
Getting Results
from your strategy deployment by
changing the mindset of your
Line Managers
to be a **Strategy Driver** throughout
the workforce

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- Context – why should we care?
- Where/how did it go wrong?
- Strategy & the role of Management
- Line Management & Execution
- Strategy Implementation Cycle
- Summary/Conclusions

- “*The world is flat*” – Thomas Freidman
- Globalisation of markets
 - Increasing pressure on manufacturing margins
 - Shrinking customer lead-time requirements
- Industry response
 - Optimise efficiency of operations – 6 Sigma, Lean, TOC
 - Optimise availability of plant – Asset Management
 - Alphabet soup of Three Letter Acronyms
 - Revised Strategies
- Mixed success world-wide & in SA



How successful have we been?

- 38% of the 1045 respondents reported a ROI of less than 1 for the first two years of the deployment^[1]
- 53% of the respondents reported that fewer than 11 projects were completed in the first two years^[1]
- 21.1% of 787 respondents rate their company's 6 sigma program as highly successful^[2]

^[1] iSixSigma Magazine: November/December 2005

^[2] iSixSigma Magazine: January/February 2006

...and in terms of strategy?

“70% of companies believe they select the right business strategy, but fail to execute it due to shortcomings in their management system” – **Accenture Report**

“...only 11% of companies employ a fully fledged strategic control system” – **Ashridge Strategic Management Centre**

“90% of organizations fail to execute their strategy” – **David Norton, Balanced Scorecard Report**

“In the majority of cases – we estimate 70% - the problem isn’t bad strategy but ... bad execution” – **Fortune Magazine**

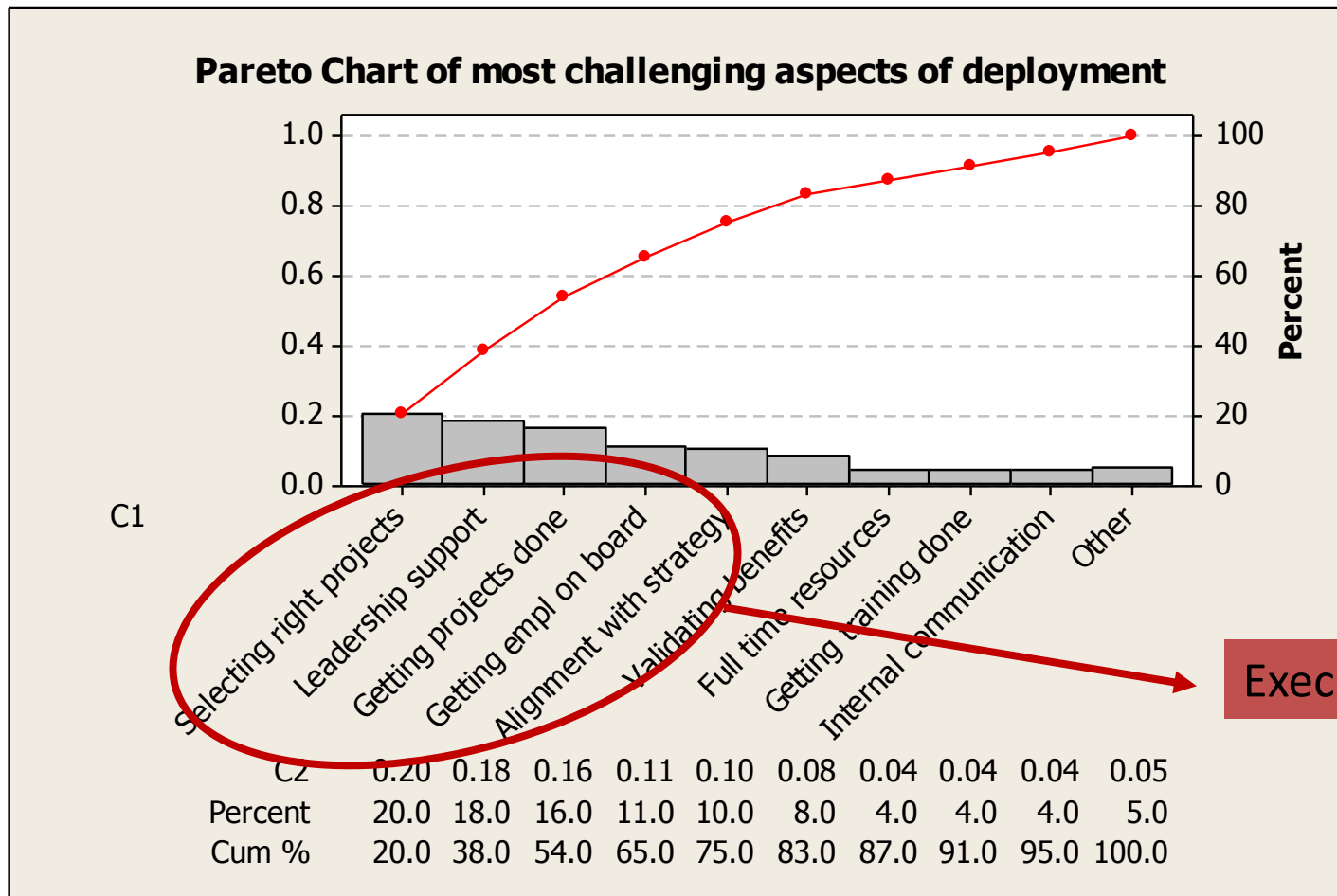
“... over 66% companies with over \$500M in revenue set targets that exceeded 9% real growth, yet less than **one company in ten** achieved this level of success.” – **Chris Zook, Harvard Business Review**

"Our strategising and planning was 100% correct, but it was just our execution that was lacking."
- **SA Cricket coach Mickey Arthur after England declared on 593/8**

Content

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Where did it go wrong?



Execution?

[1] iSixSigma Magazine: November/December 2005, N = 1108

The missing link...

- “**Vision** without Execution is **Hallucination**” - Thomas Edison
- “**ex-e-cu-tion** (ek si kyoo shun), n 1. The missing link. 2. The main reason companies fall short of their promises. 3. The gap between what a company’s leaders want to achieve and the ability of their organisations to deliver it...” – Larry Bossidy and Ram Charan, Execution: The discipline of getting things done

Good strategy is not enough...

Good Strategy x **Good Execution** = **Superior Results**

Good execution is the critical determinant of superior results

- You can beat expectations with good execution of a mediocre strategy

But...

- You can miss expectations with poor execution of a brilliant strategy

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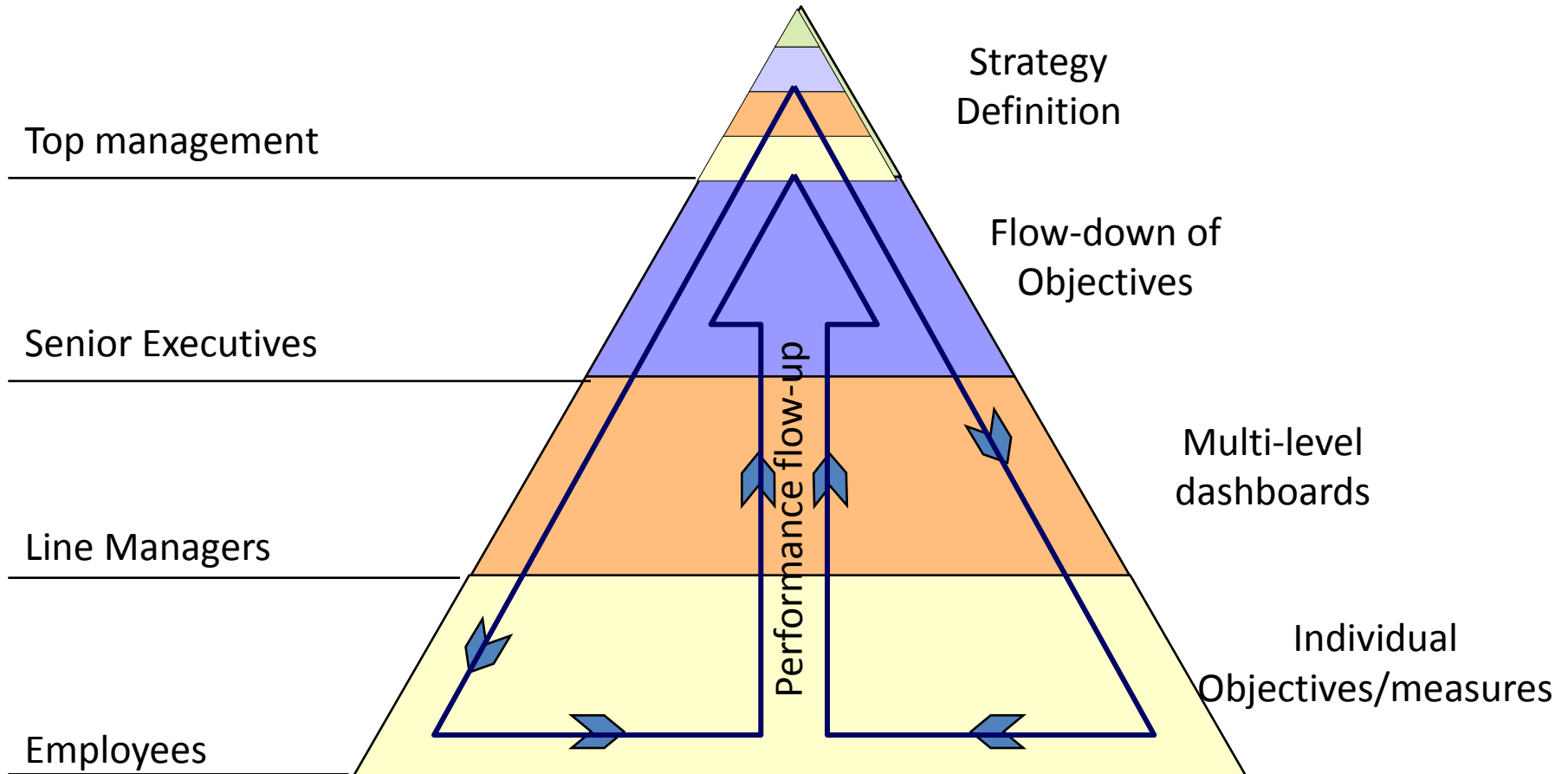
Strategy

