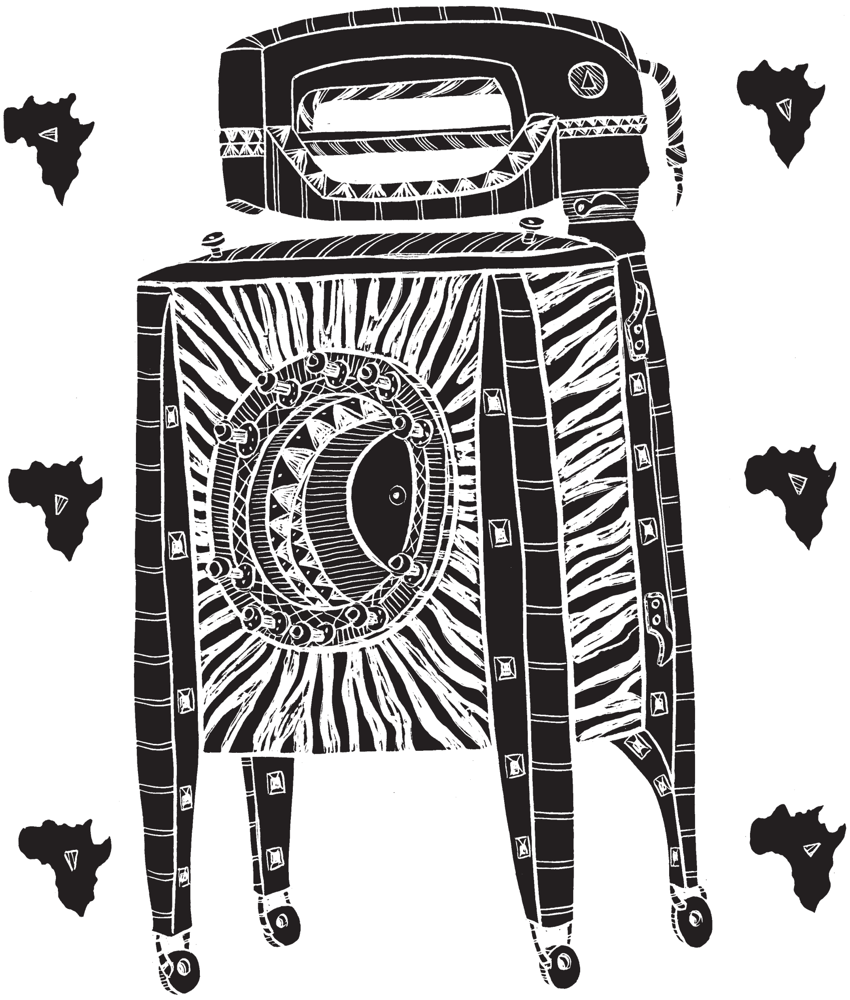
A roadmap to achieving strategic objectives:

execution, execution, execution



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Even the best strategy is meaningless unless an organisation can implement it to achieve deliverable results — and the key to doing so is empowering and motivating people to share their knowledge

A seasoned leader knows that no matter how brilliant the strategy, it is only as good as the execution. A good strategy is not worth much if the organisation cannot implement it.

During the 1970s and '80s, a lot of emphasis was placed on improving efficiencies by delivering products more cost-effectively and timeously. The late 1990s were the "Internet boom" and "digital" years. The slow recovery since the Internet bubble burst has inspired the latest motif.

Execution has become the new mantra and knowledge-sharing and continuous scanning of the competitive environment have become important leverages in competing successfully. Executives are challenged to deliver sustainable value to the shareholders.

Executing a strategy is often thought of as the operational side of the business. This is a big mistake. In their book *Execution: The Discipline of Getting Things Done*, Larry Bossidy and Ram Charan describe "execution" as a "systemic process of rigorously discussing 'hows' and 'whats', questioning, tenaciously following through, and ensuring accountability". Fundamentally, execution is a systematic process of acting within the knowledge-sharing context of the defined objectives.

Execution constitutes three core processes, namely the people process, the strategy process and the operations process. These processes, used by every business, are typically silos in the organisation. Leadership of the organisation should ensure these silos are aligned, and leveraging learnings from each other. It is embedded in the management processes, relationships, measurements, incentives, and beliefs that collectively define the uniqueness of each company. Companies are collections of individuals who typically act in their own self-interest. Superior and consistent corporate execution only occurs when the actions of individuals within it are aligned with the overall strategic interests, values and social norms of the company.

