

Enrichmentors Business Review

Executing a Winning Business Strategy

Insights into making a Winning Business Strategy work for you

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What is in this Issue From The Editor's Desk

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Dear Reader,

Hope you enjoyed the last issue where I had shared with you the process, tools and techniques of formulating a Winning Business Strategy.

It was always easier during my working years to execute a strategy that was formulated successfully but as I have been going into my consulting years, I found that execution itself was a big challenge for my small and medium enterprises clients!

Most of my clients would invariably ask me to get into execution after having formulated the strategy and I did get into execution couple of times to show the proof of the pudding.

This leads me to think that executing a strategy is not as easy as it looks and there are things that one needs to take care of to ensure a quick and successful implementation of the winning business strategy

I am presenting these thoughts and sights again with the objective to keeping them simple yet effective for small and medium enterprises who do not that level of resources enjoyed by the large companies. Also the need of the SMEs are to get the results tomorrow!

In doing so, the tools presented may appear very elementary but does it matter if they work more effectively? You can always make them more complex and elaborate later!

Most of the tools presented are based on my learnings while working in Johnson & Johnson from my bosses like Narendra Ambwani, Barry Rhein etc.

Hope you enjoy this issue as well and benefit from it.

Executing a Winning Business Strategy

Insights into making a Winning Business Strategy work for you

This strategy Implementation paper details the following aspects of executing a Winning Business Strategy that can help you grow your business faster.

- *What is to be executed?*
- *Who will execute these?*
- *How will these be executed?*
- *How well are these being executed?*
- *What shall you do next?*

What is to be executed ?

Defining the Key Actions that need to be executed is the first step in successfully executing a Winning Business Strategy. A Strategy by its definition is more directional and less concrete. Left to itself, it can only provide your people a general sense of what to do without being specific. Some of them will chart their path very well but a large number may be unclear about what should they do. For a successful implementation of any strategy it is always useful to draw a few – 5 to 10 -Key Action Plans that will execute the strategy. Many of us believe that once we have a Winning Business Strategy, results will come on their own. I wish that was true! In fact, the work has just begun with having formulated a Winning Business Strategy but in a right direction.

I have found following one page format for each of the functions a very useful way to capturing these action plans, call it OGSM, OGST or Functional Plans

Functional Plans

Objectives & Goals	Strategies	Key Actions	Responsibility & Timing

Who will execute these Key Action Plans?

Answering this question involves identifying the resources (Men, Money, Materials & Methods) required for successful execution of these plans. Most issues in implementation of these action plans arise from either not having identified the resources required or not having arranged. This is more true of the Small & Medium Enterprises who have far less resources than large companies. I found following steps useful in identifying and arranging these resources

- Identify the Men, Money, Materials and Methods required for successful implementation of each of these Key Actions
- Compile the total requirement of these resources and compare with the current resources available
- Identify the resource gaps
- Develop plans to place resources required including the responsibility and timing
- Modify the plans if required based on the resource availability

This resource planning needs to be done first at each functional level and must end with each of the Key Actions having a Project Leader who is comfortable with the resourcing of the project. More complex Action Plans should follow a project management approach with proper project definition, planning and monitoring approach like KT Project Management Approach. These Key actions must form a part of each individual's performance plan with a quarterly review of the progress and issues systematically

Resource Planning

Key Actions	Men	Money	Materials	Methods
#1				
#2				
#3				
#4				
#5				
Total Required				
Total Available				
Resource Gap				
Gap Closure Plan				

How will these be executed?

Most of us believe that once the action have been allocated to individual the execution is done. Nothing can be more far from reality. There are many individual and organization factors that determine how well the action will be completed.

- **Motivation of the individual**

I would rate this as the most important factor in real life execution of the strategy and its action plans. A motivated team can take you to Moon as it did for NASA when it seen as an impossible task. This is the factor which is most overlooked in SMEs as the owners think that it will happen automatically. This is here the SMEs need to pay attention if they want to join the Big League.

