enter Name of Project>					
Owner: <Enter>					
Week: 4					
<Category>					
<Task>	<Enter>	0%	ON TRACK	5	10
<Task>	<Enter>	0%	ON TRACK	7	10
<Task>	<Enter>	0%	ON TRACK	15	20
<Task>	<Enter>	0%	ON TRACK	16	22
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<Category>					
<Task>	<Enter>	0%	ON TRACK	5	10
<Task>	<Enter>	0%	ON TRACK	7	10
<Task>	<Enter>	0%	ON TRACK	15	20

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Once the milestones, timing and ownership of each work area and their details are determined, the work can begin in earnest. Making progress takes daily communication and the teams gathering to work through the various parts of each area individually and as a group, depending on the tasks identified.

At the leadership level, progress should be monitored at least monthly. These reviews are typically half-day or all-day meetings and include a thorough dive into the details of each strategic initiative to understand what's working and what's not, which assumptions were correct and which ones weren't, where more research or experimentation is needed, etc. Further, this is the forum to review key monthly metrics, whether categorized as KPIs (key performance indicators) and/or OKRs (objectives and key results).

Key Performance Indicators

2024 Strat Initiative KPIs

Owners: Leadership Team

Latest Update: **11/22/2023**

KPI	Owner		Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Revenue	<enter>	Plan	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
		Actual	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
		Variance	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Gross margin	<enter>	Plan	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
		Actual	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
		Variance	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
EBITDA	<enter>	Plan	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
		Actual	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
		Variance	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Cash-flow	<enter>	Plan	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
		Actual	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
		Variance	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -

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If metrics are off more than two months in a row, there needs to be a process to discuss, get to root cause and then put an action plan into place to get that metric back to where it needs to be.

Root cause analysis can take a variety of forms, but MarketWise recommends starting with a brainstorming session, where a question is posed and everyone involved in delivering on the work area is given a chance to provide feedback. A good way to handle this part of the process is with a “sticky note” exercise, whether in-person or virtual. If virtual, Miro (www.miro.com) is a great way to accomplish this, but there are others (e.g., Microsoft Teams).

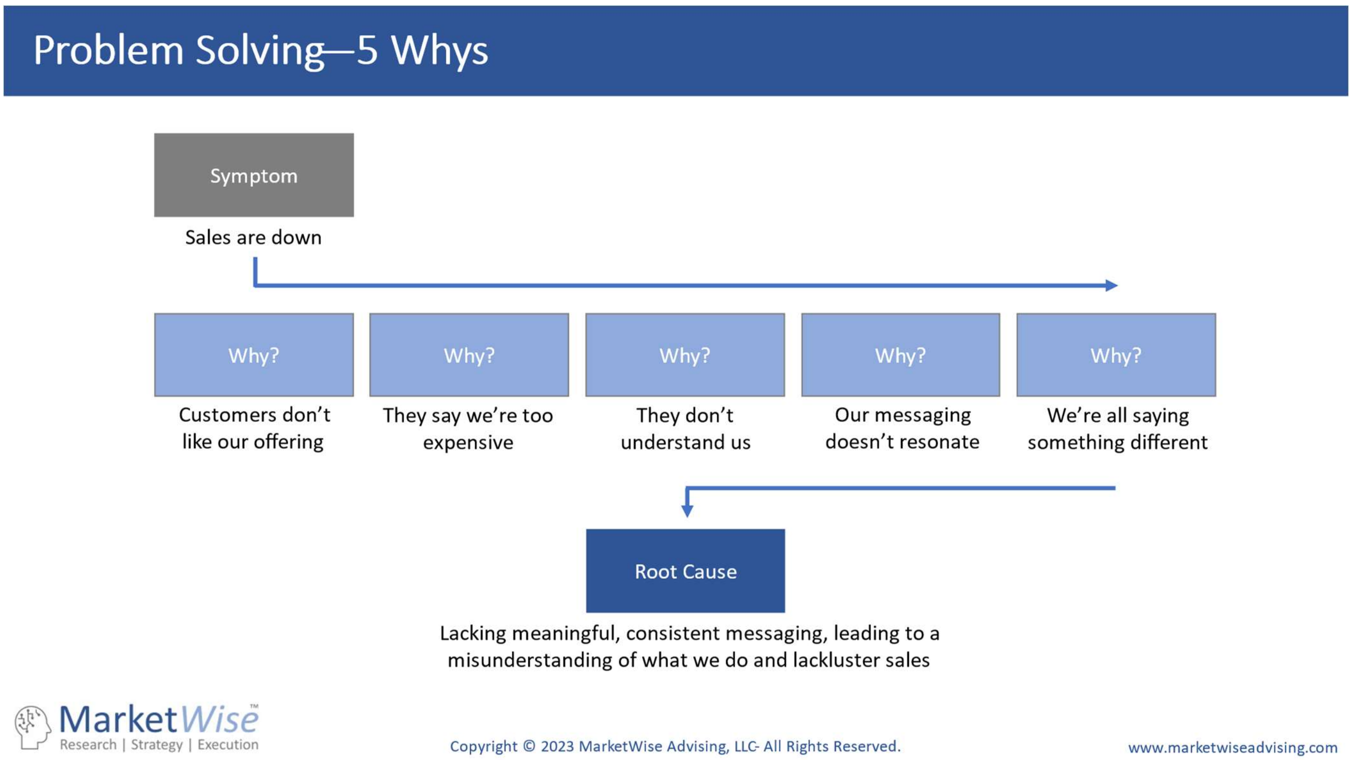
As an example, assume the metric was revenue and that it has been missed in February and March. In this instance, all or part of the team responsible for that metric would gather and ask and answer a question such as, “Why are we missing our revenue expectations?” There might be five or ten people working through the question and each of them may write ten or twenty sticky notes. Good practice is that each sticky note includes a complete thought (e.g., “Customers think our price is too high.”); and it may be that multiple people write something similar. However, it’s important to keep the process pure by letting that happen, without collaborating until the next step.