Overall strategy execution is the sum total of the thousands of actions and decisions that people at every level or the organisation make every day.

As business pressure mounts to reduce cost and increase efficiency throughout the business operations, organisations are revisiting their business practices. Key to delivery is having a clearly understood, and shared understanding, of the delivery processes. Sustained successful delivery requires these processes to be robust, enabled through committed people and technologies.

PROCESS ENTERPRISE. In his book *The Agenda*, Michael Hammer describes a "process enterprise" as an organisation that encourages, enables and allows its people to perform process work.

Four distinct features characterise a process organisation: "First, it focuses on the outcome of the work, rather than on work as an end in itself. In an organisation that pays attention to processes, everyone in the company understands the 'why' as well as the 'what' of their work. Second, processes are customer-focused. Third, processes are holistic. Process thinking transcends individual activities. It concentrates instead on how activities fit together to produce the best outcome. Fourth, process thinking is based on the belief that business success flows from well-designed ways of working." Hammer states that "companies achieve their highest potential by designing processes that mobilise everyone's abilities, rather than depending too much on any single individual".

THE PEOPLE PROCESS. Execution requires a comprehensive understanding of the business, its people and its environment. People are at the heart of every organisation and are the critical building blocks in ensuring sustained delivery.

Bossidy and Charan state that a robust people process evaluates individuals accurately and in-depth, provides a framework for identifying and developing the leadership talent the organisation needs to execute its strategy, and fills the leadership pipeline that is the basis for strong succession planning.

Execution is a systematic process of acting within the knowledge-sharing context of defined objectives

Very few companies accomplish all three of these objectives well. Instead of focusing on whether the individual will be able to do the task in future, they focus backward by evaluating people on what they are doing today.

In their article *Success That Lasts*, Lara Nash and Howard Stevenson argue that companies can only be successful if people are successful, and we would go as far as saying: "collaboratively successful". Their research defines enduring success as comprising four irreducible components, which they label a "kaleidoscope". This is defined as happiness (feeling of pleasure or contentment about your life); achievement (accomplishment that compares favourably against similar goals others have strived for); significance (the sense of having made a positive impact on people you care about); and legacy (a way to establish your values or accomplishments so as to help others find future success).

With the best processes and technology, organisations will still fail to deliver their strategic objectives if the people are not capable.

The leader is the person who needs to understand and direct the core processes towards achieving the strategic objectives, and help employees overcome their "cultural knowledge disabilities". Carol Gorelick, Nick Milton and Kurt April, in recent research, identified such "disabilities" in companies. Knowledge is power. This belief is prevalent in a company with lots of internal competition, where knowledge is currently left in the heads of experts as tacit knowledge. People need to see that sharing knowledge actually delivers greater power when it comes to competing against major competitors.

Sharing knowledge actually delivers greater power when it comes to vying against major competitors

Some company cultures are built so strongly around the principle of innovation (or pioneering, inventing, and creativity) that there is a strong cultural barrier when it comes to re-use of knowledge. This culture can be so powerful that even when a successful solution exists, people will still seek to do things differently just so they can be more creative. They need to realise that while invention is good, reinvention is a waste of time. Although pioneering and discovery are good, rediscovery is a waste of time.

Cultures where employees work as individuals, with individual objectives and rewards, are difficult places to sustain what has been described above. Successful achievement of strategic objectives will flourish in a culture where collaboration and cooperation are the norm, and where employees work in teams and communities and are rewarded for collective performance. In cultures where employees are focused purely on their own team or business unit, overall company strategic delivery can be difficult. Introducing some form of cross-business unit structure, such as a peer groupings or communities of practice, and providing tools for knowledge to flow in and out of the local teams or departments (silos) is essential to generate more of a network focus.

"Not invented here" is one of the biggest cultural barriers to knowledge-sharing. Individuals prefer their own solutions to anybody else's because they trust something they have created themselves. This barrier is largely a lack of familiarity with the people who offer knowledge, and therefore as mistrust of the knowledge they offer. Managers and leaders need to look for ways to bring individuals together and build trust. Their goal should be to help build relationships and trust so that "invented in the community" is as trustworthy as "invented here."

