# STRATEGY IMPLEMENTATION PLAYBOOK

Leadership Excellence

Track Performance

CRAFTING

Value Creation

SUSTAINING

Strategy Implementation Road map

EMBEDDING

Business Model

EXECUTING

Stakeholder Management

Culture Evolution

*A STEP-BY-STEP GUIDE*

## ANTONIO NIETO-RODRIGUEZ & ROBIN SPECULAND

STRATEGY IMPLEMENTATION INSTITUTE

You have crafted a strategy and identified how your organization will differentiate from the competition. You have committed to competing in a digital world and you are focused on adding customer value.

## Now you must *implement* your strategy.

Yet implementation rarely goes according to plan. At the Strategy Implementation Institute, our purpose is to develop implementation professionals worldwide. We know implementations fail more often than they succeed. This Playbook gives you the thinking and tools you need to succeed.

## Why Do Leaders Need This *Playbook*?

- Leaders have been taught how to plan but not how to implement, leaving a critical skills gap.

- Organizations continue to repeat past implementation mistakes and need new thinking and approaches.

- Leaders have to do better at communicating strategy throughout the implementation journey.

- Change management approaches do not work for implementing strategy, especially one-size-fits-all solutions.

This *Playbook* guides you to close the strategy implementation skills gap. Structured around our proprietary Strategy Implementation Road Map©, this Playbook is packed with easy-to-adopt tools, tips and techniques, external articles, references, and video links. Use this as a reference to achieve success or as a body of knowledge for the Institute's Professional and Fellowship courses.

Ensure your strategy delivers on its promises with this
*Strategy Implementation Playbook* as your step-by-step guide.

Antonio Nieto-Rodriguez and Robin Speculand are the co-founders of the Strategy Implementation Institute and global thought leaders in their fields.

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**Strategy Implementation Institute
Body of Knowledge (SIBoK)**

# STRATEGY IMPLEMENTATION PLAYBOOK

*A STEP-BY-STEP GUIDE*

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*Leaders have been taught how to plan but not how to implement. This has created a strategy implementation skills gap.*

– Antonio Nieto-Rodriguez & Robin Speculand

# ENDORSEMENTS

For too long there's been a gap in the market on how to implement strategy. That's why Thinkers50 has championed the important work of Antonio Nieto-Rodriguez and Robin Speculand at the Strategy Implementation Institute. This Playbook finally fills that gap and is essential practical reading.

–Stuart Crainer & Des Dearlove
Founders, Thinkers50

If you think the implementation of your strategy is a major issue, which few books address correctly, let yourself be charmed by the Playbook offered by Antonio and Robin, full of tools, techniques, and practical tips that you can immediately apply.

–Yves Pigneur
Co-inventor of the Business Model Canvas with Alex Osterwalder

This Playbook offers a healthy balance of big-picture explanation, immediate action steps, illustrative stories, and user-friendly frameworks. It's an essential companion for leaders who need to navigate the dangerous journey of crafting and implementing strategy. The material will guide you and make you glad you have this reference book by your side as you take advantage of Antonio and Robin's deep understanding and thought leadership on strategy implementation.

–Michael Netzley, PhD
Founder and CEO of Extend My Runway

Robin and Antonio have truly captured a formidable "body of knowledge" based on their extensive experiences and expertise in successful strategy implementation. Delve in to discover a practical step-by-step guide by practitioners, for practitioners. This Playbook, together with their Institute and live sessions combine the best of action learning, social learning, and digital learning—a great combination to drive meaningful and sustainable implementation.

–Lori Figueiredo
Change & Digital Learning Strategist, Shaping SYZYGY Development

Very few leaders have the necessary experience or tools to design and implement strategies. This Playbook provides the tools and frameworks for true leaders to develop the skills that allow them to successfully implement their corporate strategy. The Playbook also acts as a guide and monitoring model through their implementation journey.

–Francisco de Miguel
Former chairman of RPVL.BV and counselor to the CEO of Greif Bros.