- From Greek word *stratēgos*, derived from 2 words:
 - *stratos* (meaning army)
 - *ago* (Ancient Greek for leading)
 - *Stratēgos* (military commander)
- Long term plan of action designed to achieve a particular goal – usually winning

So where does Strategy fit in?



The theory



- Context – why should we care?
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- What managers require...

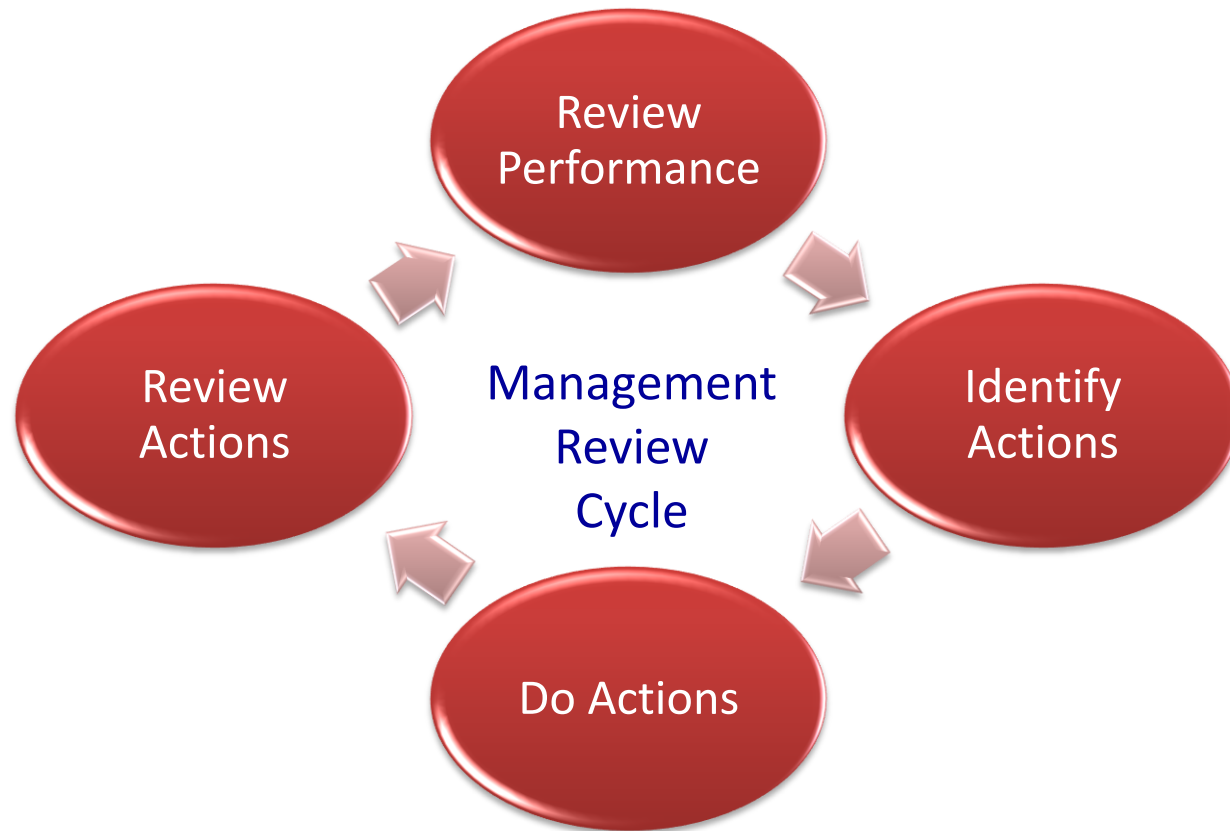
Management

- Early in twentieth century, Mary Parker Follet (1886-1933) defined management as “the art of getting things done through people”
- The verb manage comes from the Italian *maneggiare*
 - to handle – especially a horse
 - *maneggiare* is derived from the Latin *manus* (hand)
- “The hands-on art of getting things done through people”
- Execution!!
- Basic functions of management was identified by Frenchman Henry Fayol (1841-1925)

Functions of Management

- **Planning**
 - Thinking about the activities required to create a desired future
 - Logically arranging activities into a plan
- **Organising**
 - “The act of rearranging elements following certain rules”
 - Making optimum use of resources to carry out plans
- **Leading**
 - affect human behaviour so as to accomplish a mission/plan
- **Controlling**
 - Measure progress & take corrective action
 - checking progress against plans & modify accordingly

Getting a few key things right...

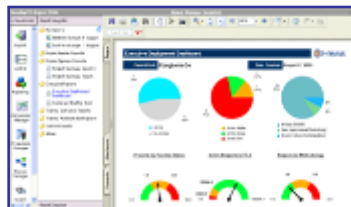


The reality...

Predominantly Lagging Metrics
Inconsistent Inputs



Enabling the journey...