Once everyone has exhausted their thoughts, it’s time to organize similar ideas into clusters. This can be a group effort, where everyone moves sticky notes into clusters, or one member of the team can be nominated to cluster the notes, followed by a group review and any adjustments that might be considered necessary. Regardless, the idea is to end up with several distinct groups (clusters) of ideas that can be worked on one at a time.

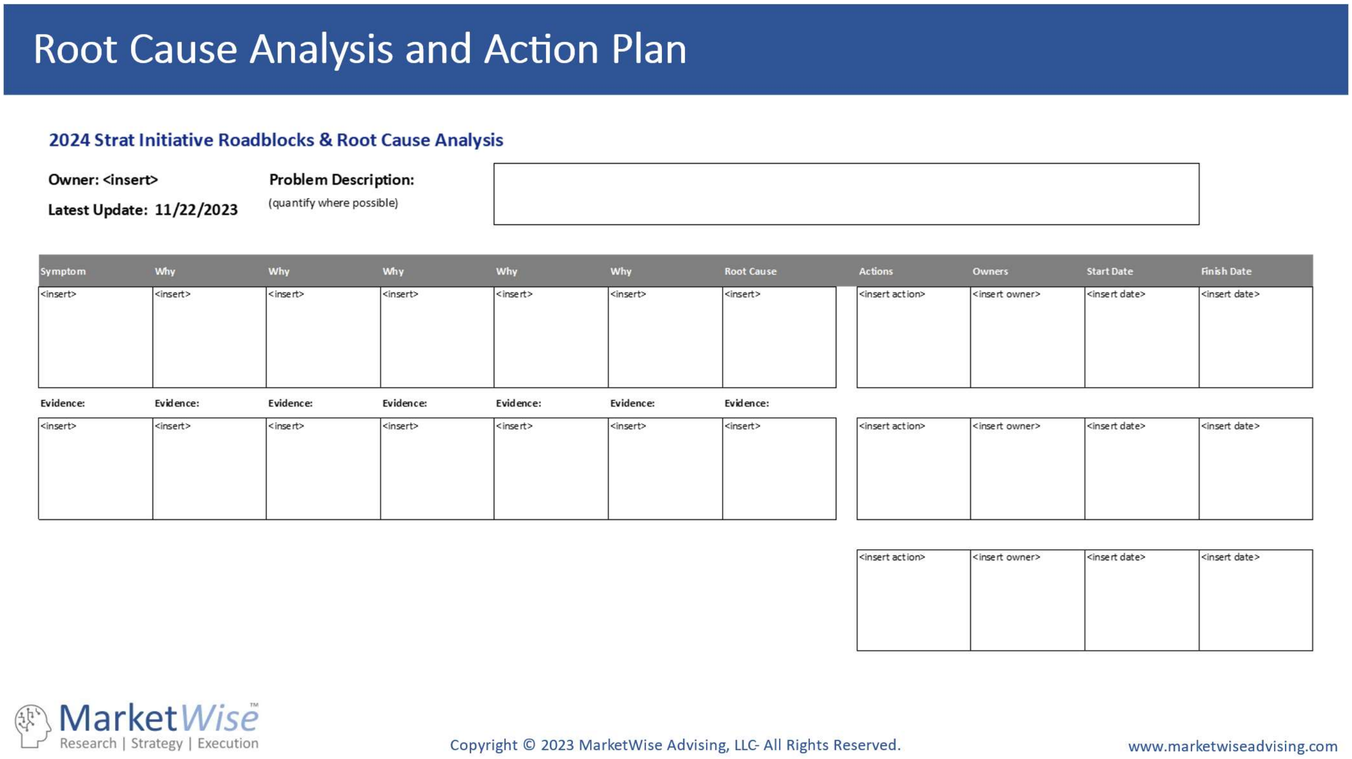
From there, the next step is typically to assign descriptive summary statements to each of the clusters. To stay with the example above, one cluster might say something like, “New sales are down.”