- **Capability**

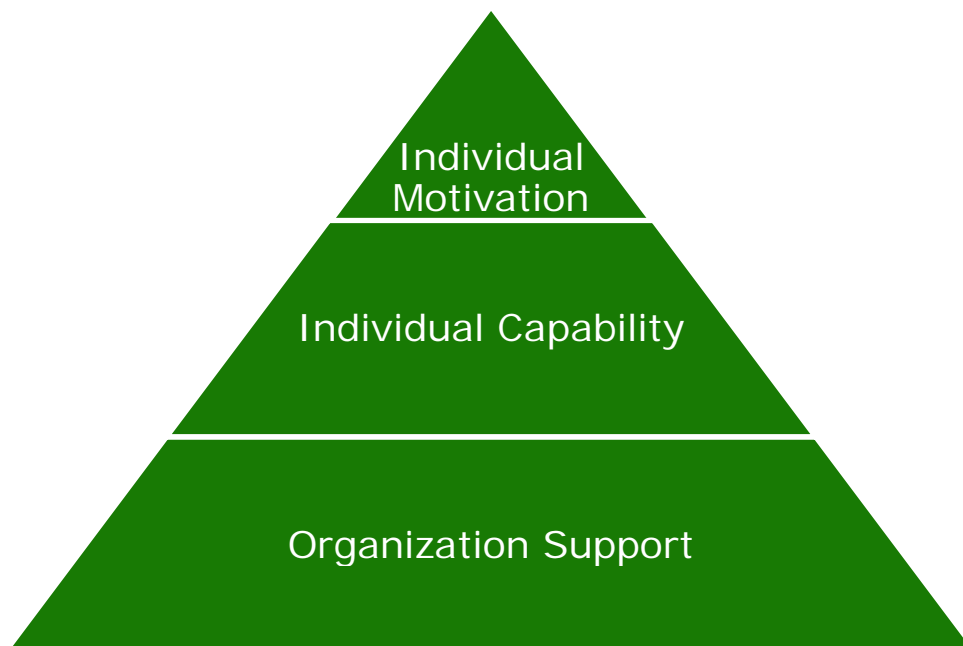
Assigning the Key Action to a capable project leader is the second most important factor. Most SMEs again compromise of this dimension. The assignments happen based on who is available instead of who is the person with right capability

- **Organization Support**

In spite of having a highly motivated and capable project leader, he can fail in implementation if the organizational support is missing. The support can be in terms of structure, policies, processes, systems etc

The challenge of execution lies in making sure that all the three factors are working all the time. The moment any of the slabs of this pyramid starts shaking you will see an immediate impact on the execution and consequently results. Most SMEs start doubting the Strategy which is easier. Look at the first the implementation issues and be convinced that they are fully in order before you change your strategy. That is what defines the success of the larger companies

Excellence in implementation



How well is the Strategy being executed?

If you do not measure it, it will not get done!

You must have heard this very often, yet there a few organizations who measure what they want to get done. Call it inertia, laziness, lack of focus, discomfort with knowing the bad results, majority of organizations do not have right measurements to know how well is their strategy being implemented. Many of these who have the measurements, are not confident if they have the right data.

The trick is in creating performance dashboards at all levels, right from the company to the individuals, that measure the things you want them to do as per the strategy set. As a good practice again, keeping 5 to 10 measurements keeps the whole thing simple and effective.

I have found following levels of performance dashboard very useful in tracking how well is the strategy being executed.

- 1 Overall company dashboard with measurements like sales, market share, profitability, customer service, etc. These are taken from the three to five years goals set in the Winning Business Strategy
- 2 Functional dashboard with measures specific to each of functions in the company and they need to be linked to the Functional Objectives and Goals
- 3 Individual dashboard with measures linked to what is expected of that individual in meeting the functional plans

Also a very useful practice is to have the dashboard at two levels – Results and Key Drivers- for overall company and functional levels. That helps you know what results are not as per plan and what Drivers are causing it, so that you can take the necessary action.

Overall Company Dashboard

<u>Sales</u>	Results	Driver #1	Driver#2	Driver#3
Plan				
Actual				
Last Year				
<u>Profitability</u>	Results	Driver #1	Driver#2	Driver#3
Plan				
Actual				
Last Year				

What shall you do next?

Having looked at the results of the strategy and its key drivers, the last step is to decide the next steps of this process. This the last step “A” in the PDCA cycle for the people familiar with it. That takes you back to a bit of strategizing!

It would be a good practice to review the results and the discuss the next steps in a team meeting of key players at regular intervals. Overall company result should be reviewed and next steps planned on a monthly basis. The Functional review should be held on a weekly. The reviews at the last operating levels like sale people, workmen should on a daily basis by their immediate superiors.

Each of the meeting should have a formal agreed agenda, timing and a process owner. The process owners should be person who has the most gains or loss form the proper functioning of the meeting. A CMD would be a natural process owner for the Company review meeting with all functional heads. Information for the meeting should be circulated in advance so that meetings can focus on action planning

A suggestive agenda for a Monthly Business Review meeting by a CMD is given below.

I have found that it always helps to start with a overall update from the process owner with bias towards finding positive performances. We all have bee trained hard all our life to find what is not right. The need is to look for what is working well and is right. That helps set a positive mood for the meeting. It is inconceivable even in worst of the situations, not to find something that is working well and start from there. Rewarding and recognizing good performance keeps the motivation and morale of the team high, winning you half of the battle. Rest of the battle, they will win, you can take this first step! Of course, then follow the usual review ending with summary of actions.

Monthly Business Review Meeting

SN	Agenda Item	Responsibility
1	Overall update and recognitions	CMD
2	Update on the last meeting minutes	All
3	Review of the overall company dashboard >Results >Key driver’s performances >What is working well and could be done more? >What is not working well and could be done better? >What is not working at all and should be stopped? What new should be done? >What management support is required for better performance	Individual Result owners
4	Review of the minutes of this meeting	CMD

To end, I can only say that following these steps will make the execution of your Strategy lot more successful that without them. Try it yourself and see!