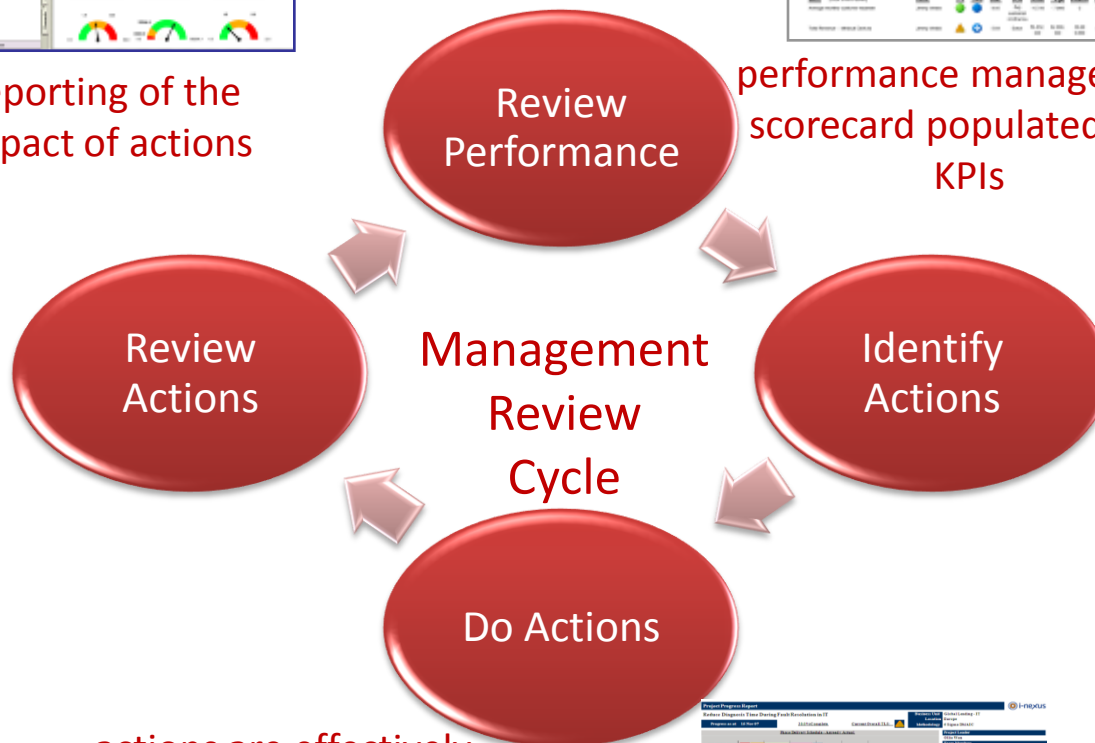
reporting of the
impact of actions



performance management
scorecard populated with
KPIs



real time progress
visibility and 'on/off
track' indicators



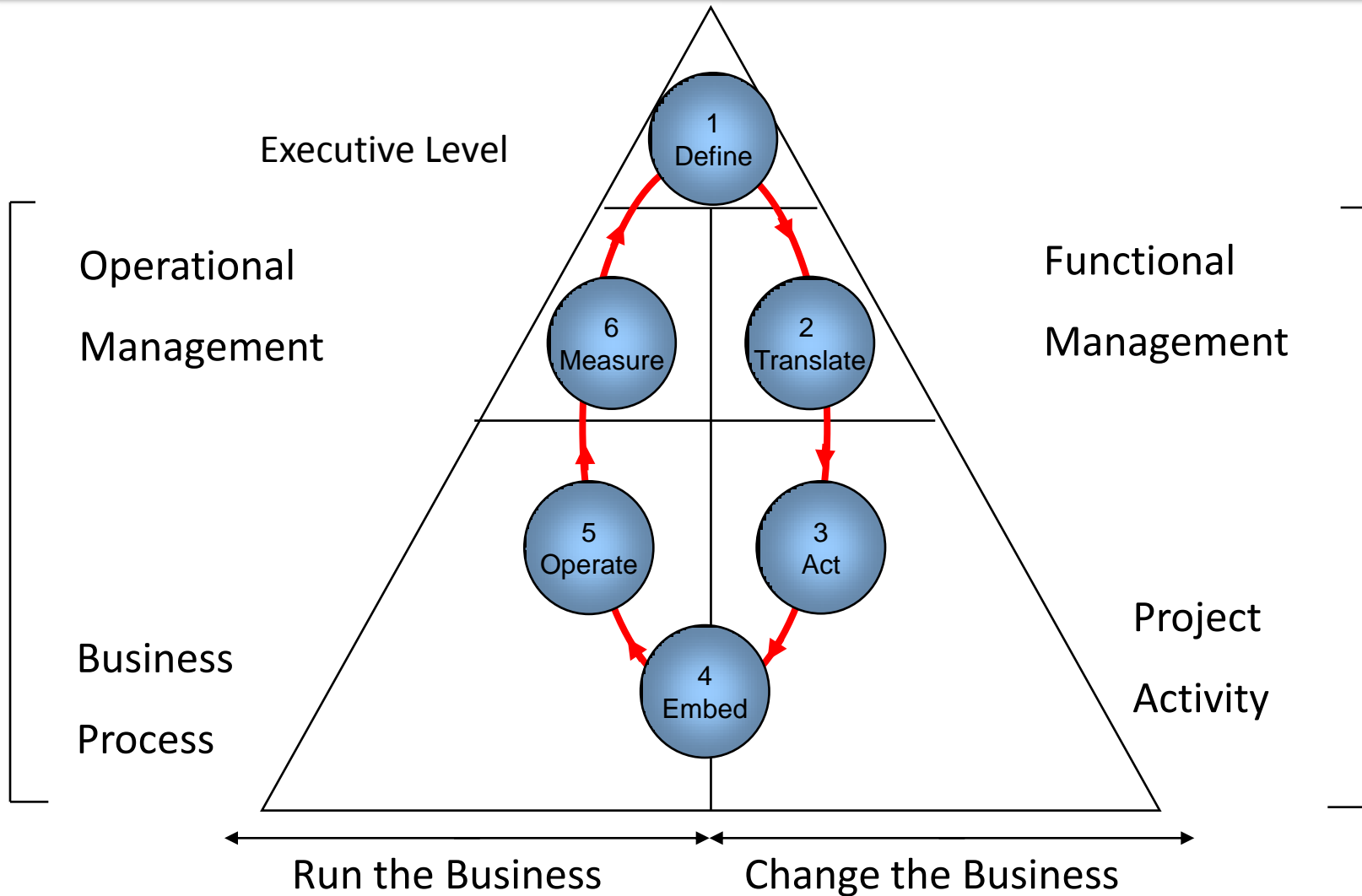
actions based on
performance gaps
identified from data

actions are effectively
and efficiently
managed

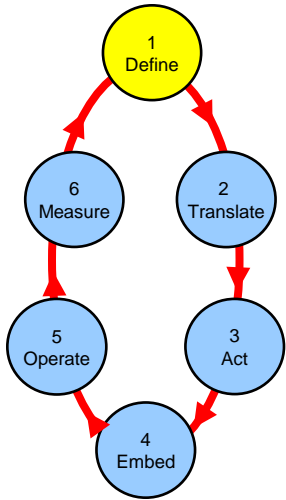


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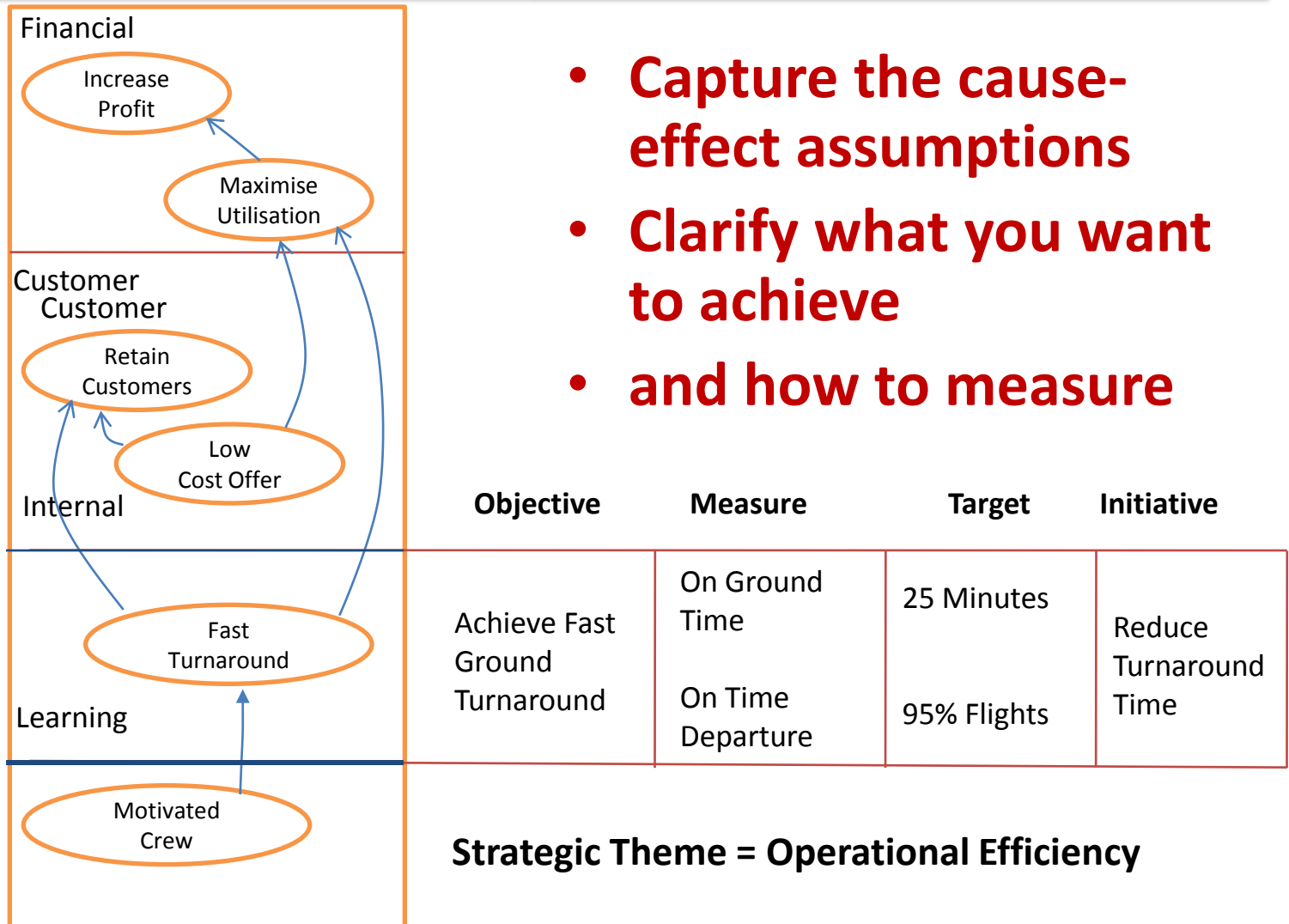
Strategy Implementation Cycle