Once the clusters have been decided and named, it's time to rank them in terms of impact on the objective the team is trying to meet, in this case, revenue. This too is a team effort, where each person is given three votes, meaning they can pick their top three reasons, or they can apply all three votes to the reason they believe is most critical.

Once all the problem areas have been identified, ranked and prioritized, the root cause analysis can begin. The idea here is to get beyond symptoms and to the point of the root of the problem, so that it can be addressed directly, thus dealing with the symptoms as well. Here's an example of that analysis, which relies on continuing to ask "Why?" until the root cause becomes clear.



Once root cause has been found, an action plan can be determined and staffed, in addition to a reasonable timeline. Here's the root cause analysis and action planning tool MarketWise uses for this purpose.



Root Cause Analysis and Action Plan

2024 Strat Initiative Roadblocks & Root Cause Analysis

Owner: <insert>

Latest Update: 11/22/2023

Problem Description: (quantify where possible)

Symptom	Why	Why	Why	Why	Why	Root Cause	Actions	Owners	Start Date	Finish Date
<insert>	<insert>	<insert>	<insert>	<insert>	<insert>	<insert>	<insert action>	<insert owner>	<insert date>	<insert date>
Evidence:	Evidence:	Evidence:	Evidence:	Evidence:	Evidence:	Evidence:				
<insert>	<insert>	<insert>	<insert>	<insert>	<insert>	<insert>	<insert action>	<insert owner>	<insert date>	<insert date>
							<insert action>	<insert owner>	<insert date>	<insert date>

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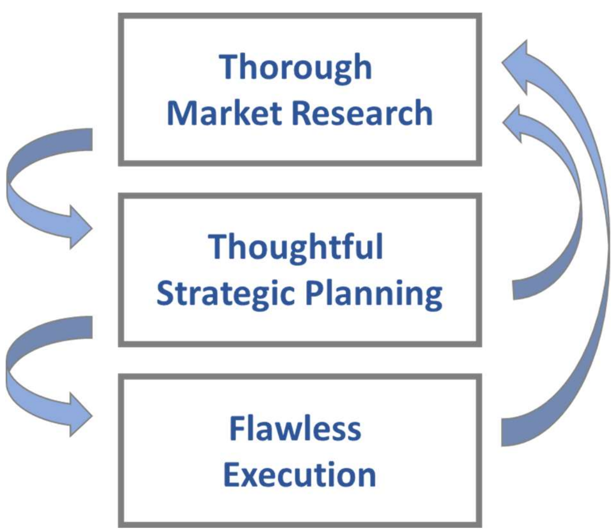
As a reminder, while it would be nice if everything with strategy happened as planned and without the need for course correction, the reality is that you can't know everything up-front, so there has to be a willingness to resolve issues, conduct further research, course correct, etc., as you go. Market research for example, is often needed throughout the process of developing and executing a growth strategy.



Conclusion

Strategic planning and execution, while critical to success and growth, aren't always treated as such. However, as discussed in *Start with Research* and according to the Bureau of Labor Statistics, only 25% of new business ventures make it to 15 years or more. Businesses fail for a number of reasons, at least one of which is the failure to plan in an effective manner. Strategic planning takes effort, discipline and critical thought, but the payoff is an engaged workforce that knows where it's going and why, which is the best chance of any business's long-term success. As stated by Philip Stanhope, the 4th Earl of Chesterfield, in 1746, "If it's worth doing, it's worth doing well."

If you would like access to editable version of the tools found in this white paper, or if you wish to explore this topic further, please contact the author:

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