

achieving

Results

through
**Insights,
People
and
Strategy**

Part 2 of a two-part series

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STRATEGY

“In strategy it is important to see distant things as if they were close and to take a distanced view of close things.”

Miyamoto Musashi (1584-1645)

As Mark Twain once said, people with hammers will treat everything like a nail, even when the job at hand may be better accomplished with a drill or saw. In designing the right solution and right strategy, there are no quick fixes and definitely not one size fits all. In this second part of the series of articles, I will be sharing the remaining two components to our *IPSR™ (Insights, People, Strategy, Results)* consulting methodology: *Strategy* and *Results*.

Most strategies and grand plans look picture perfect and flawless on paper; however when it comes to execution and implementation, it is not surprising that the plan may not turn out as expected. Let us look at several recommendations in translating a strategy into execution, and implementing the plan effectively and successfully.

Below are several considerations to be taken into account when formulating the right strategy:

- a) Assess the phase of the business (Start-up, Growth Acceleration, Maturity, Sustaining, Decline, Turnaround).

- b) Define the strategic intent, compelling vision, priorities and set a realistic time frame.
- c) Appoint a project steering committee and project sponsor to be the internal champion and change agents.
- d) Allocate resources (internal commitment and external resources for consultants).
- e) Identify possible roadblocks, challenges with political landscape, problems with infrastructure, current environmental issues and practical countermeasures.

a) Assess the phase of the business.

The challenges of building a business strategy for a company, which is at its start-up phase compared to one which is at sustaining success, are very different. One major difference for a start-up company, is that there is likely to be very little or no structure and systems in place, resulting in lack of clarity in the business framework and where each person’s boundaries start and ends. As for a company at its sustaining success (or maintenance) phase, the challenge for any project or strategy is to do better than what was done by the former leader, and managing the expectations of the team that was created or left behind by the former leader. The new leader will always be measured against what was done by the former leader, especially if the former leader has left a legacy of success and achievements.

In the case of defining and building a

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strategy for a start-up phase company, the opportunities are that you can do the right things and do things right, from the beginning. The Project Sponsor and Project Committee must be of credible character and respected in order to be effective ‘agents of change’. In addition, change agents must be able to create impact and influence as well as energise people of the new possibilities.

As for a company that is sustaining its success or is in its maintenance phase, the strategy should be practical, slightly conservative (defensive) and should avoid embarking on too many new initiatives at the risk of overwhelming the existing team, or causing too many undercurrents that could jeopardise the entire project. However, the opportunity in implementing a strategy in this phase is that, most likely, a strong team is already in place. They are motivated to ensure their continued success; they understand the business and know what works and what does not. The project committee and the consultant must work closely with these key stakeholders in pivotal positions to ensure their buy-in and

unwavering commitment to ensure the success of the strategy.

b) Define the strategic intent, compelling vision, priorities and set a realistic time frame.

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To do this, one must ensure that the strategy and its successful execution of the plan will result in a positive outcome that will significantly contribute to the business performance, profitability and productivity. The main thrust for any strategic initiative to be meaningful must be anchored to business performance. Linking it to anything that is not measurable will mean playing in a field with shifting goal posts.

When it comes to ideas and innovation initiatives, everyone will have something that they want to improve. However, due to limited resources and because time is of essence, project committees need to exercise discipline and focus in order to prioritise the strategic



initiatives. For example, Malaysian Airlines MD/CEO, Dato' Seri Idris Jala terms these "Key Business Activities or KBA". At MAS, he will only sponsor strategic initiatives and KBAs that will significantly improve the company's bottom line and business profitability.

c) Appoint a project steering committee and project sponsor to be the internal champion and change agents.

The strategy will not work and the implementation guaranteed to fail, if various parties with direct or indirect vested interests (stakeholders) are not on the same boat. Thus it is important to first identify who these groups or individuals are that the Project Sponsor or Project Committee need to engage beforehand, and solicit their opinions, thoughts and feedback before proceeding with the appropriate strategy. In legacy or monopolistic organisations that have enjoyed unrivalled success, the existence of 'mini-Napoleons' and their influence on the internal political landscape should not be taken too lightly as their resistance to change can undermine the cooperation from the grassroots level.

d) Allocate resources (internal and external).

Be practical and realistic about what the organisation can commit with internal resources and what you need exactly from external consultants. Given such challenging economic times, it would probably be best to reassess the availability of excess manpower in certain divisions in the business, and encourage multi-skilling and transfer of knowledge and technology from external consultants while at the same time saving costs in doing so.

While leveraging on internal excess capacity will undoubtedly be cost-effective, one must ensure that the competency of the internal facilitators and implementers does meet the required level to carry out the execution of the strategy, given the time frame.

e) Identify possible roadblocks, challenges with political landscape, infrastructure, current environmental issues and practical countermeasures.