Strategy Maps



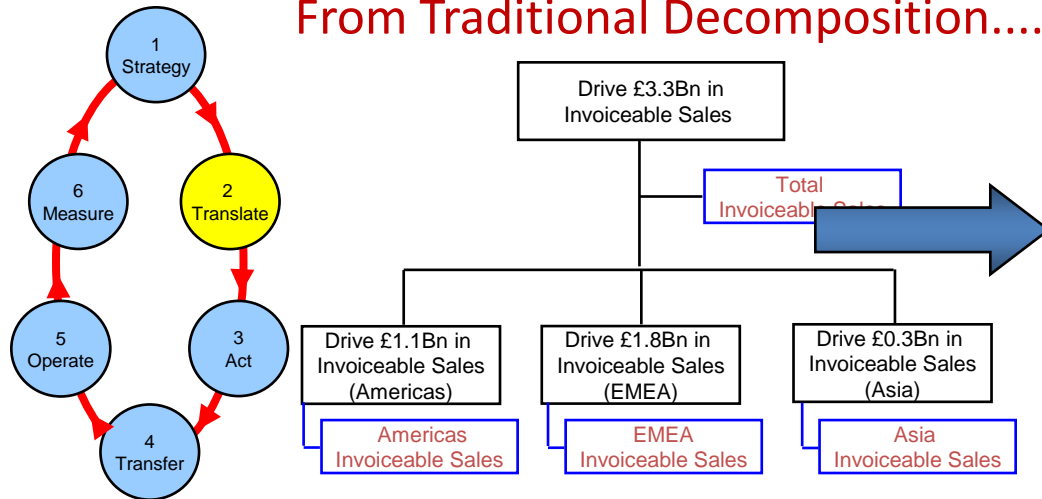
- Capture the cause-effect assumptions
- Clarify what you want to achieve
- and how to measure



Alignment Matrix

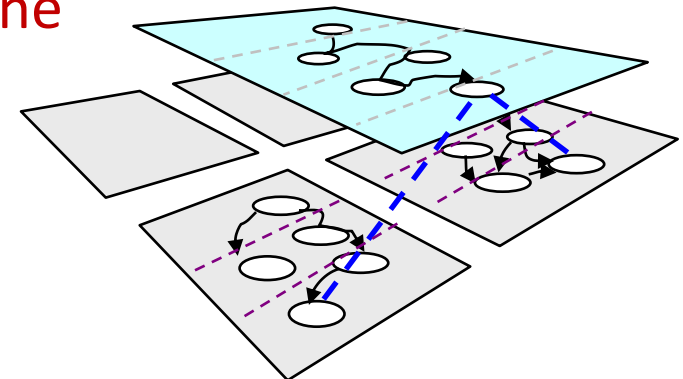
From Traditional Decomposition....

To Cause Effect Thinking....

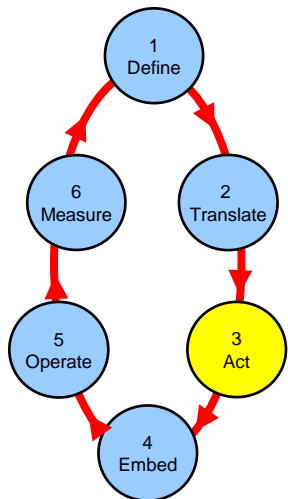


Parent Objective	Child Objective	Metric	Target
Increase Sales	Change Product Mix	% Services	30%
	Invest More in Account Mgmt	% Customer Met/Month	90%

- Each **objective** needs to be **‘translated’** to one or more **actions** that can be implemented
- Move from “just what” to “how”
- Clear **Causal thinking** is the key
- Objective Alignment Matrix



Strategic Grid & Prioritisation

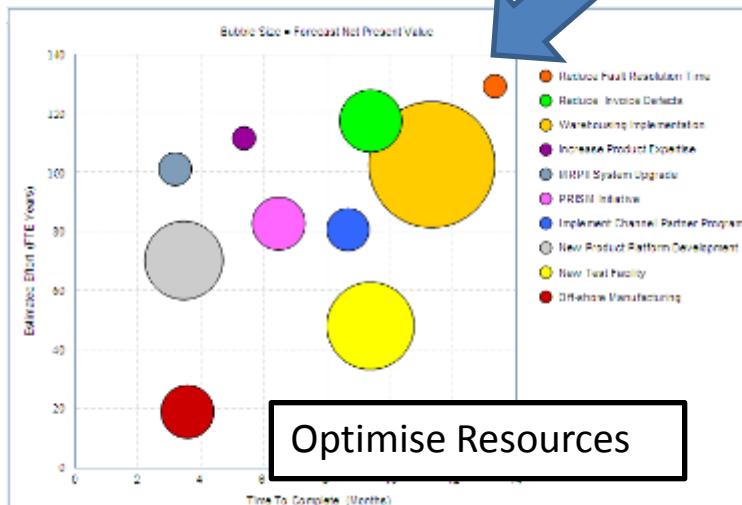


● Strong Correlation
 ● Medium Correlation
 ○ Weak Correlation

Program/Project	Strategic Theme		Business Objective		Reduce Working Capital		Reduce Debtors		Reduce Stock		Improve Credit Terms		Improve Account Mgmt		Improve Forecasting		Data Service Integration		Increase Academic Collaboration		Integrated Project Teams		Build Core Competences		Increase Customer Collaboration		Rationalise Portfolio		Implement Process Management		Clarify Responsibilities		Enable Remote Working	
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Reduce Invoice Defects	7.5	7.5	7.5	7.5	7.5	7.5	7.5	7.5	7.5	7.5	7.5	7.5	7.5	7.5	7.5	7.5	7.5	7.5	7.5	7.5	7.5	7.5	7.5	7.5	7.5	7.5	7.5	7.5	7.5	7.5	7.5	7.5	7.5	
Reduce Scrap in Production	8.3	8.3	8.3	8.3	8.3	8.3	8.3	8.3	8.3	8.3	8.3	8.3	8.3	8.3	8.3	8.3	8.3	8.3	8.3	8.3	8.3	8.3	8.3	8.3	8.3	8.3	8.3	8.3	8.3	8.3	8.3	8.3	8.3	
Implement CRM System	8.5	8.5	8.5	8.5	8.5	8.5	8.5	8.5	8.5	8.5	8.5	8.5	8.5	8.5	8.5	8.5	8.5	8.5	8.5	8.5	8.5	8.5	8.5	8.5	8.5	8.5	8.5	8.5	8.5	8.5	8.5	8.5	8.5	
Redesign HR Incentive Policies	6.3	6.3	6.3	6.3	6.3	6.3	6.3	6.3	6.3	6.3	6.3	6.3	6.3	6.3	6.3	6.3	6.3	6.3	6.3	6.3	6.3	6.3	6.3	6.3	6.3	6.3	6.3	6.3	6.3	6.3	6.3	6.3	6.3	
Develop ABC Product	7.7	7.7	7.7	7.7	7.7	7.7	7.7	7.7	7.7	7.7	7.7	7.7	7.7	7.7	7.7	7.7	7.7	7.7	7.7	7.7	7.7	7.7	7.7	7.7	7.7	7.7	7.7	7.7	7.7	7.7	7.7	7.7	7.7	
ABC Market	6.3	6.3	6.3	6.3	6.3	6.3	6.3	6.3	6.3	6.3	6.3	6.3	6.3	6.3	6.3	6.3	6.3	6.3	6.3	6.3	6.3	6.3	6.3	6.3	6.3	6.3	6.3	6.3	6.3	6.3	6.3	6.3	6.3	
	6.3	6.3	6.3	6.3	6.3	6.3	6.3	6.3	6.3	6.3	6.3	6.3	6.3	6.3	6.3	6.3	6.3	6.3	6.3	6.3	6.3	6.3	6.3	6.3	6.3	6.3	6.3	6.3	6.3	6.3	6.3	6.3	6.3	
	6.5	6.5	6.5	6.5	6.5	6.5	6.5	6.5	6.5	6.5	6.5	6.5	6.5	6.5	6.5	6.5	6.5	6.5	6.5	6.5	6.5	6.5	6.5	6.5	6.5	6.5	6.5	6.5	6.5	6.5	6.5	6.5	6.5	