Research reveals that very few leaders have the ability to both craft and implement strategy. This Playbook provides a clear and actionable framework and critical implementation tools and tips to help leaders guide their organization to strategy implementation success.

–Dr. Tony O'Driscoll
Fuqua School of Business, Duke University


Finally, an implementation-centred Playbook which recognises that executive leaders have traditionally been good at strategizing and planning, with many not focused enough on the implementation itself, the very stage where failure occurs more often than not. Antonio and Robin of the Strategy Implementation Institute have consolidated their vast knowledge and working experience to publish a Playbook that focuses squarely on the "how to," helping organisations and leaders successfully implement their strategies and plans. Complete with templates, tools, and an action-oriented strategy implementation road map, this book is the benchmark for success. I highly recommend this for executives, boards, and leaders everywhere.

–Jeremy Blain
Award-winning CEO and international #1 best-selling author
of *The Inner CEO: Unleashing Leaders at All Levels*


There are many frameworks and approaches for developing strategy in the business literature but very few for successful implementation. This Playbook provides the tools, tips, and techniques that all leaders need and is an invaluable resource for anyone involved in implementing strategy.

–Dharma Chandran
Chief People Officer, Australian Broadcasting Corporation (or ABC) and Non-Executive Director, 7-Eleven Australia.


There are not many books that present these systematic ways of implementing the strategies that leaders embark on. This approach is easy to understand and gives the implementation a better chance to succeed.

–Patricia Enslow
Ex Managing Director of Credit Suisse and UBS APAC

# CONTENTS

# INTRODUCTION

The Strategy Implementation Institute (Institute) was founded in 2019 by Antonio Nieto-Rodriguez and Robin Speculand, two global thought leaders who share a passion for developing people to be implementation professionals.

> *Implementing strategy is a rare and highly appreciated skill set that sets apart the most influential and successful leaders in business.*

The Institute brings people together from around the world who are passionate about implementation and is creating an online community for them to learn, share, and grow. It recognizes that implementing strategy is a rare and highly appreciated skill set that sets apart the most influential and successful leaders in business. People with the skill to implement strategy are in high demand from organizations all around the world, especially at a time when strategies are being formed and implemented at a more rapid pace than ever before.

To meet this increasing demand for skilled implementers, the Institute offers:

1. Membership to the online community—offers various benefits such as monthly meetings to discuss trends and best practices
2. Online Professional exam and certification in partnership with APMG International—test your knowledge and understanding
3. Fellowship certification—demonstrate your skill and ability

The Strategy Implementation Institute aims to become the global gold standard in implementation certification.

## Leaders Challenge

Strategy implementation continues to be a crucial challenge for leaders, especially as the business landscape continues to rapidly change.

Part of the challenge is that the current generation of leaders has been taught how to plan and not how to implement, as reflected in the high strategy implementation failure rate.

Every participant studying a business degree is taught strategy, but very few are taught how to implement. The Institute is filling this skills gap among leaders.

## How to Use the Strategy Implementation Playbook

This *Playbook* is designed to support you in implementing your organization's strategy. You can use it most effectively as both a guide to build and support your implementation and a reference book by going to each of the color-coded sections as you require.

Strategy implementation is not a linear journey, which is why our framework, the Strategy Implementation Road Map© that provides the structure for this Playbook, is circular. Your organization needs to dictate your starting point. If you need to change your measures, for example, you'd go to Track Performance, or if you want to nurture your communications throughout your journey, you'd go to Stakeholder Management.

Each section of this road map features related articles and refers you to useful videos and external papers.

At the end of each section, you will find 10 quiz questions to test your understanding and knowledge of the contents. Both the *Playbook* and the quiz questions support all participants in preparing for the Strategy Implementation Professional (SIP) online certification course. (See Appendix for more details.)