As Sun Tzu once said, "Do not repeat the tactics which have gained you one victory, but let your methods be regulated by the infinite variety of circumstances." A strategy that has worked in the past does not guarantee that it will work again. Hence, it is imperative that the implementation team or project committee considers the above variables and carry out scenario planning especially for strategies that have high impact (drastically positive or drastically negative) to the overall business performance.

A case in point is Toyota's recent reporting of its first ever operating loss, caused by its overly aggressive and ambitious expansion of assembly plants across the world, resulting in poorer quality control standards and higher vehicle recalls. In 2005, Toyota recalled 2.38 million vehicles in the USA – slightly more than the entire number of cars and trucks it sold that year. In 2007, Toyota had five recalls in Japan, totalling more than 800,000 cars and trucks. In October of that year, America's Consumer Reports magazine lowered Toyota's rankings on its authoritative annual car-quality surveys.

In short, it is a must to involve and engage the ground staff who can give valuable data and input on how the strategy and plan will pan out, given their experience. Senior level management can be amazed by the type of suggestions or innovation that can emerge from shop floor staff.

RESULTS

"However beautiful the strategy, you should occasionally look at the results."

Winston Churchill

The perception of a successfully implemented project may differ from one stakeholder to another. Different stakeholders with varying degrees of expectations will have different definitions of what is deemed to be a successfully thought-out and executed strategy, thus affecting the overall success of the project. Here are several factors to be taken into consideration when evaluating the results and outcome of a strategy or project.

- i) Have clearly defined clear goals and deliverables at the beginning of the project.

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- ii) Regularly manage expectations.
- iii) Evaluate and reward.
- iv) Seek feedback from stakeholders (post-mortem) through survey.
- v) Communicate results to sustain momentum.

i) Have clearly defined clear goals and deliverables at the beginning of the project.

The objectives and deliverables of the project must be specified, syndicated and endorsed by the Project Sponsor or the Committee before its implementation can take place. This is to ensure that there will be no dispute on what the expected outcome should be at the end of the project. In doing so, one should identify measurable targets or indicators as a bell weather to assess if the implementation plan and strategies have succeeded or failed.

ii) Regularly manage expectations.

Evaluating the results and outcome of the project or strategy should not be left till the final stage of the project. Regular meetings with the project committee to provide updates on the current development and milestones achieved are crucial to ensure that ‘work-in-progress buy-in’ is obtained at every critical point. If this is done, the final outcome will almost be automatically accepted by the stakeholders.

The importance of regular updates is to provide timely, relevant and accurate

information to the project committee members in order to better anticipate possible pitfalls and be prepared for any consequence management during the course of the implementation as well as to make whatever necessary decisions.

iii) Evaluate and reward.

To implement a project, one will still have to perform daily operational duties, thus such additional responsibility is not something that everyone looks forward to. In some organisations, it is even a challenge to get volunteers to be part of a project improvement or strategic initiative. Volunteering can at times be known to some as ‘tactful coercion’. In such circumstances, it is not unusual to hear that most organisations don’t reward project members for their contribution in terms of time, energy

and ideas in a sufficiently motivating manner (monetary and non-monetary). In an example shared recently by a government-linked company (GLC), the CEO decided to reward each of the project members with one month’s salary for their excellent contribution to several strategic initiatives resulting in increase in business profitability. This type of reward will continue to encourage staff to share their intellectual capital and motivate them to be willing to do more for the organisation.

iv) Seek feedback from stakeholders (post-mortem) through survey.

After the desired results have been obtained, it is recommended that a survey be conducted approximately three months after project completion. This is to assess the overall experience of the project members and stakeholders, and the general feelings of the employees. The survey should incorporate parameters such as meeting stakeholder expectations, effectiveness in implementation, observable changes, overall success or failure of the new initiatives, and estimated level of improvements.

v) Communicate results to sustain momentum.

As with any beginning, there must be a closure. The project committee’s job is not done until the final outcome and results are communicated and shared with the organisation’s employees.