Valida

Validate Alignment

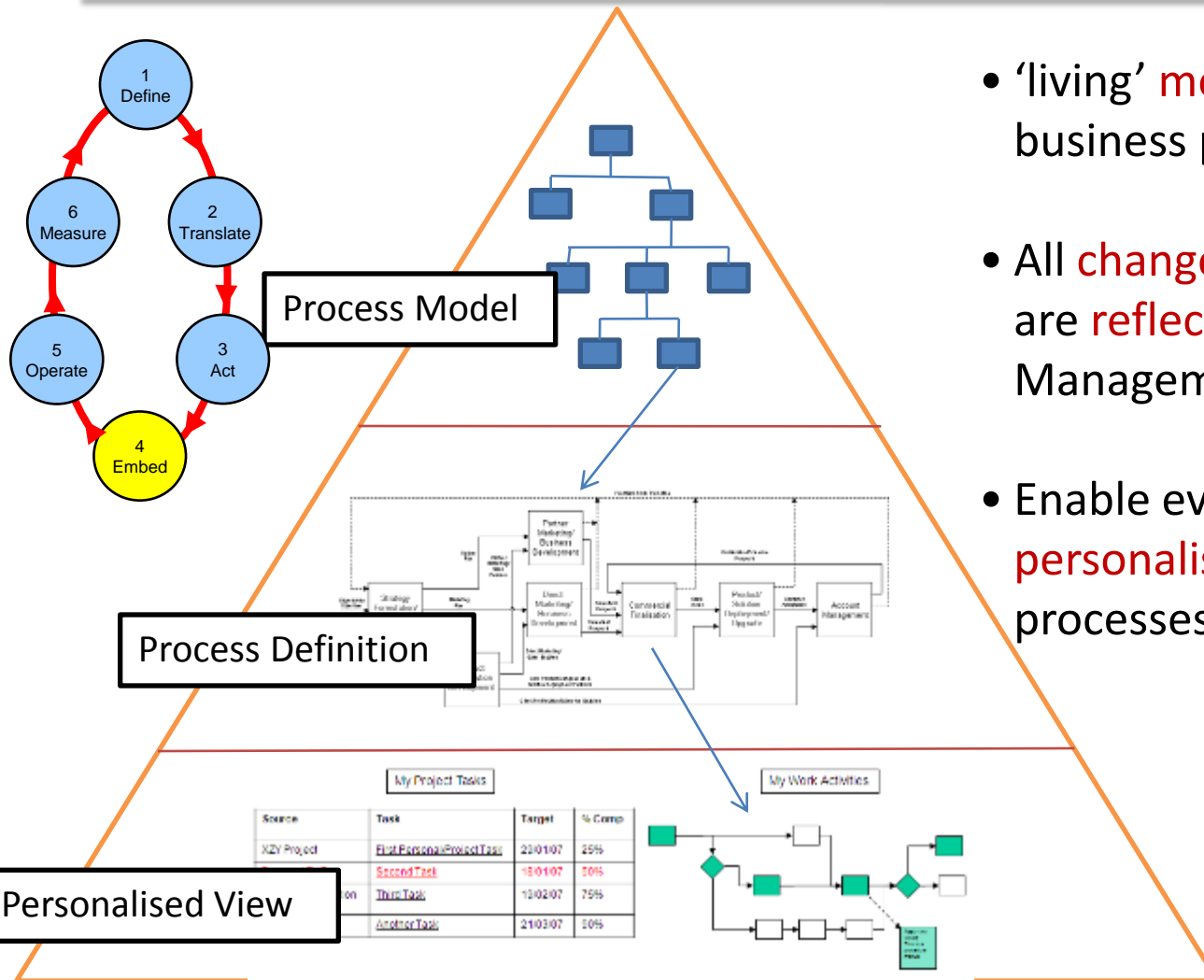


Optimise Resources



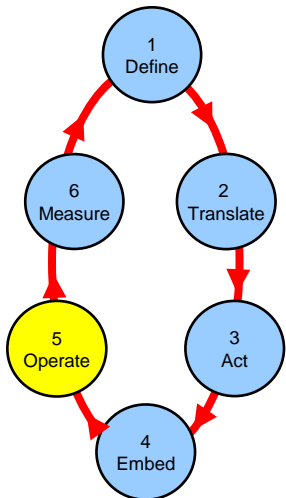
Drive Execution

Process Management System

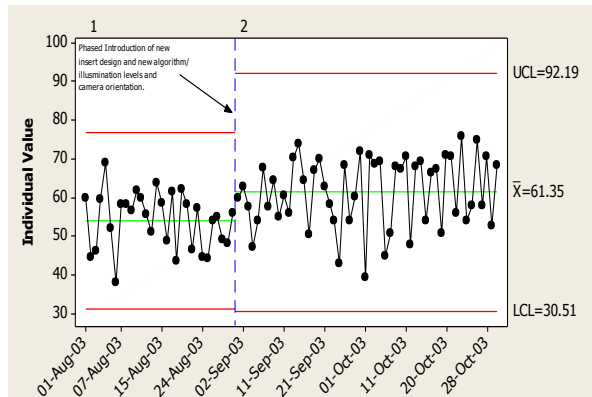


- ‘living’ **model** of the company’s business processes
- All **changes** resulting from projects are **reflected** into the Process Management system.
- Enable every employee to see a **personalised view** of relevant processes.

MAAR Charts



Transaction Lead Time



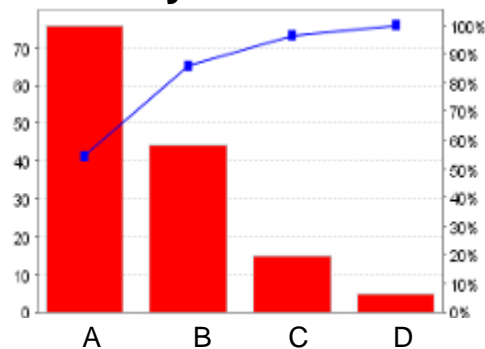
Measure

Action Planning/Progress

Cause	Action	Owner	Due	Status
A	Reduce instances of A	PTD	Jan	
B	Remove instances of B	ABC	Feb	

Action

Analysis of Root Causes



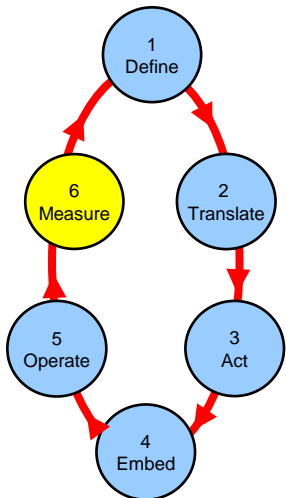
Analyse

Validation of Improvement

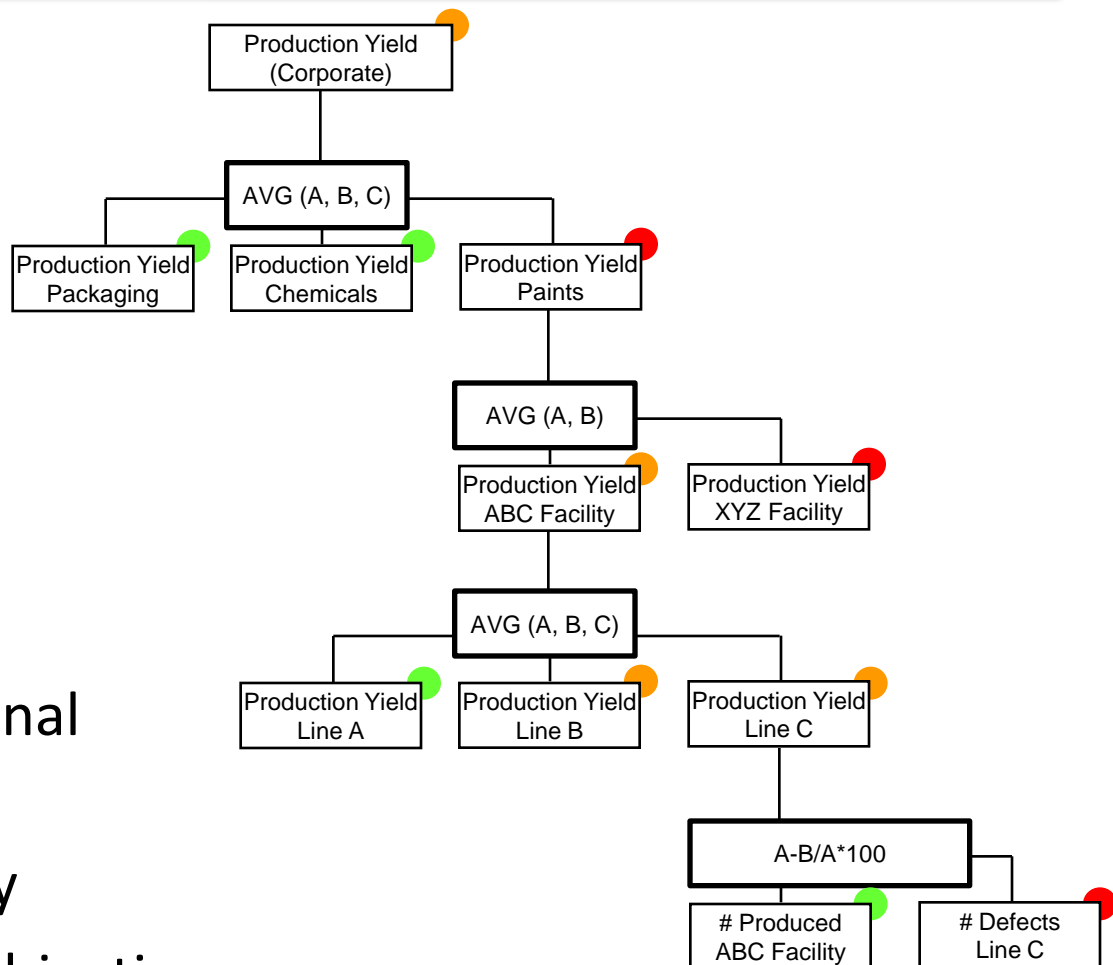
R C	J	F	M	A	M	J	J	A	S	O	N
A	10	21	16	18	0	0	0	0	0		
B	18	23	24	16	12	9	0	2	16		