## How the Institute Works

Our focus is to:

**Create an implementation community**—where people can connect, discuss, and learn about strategy implementation

**Share knowledge**—provide the platform and opportunity to discuss and debate key areas

**Continually build a body of knowledge**—establish an effective strategy implementation framework built and enriched by experts from the field

**Support leaders**—provide the implementation framework, best practices, and templates

**Award Professional and Fellowship**—to leaders who pass the accreditation and become a member of an exclusive group of highly sought-after implementation professionals

**Volunteers participation**—creates volunteering opportunities for strategy practitioners who want to contribute to the global continuous improvement of implementation

## What We Offer

The Institute offers two levels of training and certification to members.

1. Strategy Implementation Professional (SIP)
2. Fellowship (FSII)

### 1. Strategy Implementation Professional certified by APMG

This course involves understanding what it takes to become a professional in the domain.

The seven-course module is open to anyone who wants to develop further in their career and wants to learn the fundamentals, best practices, and key tools about strategy implementation. It is based on the Institute's propriety body of knowledge, the Strategy Implementation Road Map© (SIR), that provides a step-by-step guide on "how" to implement strategy—see next chapter. It covers the key areas and outlines the required skills an implementation professional needs to know. The online course is based on its creators' years of experience as practitioners, authors, and teachers. It is designed to blend learning from presentations, articles, and videos.

The course consists of the following modules:

1) Leadership Excellence
2) Value Creation
3) Business Model
4) Culture Evolution
5) Stakeholder Management
6) Employee Engagement
7) Track Performance

Each module has four levels:

- Crafting
- Embedding
- Executing
- Sustaining

## 2.  Fellowship

The Fellowship is the highest and most prestigious recognition from the Strategy Implementation Institute (Institute) for practitioners in the field of strategy implementation. "Fellows of the Institute" have successfully demonstrated a passion in the subject, success in demonstrating the skills they have learned as a Strategy Implementation Professional—our online course and certification and a desire to continuously learn and develop.

Recognition as a Fellow of the Institute enters you into an exclusive club of not only Fellowships of the Institute but also among leaders globally who have the skills and experience to successfully implement strategy. Recipients are accomplished leaders from a broad range of fields who have had the vision and passion to make significant and lasting contributions to the strategy implementation profession, community, and the Institute.

The Fellowship is a significant part of the Institute's purpose to develop implementation professionals around the world.

Implementing strategy is a rare and highly appreciated skill set that sets apart the most influential and successful leaders in business.

## SIBoK Contributors

Developing a comprehensive body of knowledge requires support and feedback from our members. We would specifically like to thank the following members for their contribution and time: Sarmad Saghir, Gurpreet Rehal, Ricardo Sastre, and Robert King, MBA, Allan Samaroo, and Onajite Newton.

# AUTHORS & CO-FOUNDERS

## *Antonio Nieto-Rodriguez*

Author of the *Harvard Business Review Project Management Handbook* and four other books, Antonio Nieto-Rodriguez (www.antonionietoro-driguez.com) is the world's leading champion of Project Management and Strategy Implementation. Antonio is the creator of concepts such as the Hierarchy of Purpose and the Project Manifesto, which argues that projects are the lingua franca of the business and personal worlds, from the C-suite to managing your career or relationships.

Antonio's research and global impact in modern management have been recognized by Thinkers50 with the prestigious award Ideas into Practice.

Antonio has presented at more than 400 conferences over the past 20 years and is regularly evaluated as the best speaker. Some of the events he has delivered inspirational speeches to include the European Business Summit, Gartner Summit, TEDx, and EU Cohesion Policy Conference with EU President Donald Tusk.

A pioneer and leading authority in teaching strategy execution and project management to senior executives at top business schools, Antonio is currently a visiting professor at Duke CE, Instituto de Empresa, Solvay, Vlerick, Ecole des Ponts, and Skolkovo.

Antonio is director of the Program Management Office at GlaxoSmithKline Vaccines and past chairman and Fellow of the Project Management Institute.

