

10 Reasons Why... Businesses strategies fail and companies remain stuck in neutral or reverse gear!



10 Common reasons why a business fails to turnaround or transform into a growth engine that drives prosperity up for all who work within it.

1. No Real Strategy

- Continuing to do more of what's not working despite the realities of the current situation 'telling' the business, things need to change
- There's no proper assessment or diagnosis of the problem and so perception beats reality
- The business continues to operate the same way even though competitive, market and economic conditions are changing, fast.
- The business therefore gets pulled around and controlled by these factors, instead of being in control.

Example: In all the firms I've worked in or with, those who have performed way below their level of true capability have been the ones without an idea of what they could be or a plan to take them there. There is a saying 'those going nowhere normally get there' and this is so true because many of the firms, once so good but without a future proof plan are now gone, kaput, history.

2. Wrong Strategy

- Not identifying, discussing or facing up to the risks, potential crises, threats, trends or opportunities
- Creating a strategy based only to address short-term tactical issues and not with the longer-term future in mind, in essence, a fire-fighting strategy versus a business focused one.

Example: An American media giant acquires 5 separate UK firms, each held leading market positions but were being attacked by new entrants and the changing digital landscape. Instead of joining forces to create a compelling enterprise solution, the firm was too worried about cannibalisation of revenues and market share in the short-term. Consequently, it was too slow to bring all business together as one awesome collection of services. Each of the 5 businesses continued to operate independently until some closed down, merged or were sold to other concerns and the media giant retreated back to the USA.

3. Unqualified Leaders

- Creating a strategy to help direct a change effort is one thing (theory) but if the leaders do not possess the skills, credibility or experience to direct, persuade, coach and support all ranks within the business (practice) it will not be executed effectively, with risks of backsliding derailing efforts becoming realities.

Example: A new CEO and Sales Director took the helm of a business that was managing decline in revenues from traditional sources whilst actively driving revenues in new areas. Not understanding the market conditions accurately, they ignorantly assumed they knew better and dictated their new change strategy. This accelerated the decline of the existing revenue stream, killed productivity and growth in the new areas and lost many (if not most) of its top performers to the competition, the business still operates today but is now a minnow.

4. Frequent Changes in Leadership or Direction

- Typically, new leaders come in with new ideas and those subjected to constant changes can predict the consequences – a revamp of structure, realignment of people and responsibilities, layoffs, new product or service initiatives that all add up to disruption in the eyes of employees.
- Previous disappointments and trust in leaders is met with cynicism and resistance with the new ones.

Example: A national media company changed leadership 7 times in just 9 years and each one with changes in the direction and modus operandi. The last set of leaders may have had a good change strategy but employees had already negated any benefits because of previous experiences. The last set of leaders expected and waited for results but they didn't come, at all.

5. Not Involving People & Aligning Functions

- According to a large USA study 'Feeling in on Things' was the second highest priority valued by employees (being appreciated was No. 1) and even higher than money
- Everyone in the business has something to offer but this 'internal value' is often missed by leaders, as is the negative effect of strategies that help one function whilst hindering another, strategies must be joined up to involve and benefit multiple functions.

Example: The CEO of a hospital in dire need of a turnaround, drafted his strategy for positive change but knew there would be resistance unless people were on board from the outset. He involved people so they were privy to the harsh realities and some 'proposed' tough decisions. He personally received thanks for his honesty and openness. Commitment from his key supporters then spread the message, i.e. get behind the changes. The end result was that patient care and staff morale improved and nursing turnover reduced fivefold.

6. Removing Resistance to Change

- Habits are hard to break and people who have been in the business or a particular role for some time are often the least likely to change and consequently, can be the biggest resisters or detractors
- They may not say as much in meetings but behind the scenes they can influence others to block, slow down or even derail initiatives.

Example: A new online retail strategy was being developed and an existing manager who expected to be involved in the development and design team was left out. She did however, manage a department key to the success of the strategy and she challenged nearly everything that came her way, slowing things considerably, potentially risking her business, first to market advantage.