Review

Measurement Framework

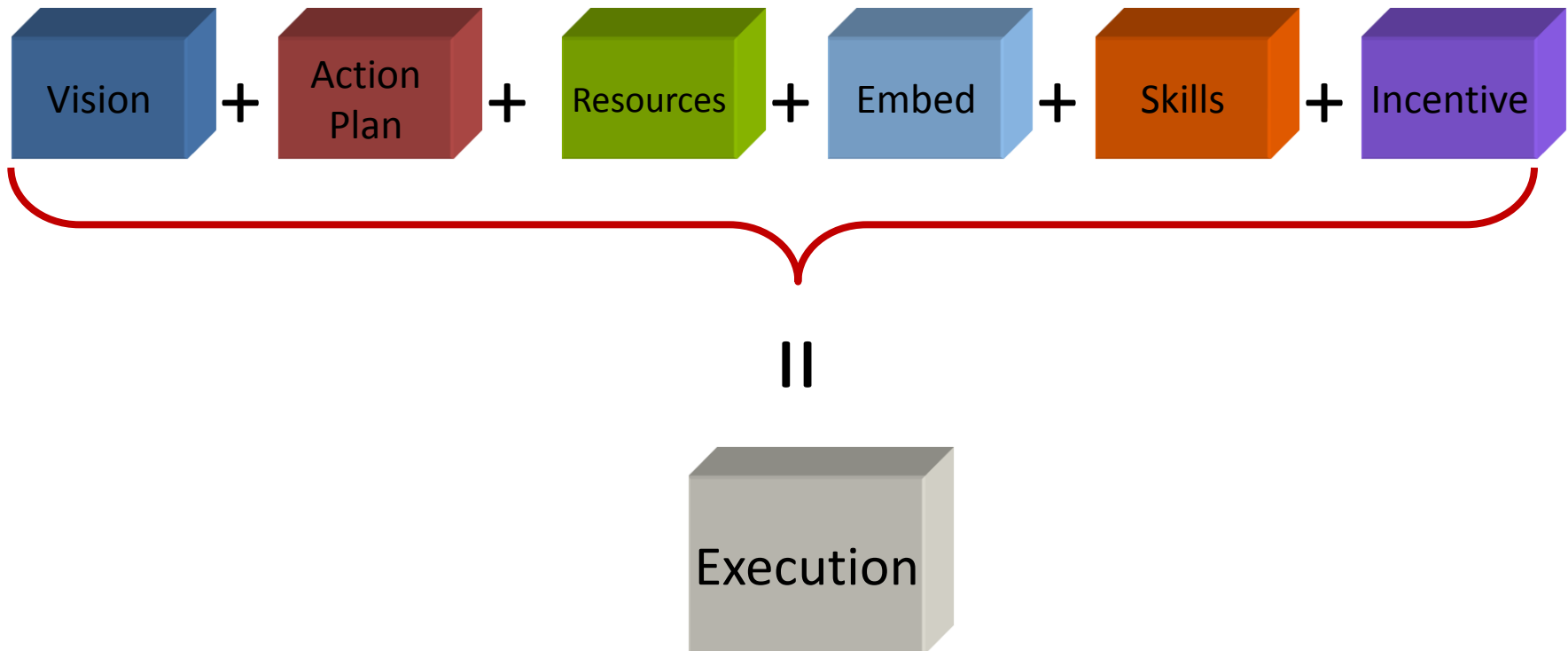


- Keys:
 - consistent operational definitions
 - applied consistently
 - KPI's aligned with objectives



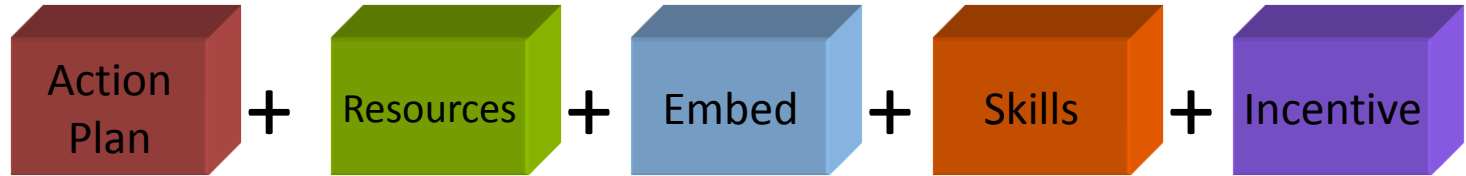
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Execution Model*



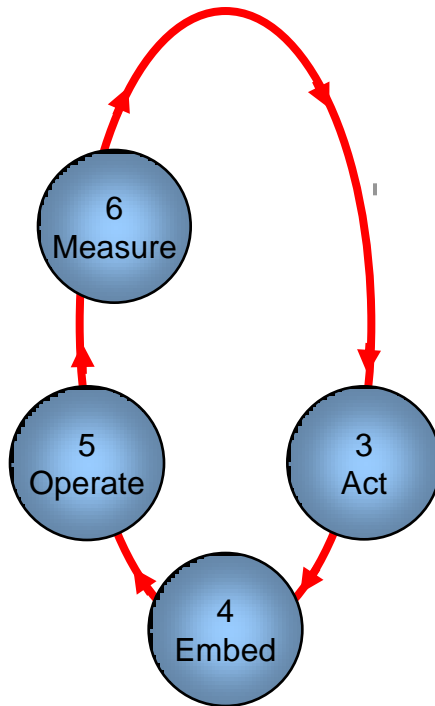
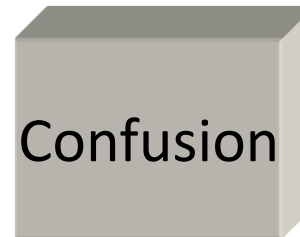
*Adapted from Sherrie Ford, Change Partners, Strategies & Solutions for World-Class Manufacturing, Summer 1994

The source of confusion...