Previously he worked as head of project portfolio management at BNP Paribas Fortis. Prior to that he was head of post-merger integration at Fortis Bank, leading the largest take-over in financial service history: the acquisition of ABN AMRO. He also worked for ten years at PricewaterhouseCoopers, becoming the global lead practitioner for project and change management.

Born in Madrid, Spain, and educated in Germany, Mexico, Italy, and the United States, Antonio is an economist, has an MBA from London Business School, and is an alumnus of INSEADs International Directors Program. He is fluent in five languages.

## Robin Speculand

Robin Speculand passionately lives and breathes strategy implementation. He continually creates new approaches to support leaders in transforming their organizations and is one of the world's most prolific writers on the subject.

Robin has founded three companies, three business associations, and is the CEO of Bridges Business Consultancy Int. Singapore Airlines was among the first organizations to embrace this new field and engaged Robin to support its global strategy implementation.

He is known for his breakthroughs on implementation methodology and techniques, including the Implementation Compass™, a proprietary framework built on the eight areas for excellence for execution; Readiness2Execute Assessment; Ticking Clock© Model, a framework for digitalizing an organization; Digital Maturity Index, a self-assessment that reveals a person's level of digital maturity; and the 40 Digital Best Practices Benchmark.

Robin also co-founded an online education forum—the Strategy Implementation Institute—that provides leaders with a community, online course, and online certification in the field.

In 2014, Robin recognized that digital transformation was markedly different and presented new challenges. He researched the challenges globally and in 2018 co-authored the white paper Transforming Your Company into a Digital-Driven Business. In 2021 he co-authored the white paper The Future of Strategy Implementation.

In 2021, Robin was co-nominated with Piyush Gupta, CEO of DBS Bank, for the Thinkers50 Ideas into Practice Award and was announced winner of the Business Strategist Singapore 2021–22 by Prestige.

Robin has published five books on strategy implementation. His latest, *World's Best Bank—A Strategic Guide to Digital Transformation*, is an Amazon best seller. His pioneering work has been featured in media worldwide, including BBC World and *Forbes*. He is a TEDx speaker and an educator for Duke CE, IMD, and an adjunct member of Singapore Management University and National University of Singapore. He is an award-winning and Harvard listed case writer and a GlobalScot appointed by the First Minister of Scotland.

Outside of work, Robin competes in Ironman events around the world and calls Singapore home.

# CHAPTER 1

# Strategy Implementation Road Map©

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Too often, leaders are asked to implement strategy but are not provided with the guidance or any kind of road map to do so. To this end, the Institute has developed the Strategy Implementation Road Map© (SIR) as part of its body of knowledge.

SIR is circular, which means you can start at any point in the model. This replicates the use of SIR by leaders when implementing their organization's strategy as they start from the most relevant area. It consists of the seven components required to be successful in strategy implementation (Figure 1.0).



**Figure 1.0:** Strategy Implementation Road Map©

## The Seven Components—Outer Circle

These seven components make up the Strategy Implementation course and the core of the SIBoK.

### Leadership Excellence

As a leader, you don't *implement*. A leader's role in implementation is to drive the implementation forward and champion the strategy. The delivery team advances all of the implementation actions. You need to stay engaged throughout the implementation, offering continual inspiration and coaching the team while providing oversight and assuring the trajectory of the implementation.

### Value Creation

The ultimate goal behind all strategy implementation is to develop and grow the value of the organization.

### Business Model

Adopting a new strategy means changing the business model. Sometimes these changes are minor, and other times they require a complete business model transformation; for example, adopting digitization. Whatever the scale, the business model must change to support the implementation.

### Culture Evolution

Culture drives the way an organization implements its strategy. Two organizations can have the same strategy, but how they implement any strategy will always be unique, as in every organization, the culture is different. Culture no longer always *eats strategy for breakfast* because of the speed at which we are working today. Strategy now drives the culture in many organizations, which, in turn, drives the implementation approach leaders need to adopt.