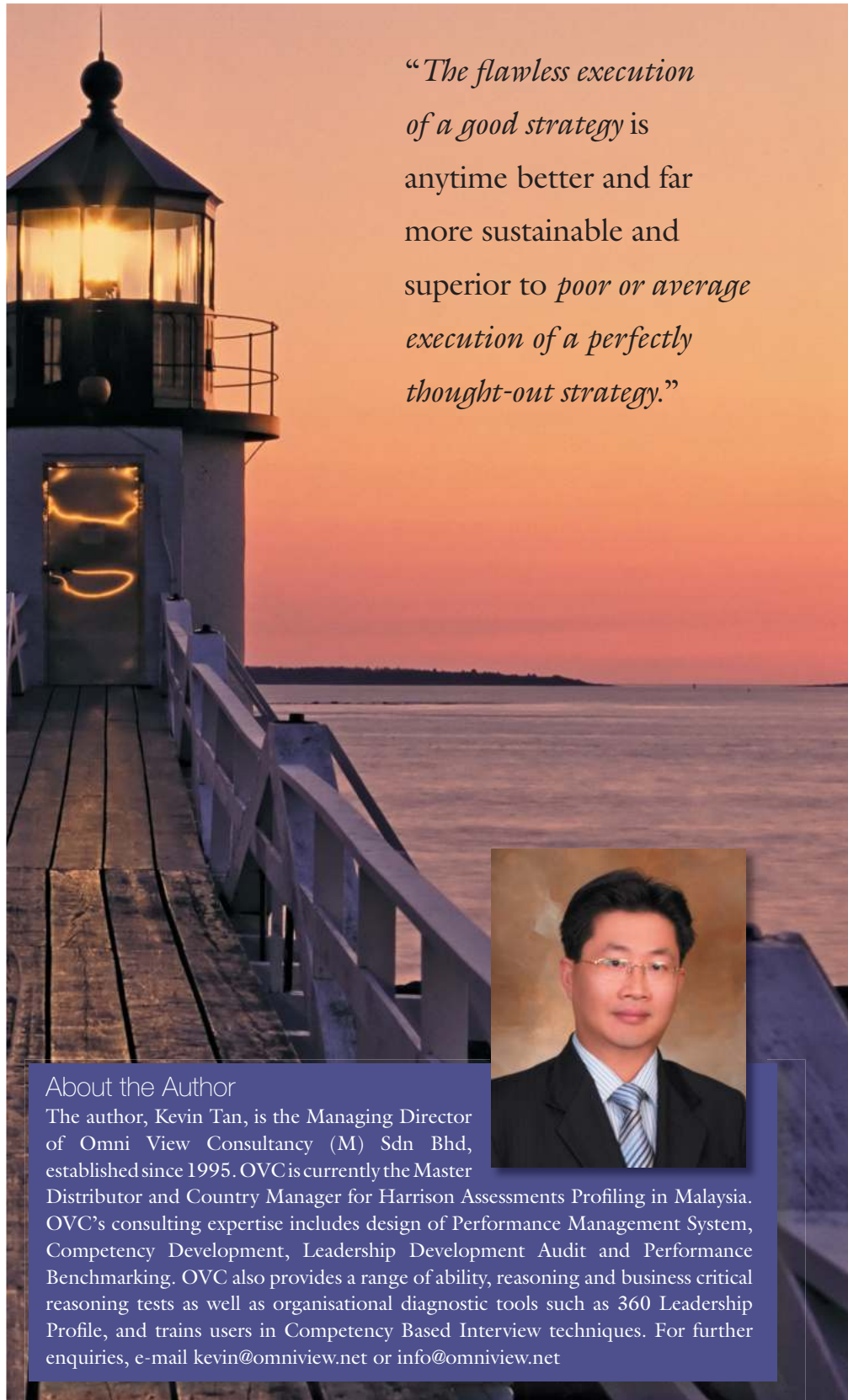
Although there are employees who have not been directly involved the project, the results still have some implications on their work and overall well-being; hence, these employees will be interested to know about the project's impact on them and require some airtime for their queries to be answered.

During this communication session, engaging the employees and soliciting their feedback is imperative to ensure majority support for the initiatives, thus sustaining the momentum for the strategic initiatives to form part of the culture and way of doing business for the organisation.

What if the end results do not meet the projections? What should you do?

As articulated by General Electric's Chairman and CEO, Jeffrey Immelt, in such times, we step up each business unit review and "everything we used to do weekly, we are doing daily and everything we used to do monthly, we are now doing weekly".

Based on most of the research that I have reviewed, generally it is widely accepted that 40 to 50 percent of a strategy's potential success is lost due to poorly formulated plans, misapplied and misallocation of scarce resources, breakdown in communication, unclear lines of responsibility and ambiguous accountability of results or other failures in execution. In short, most people who have actively participated in projects and strategic initiatives will probably agree that it is a constant paradox between strategy and execution. Both are important. Sometimes one may take slightly higher priority and urgency from the other, but to succeed, both are critical. I personally believe that *flawless execution* of a *good strategy* is anytime better and far more sustainable and superior to *poor or average execution* of a *perfectly thought-out strategy*. ■



“The flawless execution of a good strategy is anytime better and far more sustainable and superior to poor or average execution of a perfectly thought-out strategy.”

About the Author

The author, Kevin Tan, is the Managing Director of Omni View Consultancy (M) Sdn Bhd, established since 1995. OVC is currently the Master Distributor and Country Manager for Harrison Assessments Profiling in Malaysia. OVC's consulting expertise includes design of Performance Management System, Competency Development, Leadership Development Audit and Performance Benchmarking. OVC also provides a range of ability, reasoning and business critical reasoning tests as well as organisational diagnostic tools such as 360 Leadership Profile, and trains users in Competency Based Interview techniques. For further enquiries, e-mail kevin@omniview.net or info@omniview.net