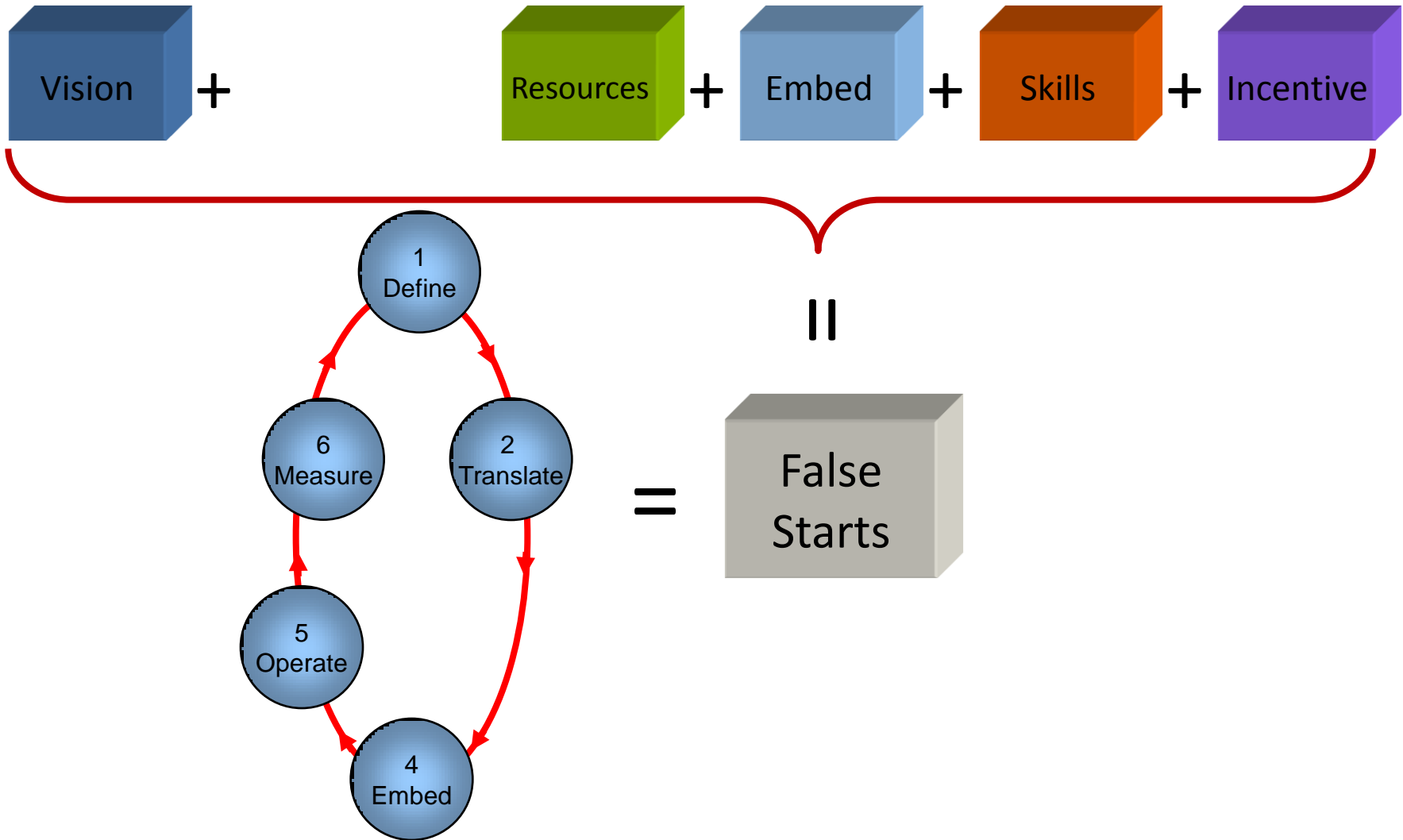


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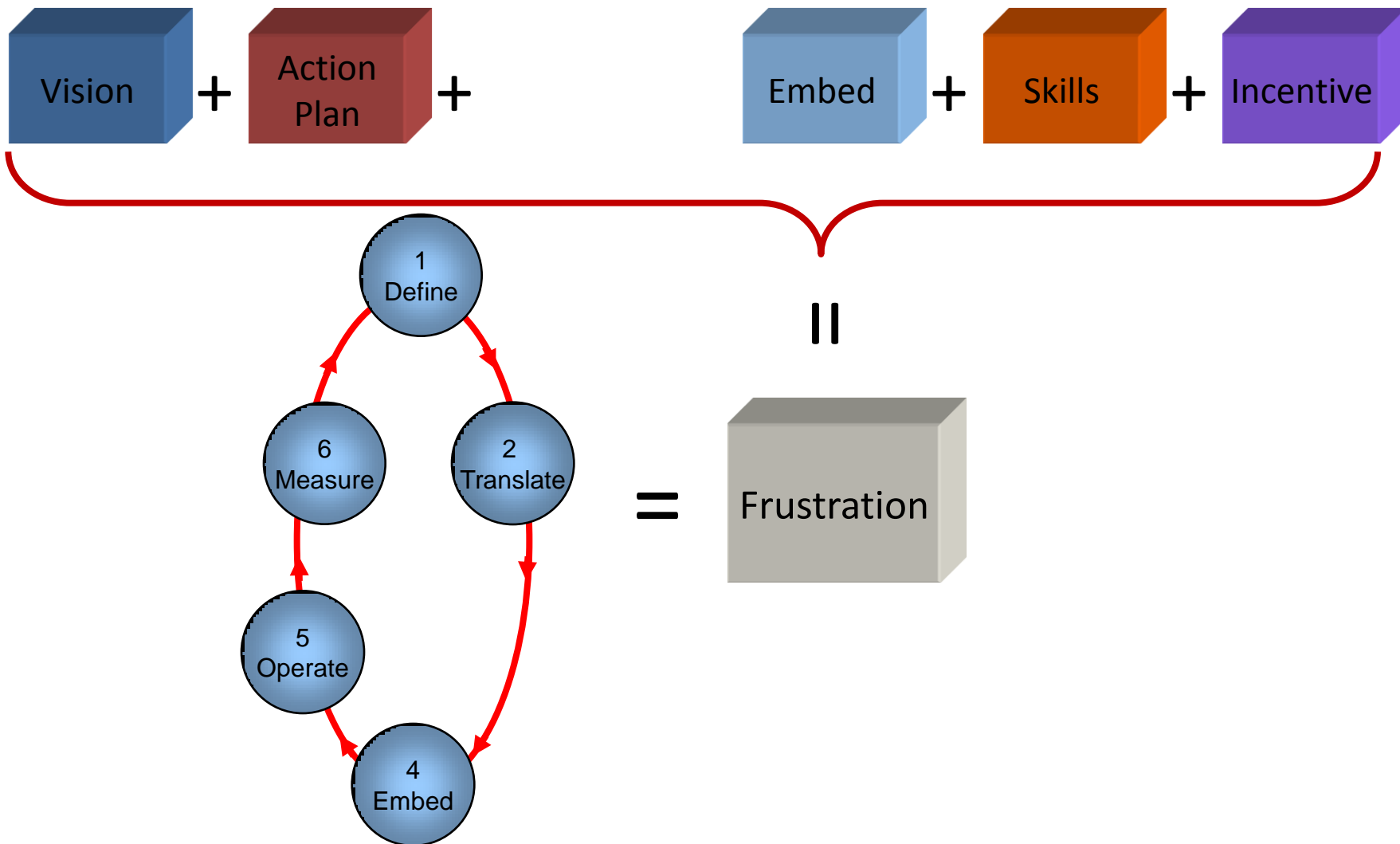
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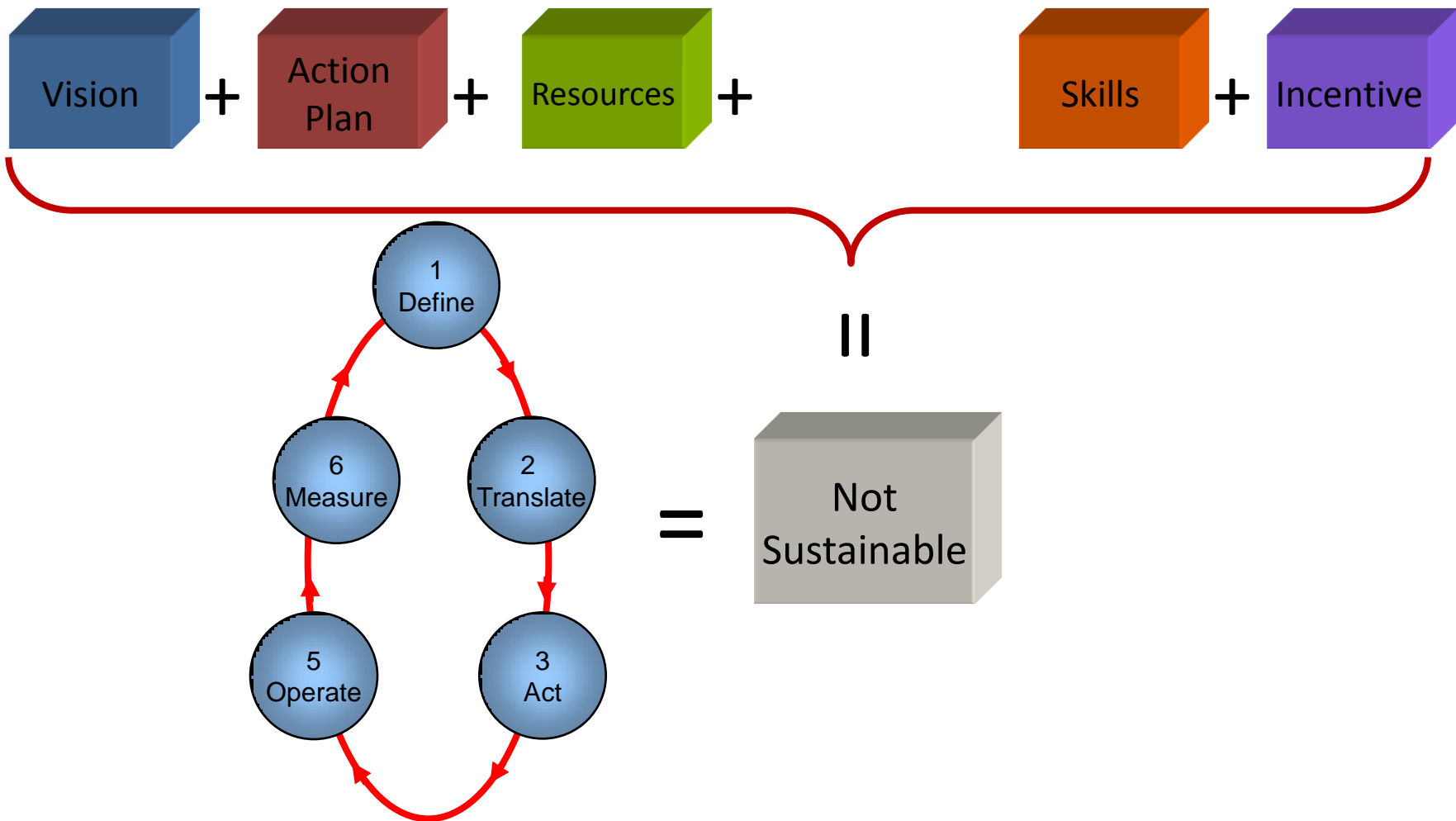
Do you struggle with false starts?