### Stakeholder Management

The initial challenge is to present the new strategy to the whole organization. The launch of the strategy is only 15% of the overall implementation communication goals. Too frequently in stakeholder management, communication around the implementation dissipates after the first six months. This module places a heavy emphasis on nurturing the communications throughout the whole implementation journey.

## Employee Engagement

The level of employees who are disengaged in their work is surprisingly high in many countries and industries. If your employees are disengaged, it is extremely difficult to inspire them to implement, which by its very nature requires *doing more*. This is why it's important to prepare employees with the right implementation attitude, knowledge, and skills.

## Track Performance

Taking corrective actions along the way is critical for success. But how do you know where you are and what action to take if you are not diligently tracking your performance throughout the whole implementation journey? Too many leaders start off with the right intentions, but somewhere between thoughts and actions, they lose focus and commitment. Tracking performance is an essential discipline. The senior team needs to ensure the organization has the right measures in place to manage the implementation, as well as the discipline to constantly review its performance.

## Four Stages—Inner Circle

The center of SIR shows the four stages associated with the seven components:

### Crafting

You should start to prepare for the implementation by considering how to communicate and engage the whole organization. This includes focusing on generating awareness of the new strategy, explaining why the organization needs to change, aligning activities, allocating resources, assessing the organization culture, and identifying measures and any new skills people require.

### Embedding

After the strategy has been launched, your focus is on gaining traction, building momentum, and changing the way the organization operates. You do this by synchronizing projects, allocating budgets to strategic initiatives, aligning roles and responsibilities, identifying resource requirements, adopting technology, and developing the discipline required, as well as taking any corrective actions.

### Executing

This stage focuses on ensuring the organization continues to transform to the new way of working so as to deliver the strategy. By this point, the new strategy should increasingly be seen as business as usual. Key activities include ensuring key business decisions and financial investments are positioned to the strategy, reviewing external partners' performance, regularly reviewing actions internally, supporting middle managers, and leveraging measures to drive the implementation.

### Sustaining

In this fourth stage, the financial benefits of the strategy start to flourish as the organization completes its implementation. The time this takes for each organization varies depending on the strategy, culture, and business. Activities in this stage include reviewing the business model, reviewing changes to the initial strategy, and recognizing and adapting to shifts in trends and culture.
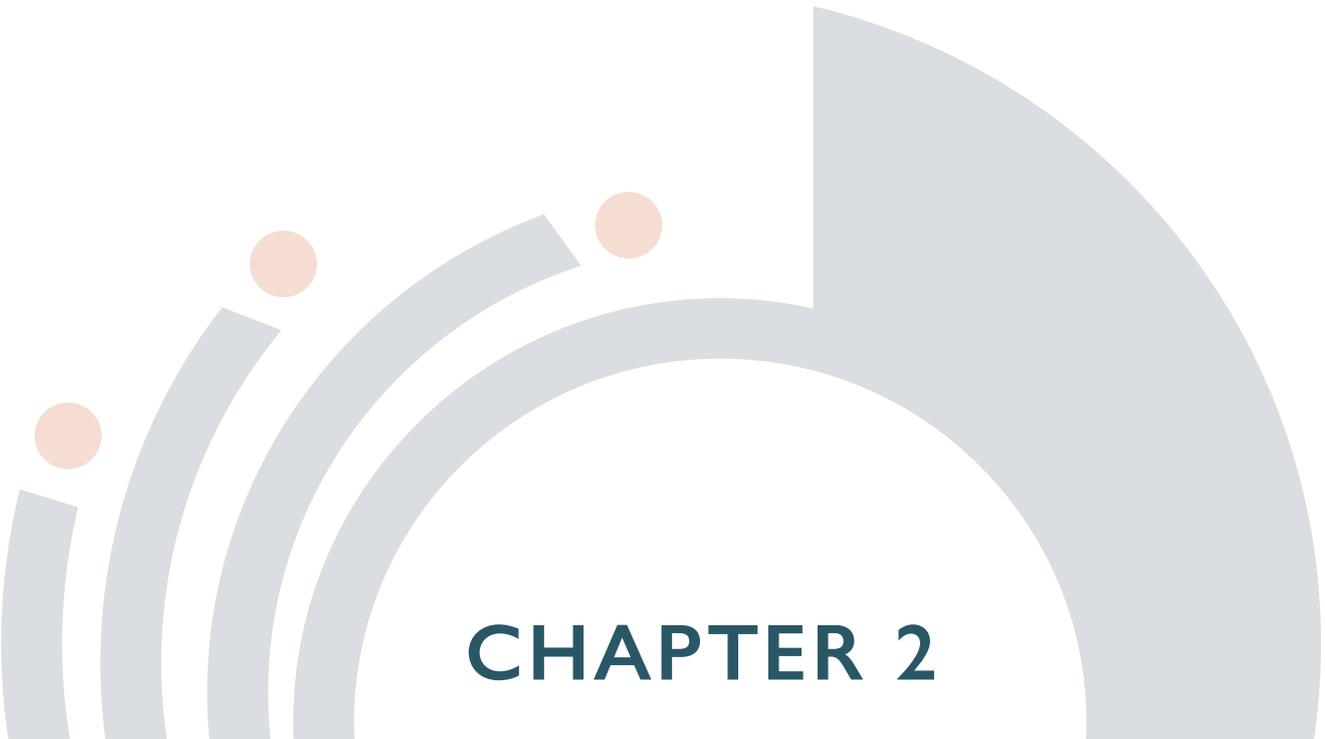
# CHAPTER 2