7. Left Too Late

- Businesses that have gotten comfortable and taken the foot off the peddle in driving growth, sit on the cushion of this advantage until the downslide, which starts off slowly but builds speed, then it hits them when it's too late
- Urgency (panic) take over and efforts become diluted by trying too many new small things that just add to the pressure or a super idea is generated but the 'now limited' resources and time leave no room to make it work.

Example: A boutique data analytics consultancy came up with a new 'partnership collaboration' strategy and early market receptivity was good but the hemorrhaging of existing clients and cash flow left it too late to recover the situation and the consultancy had to close down.

8. Inadequate Market Proposition

- Having the wrong combination for your proposition can be devastating because some elements could be great but still be undone by one poor element
- The proposition is like a jigsaw puzzle and if one piece doesn't fit or is missing, the picture remains incomplete.

Example: A new social media content marketing application was just what many in the digital agency market were looking for but prohibitive pricing and less than impressive integration left a good product under-performing and a drastic change in how it went to market was needed.

9. Over-Complicating the Strategy or Making it Too Vague

- As a rule of thumb, if a strategy is too difficult to explain and takes too long to communicate to those who will execute it, then it will also be too difficult and take too long to implement
- The golden rule demonstrated by many business greats, runs true with strategy more than probably any other business discipline, namely: 'keep it simple' to a) understand and b) implement.
- Counter to this is not having sufficient and clear information for people to digest, it's about having the right balance relevant to each unique business and culture.

Example: A change manager at a mid-size business that came from a large corporate background tries to impress his management team and their line managers by presenting the strategy that had been agreed in principle (first proper draft) with complicated charts, graphs and fancy workflows that even the people who had agreed it, found hard to grasp. This slowed down the process and the change manager needed coaching whilst another senior manager took the lead to get things on track in way that was relevant and impactful for the rest of the management team.

10. No Follow Up or Follow Through

- Creating a strategy is a start, implementing it is progress but following it through to a successful end is the hardest part of all. So many businesses begin but then go back to their old shape and way of operating through habit
- Good plans get left or stopped and started over again but critical momentum gets lost, along with enthusiasm and commitment of the key people that business owners need to do the work - to make it work
- Commitment throughout the whole business is vital to success but ultimate responsibility and accountability remains at the top
- Keeping the end in sight is a critical focus but with long-term strategies, markets change and so leaders who are rigid in how they get there, may miss opportunities from being open, agile and flexible along the way, sometimes detours are needed but it doesn't mean abandoning the journey.

Example: Falling morale and revenues amongst 26 sales managers and a sales force of c160 results in a commitment by senior management to a training, development and coaching program over 3 key stages. The first 2 stages were implemented, measurements and reporting showed morale, motivation and sales revenues on increasing significantly **but** then changes at the top meant stage 3 got dropped. The commitment was not followed through on and anecdotal feedback was scathing, the perceived lack of respect and support was taken hard. A drop in sales results and morale ensued, followed by additional increases in turnover and the loss of top performers to competition. The leaders ignored the 'measurements' demonstrating success and consequently, under-estimated the negative impact. . They tried to pick it up again later but the damage was already done

10 Ways How... Businesses succeed in moving efforts in the right direction for growth and outstanding achievement!



10 Simple steps that enable a business to create turnaround and growth strategies that transform performance and drive prosperity up for all who work within it.

1. Establish a clear direction for the business

- A business must know where it's heading or the problems it's trying to solve, whether this be based on a key goal, mission or an overall vision so a decision is required that gives the business something as specific as possible to aim for, a target.
- This will include a picture of how you want to see the business perform and can include the creation of a compelling purpose, company value and standards of behavior all employees will live by at work.
- For the purposes of simplicity, I use the term 'vision' as the core business aim in this tip sheet.

2. Assess the current situation and your market position

- Conduct a Strategic Business Review covering internal areas like planning, processes, people, products and services but also, the external environment, including competition, market trends and economic conditions so you have a topline view of where you stand now in relation to where you want to go.
- This can begin at the top but drilling down the lines of employees should also be considered so that there's a full and deep understanding of the current situation. This also helps with buy in, covered in a later section.
- Use online assessment applications with dashboard reporting capabilities where possible so questions and feedback can be tailored to your needs.