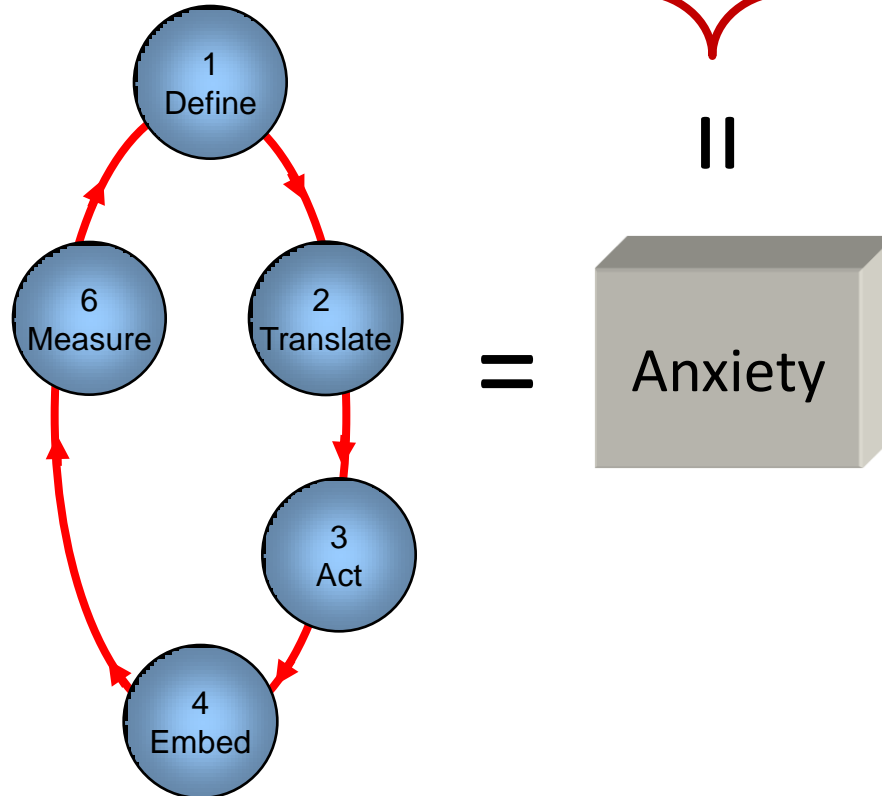
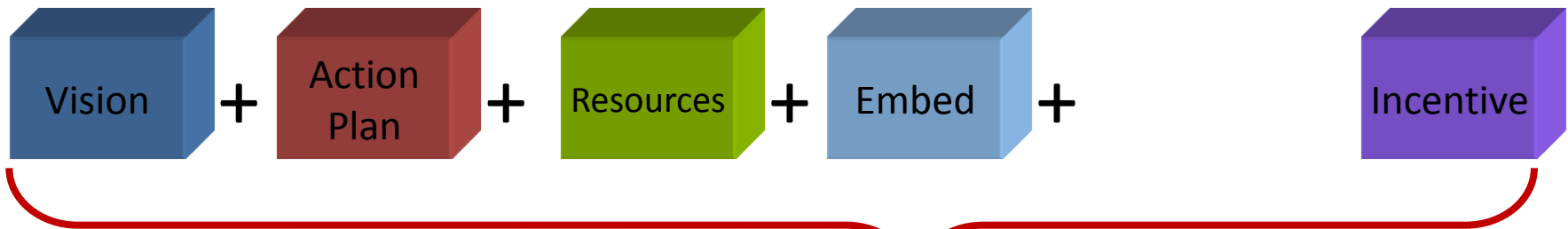
The source of frustration



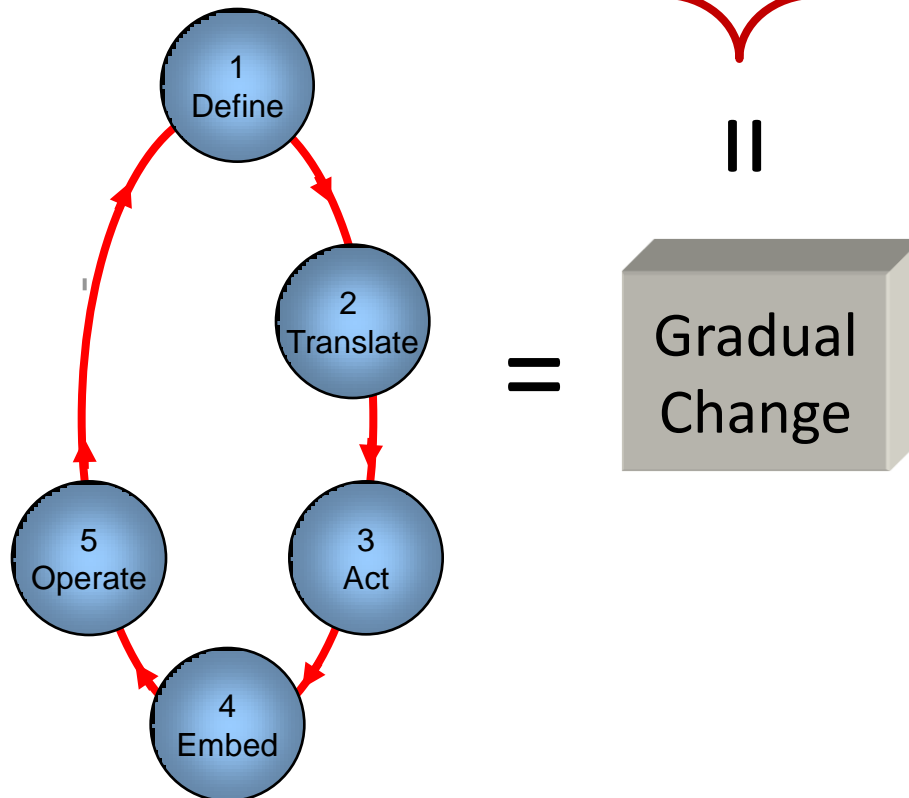
Not sustainable change?



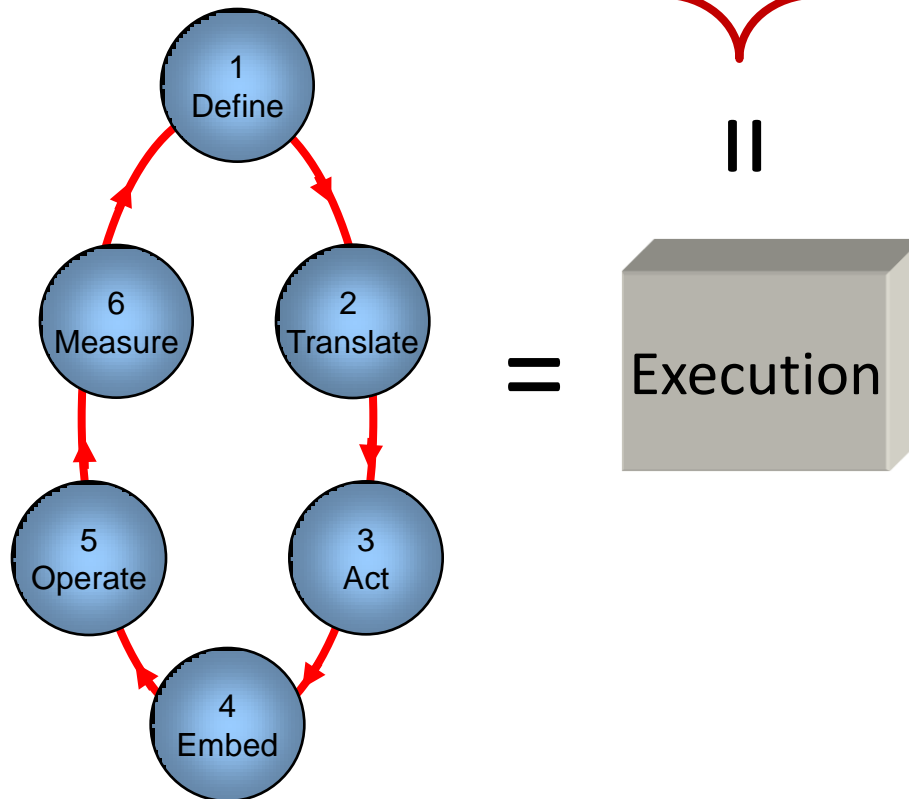
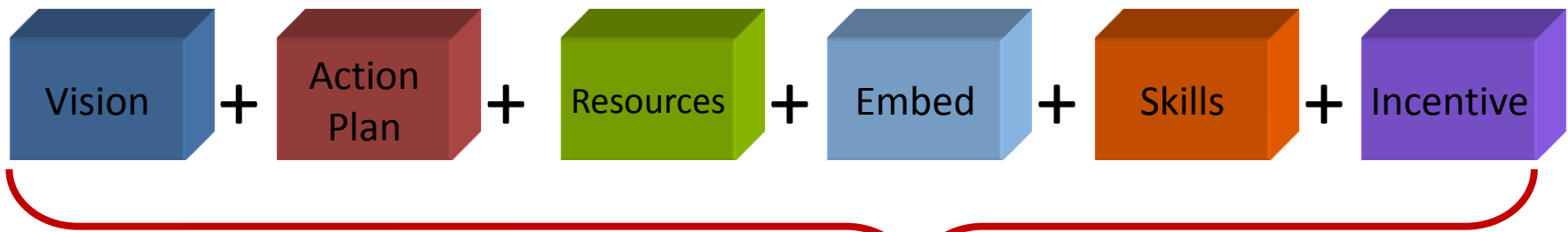
Anxiety & pressure...



You get what you measure!



How do Managers execute?



- Deepest fear of every CEO
- Dozen CEO bullets can translate to hundreds of actions
 - Need infrastructure to ensure sustainability
 - Work of one version of the truth
- i-nexus is commercially available tool to enable every stage