## Leadership Excellence

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> *Leaders don't implement.*
> *A leader's role in strategy implementation*
> *is to drive and champion it.*

The members of the delivery team are the ones taking the implementation actions every day.

As a leader, you, on the other hand, need to stay engaged throughout the implementation, coaching and inspiring your employees. You'll need to provide oversight on the trajectory of the implementation so that you can request pauses, tweaks, or more fundamental changes as the developing strategy meets the emerging reality of the external environment in which you operate.



**Figure 2.0:** Strategy Implementation Road Map©

Leadership Excellence addresses:

- Why and how to avoid repeating past mistakes
- Understanding the role of the leader in implementation
- The importance of consistent messaging
- Best practices for leading employees

# CRAFTING

## Introduction

There is plenty of evidence that you are likely to habitually repeat mistakes in strategy implementation. The challenge is to learn from past mistakes while maintaining best practices for the new implementation.

- Avoid Past Mistakes
- How Leaders Learn Lessons
- Establishing Right Leadership to Embrace Learning

| Avoid Past Mistakes | |
|---|---|
| **Goal** | To ensure that organizations and leaders learn from previous implementation failures and achievements and that both are considered in the next implementation. |
| **Implementation Challenge** | One of the most frequent mistakes in implementation is that leaders show themselves unable to learn from failures and past mistakes. Various research shows that leaders have a good understanding of why implementation fails and yet, when rolling out a new strategy, they repeatedly forget about the past and fall into the same traps as before! |
| **What Needs to Change** | You need to develop the habit of continuous learning: adopting regular reflection moments, admitting mistakes, learning from them, and most importantly, not repeating earlier errors. |

## *Fail Fast, Learn Fast.*

The phrase "fail fast, learn fast" has become more popular as organizations adopt the agile methodology. Although it's counterintuitive to many leaders who were trained in the leadership model of the industrial era, iterating fast, making mistakes, and suffering failures (with the proviso that you learn from your setbacks at every stage) achieves a desired result faster than spending the necessary time aiming for the perfect solution or in our case the perfect

implementation. The point is that in the environment of fast change and uncertainty, you cannot accurately define the perfect solution from the start because you are aiming at a moving target.

Failures, if accepted as lessons learned, become the stepping-stones to success. Such is the case with Thomas Edison, whose most memorable invention was the light bulb, which purportedly took him one thousand tries before he developed a successful prototype. "How did it feel to fail one thousand times?" a reporter asked. "I didn't fail one thousand times," Edison responded. "The light bulb was an invention with one thousand steps."