"It won't work here" is another obstacle. Employees may need to be convinced that knowledge can be managed in their own cultural and organisational context. There are instances in every company where knowledge is already being managed to some extent. Leaders and managers need to demonstrate existing examples, using stories or case histories, as evidence of value being delivered through knowledge-sharing.

"Making mistakes is wrong" can also be a very powerful barrier when it comes to capturing knowledge from projects that have gone badly or are not successful. The "blame culture" is a powerful disincentive to honest and open knowledge-sharing. It is potentially even more of a barrier to knowledge re-use, since people can mistrust knowledge as being "a whitewash" – thereby impeding ultimate strategic delivery. Publicising some high-profile knowledge capture from disastrous projects most easily breaks this barrier. When employees can see that leaders and managers are not afraid to learn from failures, and that learning from failures is not punished, they may in time become more comfortable with the idea of learning from mistakes.

Information overload must be addressed. Employees often complain about being overwhelmed by information, and think knowledge-sharing will simply add to this overload. They need reassurance that knowledge-sharing is not about bombarding employees with information, but rather providing them with the tailored knowledge they need, when they need it, to ensure appropriate strategic delivery. In addition, a distinction between information, knowledge and intelligence must be made clear within delivery parameters.

Knowledge underload is another barrier which may occur at the start of a strategic delivery programme, when employees start to look in the "knowledge bank" and find there is nothing in it. There may be nothing for employees to go to, browse and then learn from. A leader or manager should start with the exchange of tacit knowledge, using a "connect" (personalisation) rather than "collect" (codification) strategy, and, at the same time, begin to put material in the bank.

The time barrier is a difficult one. Although knowledge-sharing will ultimately save time and lead to more robust strategies for the company, it requires a time investment at the beginning. Knowledge-sharing should start with knowledge processes that save time for the team in the short term. The leader or manager should teach short, focused processes that are quick and easy and will save time over the life of the delivery initiatives. If technology is introduced, it must be easy to use.

Knowledge-sharing needs to be embedded into other management processes, such as project management, so that it becomes part of the job, rather than an add- on. When knowledge-sharing becomes part of the job, integrating learning and performance, it is no longer seen as an alternative to the job. Managing knowledge is part of being paid to do the job. No manager says: "I'm not paid to do budgets", "I'm not paid to ensure a safe work environment" or "I'm not paid to manage my direct reports". As soon as knowledge sharing is seen as "part of the job," it becomes part of the reward structure too.

THE STRATEGY PROCESS. The basic goal of any strategy is to define where the company intends to be in the future. The strategy takes cognisance of the current position and maps out what needs to be done to achieve the desired future strategic position for all the stakeholders. A good strategy would have taken into account the environment as well as the resources required, and done a realism check on the company's ability to achieve the strategic objectives. The pros and cons of all the alternatives and possible scenarios would have been considered before making a decision. Finally, it comes down to answering the question of the right people. If the people in the organisation are not capable of achieving the strategic objectives, the leadership must identify what can be done to get the right people on board.

Of all the steps in a strategy process, the most important is measurable milestones. Milestones bring reality to a strategic plan and measurement of performance against the plan is a prerequisite to knowing whether or not the organisation is on track.

To align all the parts of an organisation, the strategic plan must be linked to the operational plan.

THE OPERATIONS PROCESS. Those organisations that execute the strategy well have robust operating processes which are based on a operating plan that links strategy and people to results. The strategy process defines where an organisation wants to go, and the people process defines who's going to do it. The operating plan, which is at the core of the operations process, provides the path for those people. It maps long-term outputs into short-term targets.

The "blame culture" is a powerful disincentive to honest and open knowledge-sharing in organisations

Covered in the operating plan is all the detail of the desired objectives, such as earnings, cash flow, sales, product launches, etc. It also needs to take into account scenarios of possible events.

The operating plan specifies how to achieve the synergy among the various part of the business. It also deals with contingencies for things that can go wrong or offer unexpected opportunities.

The operating plan deals with how to go about it. Of the well-documented body of knowledge that exists for management practices, which are relevant at this particular point to your organisation? For example, is formal project management relevant and required to deliver the organisation transformation initiatives? How should the organisation be designed and what governance should be applied? Should you use internal resources only to execute the plan, or do you outsource the delivery, or is it a combination? All these questions need to be answered in the operating plan.

Execution has to be part of an organisation's culture and based on sound processes that align the organisation's resources to achieving the stated strategic objectives. The glue to making it all work is effective management. ■