3. Diagnose Functional Performance

- Take assessments a stage further where required by conducting specific internal Functional Performance Reviews to understand risks and opportunities in each area, e.g. sales, marketing, operations, system & technology, financial management and so on.
- Any one function could be a springboard for growth or a liability that pulls profitability down so these reviews can provide focus on areas of concern, opportunity or particular challenges.
- Use online assessment applications with dashboard reporting capabilities where possible so questions and feedback can be tailored to your needs.

4. Leadership Alignment

- Ensure all key directors and managers are onboard and willing to act as a powerful force for positive change and assign lead positions of authority. Assess capabilities of the lead team and any gaps that may need to be filled, including any coaching required to increase capability.
- Everyone must be fully committed to the target vision and willing to collaborate and contribute, even if it means other functions may gain more specific benefits from the changes.
- Develop strategic mindsets that lead to smart decisions around the use of different leadership styles that can impact favourably on execution of the strategy.

5. Involving others to get behind the vision

- Mobilise the forces by involving as many key people as possible at the early stages of strategy development and design. This helps ensure people are fully engaged and buy into the strategy for change because they're able to contribute with ideas or potential barriers to success that need to be removed or worked around.
- This initiative is particularly valuable because it enables those involved to promote the positive benefits or aspects of the vision and strategy to colleagues, including breaking down any resistance from those who may otherwise have been opposed to changes.

6. Formulating the Strategies

- The first draft will lay out a plan of action as far as the business can currently see, i.e. for short-term strategies, all the steps to achievement may be known but for longer-term vision strategies, the milestones or core objectives and timings will be known but the specific 'how to' at every stage is unlikely.
- Plan for quick wins to communicate to everyone so that you can build belief in the process of change.
- Plan in advance how to recognise, celebrate and if applicable, reward all those involved in visible achievements and milestones accomplished.

7. Communication and Collaboration

- Use every source possible to communicate the benefits of the vision and intermediate pain points of the strategy • People value open, honest communications, even when some of the news is uncomfortable.
- Leaders of the business and various strategy owners will communicate most effectively through demonstration and teaching the attitudes and behaviours the strategy requires.
- Collaboration from everyone in the business is crucial to the success of any strategy so eliminating any misunderstandings or ego 'stand offs' based on pre-conditioned values, beliefs, ethics, habits or thinking and therefore expectations of others is a must.

8. Implementation and Enabling People for Change

- Put in place the power and authority to change systems or processes • Provide the training, development and coaching required that enables people to contribute as effectively as they can in achievement of the vision and all the stepping-stone objectives along the way.
- This includes the removal of obstacles, systems, processes, structures or people that could seriously undermine achievement of the vision.
- The best strategies in the world won't work if people don't work to the strategy. Continual monitoring and measurement is required to head off any potential issues or exploit any unforeseen opportunities.

9. Roll Out and Accelerating Momentum

- As you begin seeing improvements and results, use this increased credibility to strengthen belief and ease the way to continue making necessary changes • Encourage calculated risk taking and unconventional ideas to build momentum further.
- Actively encourage people to remove barriers to success and clear the path for successful progression towards the vision.

10. Consolidating improvements and producing still more change

- Using increased credibility to change systems, structures, and policies that don't fit the vision
- Create opportunities for more people to step up and take on more responsibility so the business does not rely on the leadership alone to drive change
- Provide a platform for people to increase their level of job satisfaction through the contribution they make but also, how they can develop others along the journey.
- Continue to re-enforce the connection between desired behaviours and successful achievement of the vision.
- Most of all, continue to review, refine and enhance the chances of success by staying alert to threats and opportunities along the way, and maintain that all important sense of urgency, not wildly rushing around but an acute awareness of how speed impacts results and keeps you on the front foot, taking charge of the future by creating it.