The prevailing school of thought in progressive organizations—such as Intuit, General Electric, Corning, DBS Bank, Alibaba, and Virgin Atlantic—is that great success depends on great risk, and failure is simply a common by-product. Leaders of such organizations don't mourn their mistakes but instead parlay them into future gains.

Failing fast requires a culture where the leadership allows teams and individuals the freedom to fail and the time to learn something from each failure that helps the team succeed faster the next time.

## Why Strategy Implementation Fails

How many times have you seen a strategic plan launch to great fanfare and optimism, only to be forgotten within a few months? There are many studies explaining why strategy implementation fails (such as Strategy Implementation: What Is the Failure Rate? *Journal of Management & Organization* 21(2): 237–262, 2015; Five Reasons Most Companies Fail at Strategy Execution, INSEAD Knowledge, 2016; and Why Good Strategies Fail: Lessons for the C-suite, *The Economist* Intelligence Unit, 2013), and all offer numerous reasons.

From the list captured below, select the five top potential threats to a strategy being implemented in your organization.

| Why Strategy Implementation Fails | | |
|---|---|---|
| **Poor execution planning**<br><br>Most of the planning time is spent crafting the strategy rather than preparing the execution. | **Not clear on how to implement**<br><br>Leaders don't identify the right actions for employees to take, and they struggle to translate the lofty strategy into their day-to-day work. | **Leaders are not selling the strategy**<br><br>Even though the strategy is right, it stalls as leaders are not vocally and visibly selling the strategy to the organization. |

**Strategy a mile wide and an inch deep**

The launch of a new strategy causes confusion in any organization. This is compounded when individual leaders perceive the strategy differently. Leaders understand the impact of the strategy across the business (a mile wide) but not the implications on the vertical business (a mile deep).

**Leaders underestimate the execution challenge**

By doing so, leaders don't allocate the required resources such as budget, people, and time. Therefore, before the strategy is even launched, it is set up to fail!

**Wrong people in leadership positions**

People in key positions don't have the ability to succeed, and nothing is done by the organization.

**Wrong measures are used**

Leaders plan their new strategy and then launch it but fail to change the organization's success measures or to monitor progress effectively.

**Not my job to execute**

Leaders delegate the responsibility for the implementation.

**Unrealistic targets**

The timeline for implementation set by the leaders is unrealistic, and they expect a five-year strategy to be implemented in five months.

**Strategy requires a long-term perspective, yet leaders run the business with a short-term view**

Being driven by quarterly performance often conflicts with the required long-term strategic actions.

**Overload of objectives**

When people have to deal with too many objectives, they can become paralyzed. They don't know where to start and what to do. As a result, they end up making a lot of noise but achieving little.

**Political interests are ignored**

A new strategy means disrupting the current business model. When politics and struggles overpower and leadership are ignored, the implementation can fail.

**Execution never goes according to plan**

Whatever is planned in the boardroom changes in the execution.

**Poor and infrequent communication**

If employees don't know what the strategy is, they can never implement it. After leaders announce the new strategy, they do little communication beyond that.

**Cultural disconnects**

If the culture does not support the new actions required to implement the strategy, then the actions will not be taken, especially if the culture is one where employees fear making mistakes.

**Culture does not support the execution**

When there is misalignment between the culture of the organization and the essence of the strategy, then it fails to be executed.

**No support given by bosses**

People are willing to step up and take risks to support the new strategy. Yet, when they do, often they receive no encouragement or support from their immediate bosses. As a result, they stop taking the new actions, and the execution falters.

**Employees are not engaged**

The leaders do not take the time or make the effort to engage employees or merely do so for the first three months and then not again.

**Top-heavy strategy**

Time is spent thinking through the impact of the strategy at the top of the organization, but the top team only takes a short time to explain it to the rest of the organization.

**The strategy does not resemble the current reality**

The strategy is disconnected from what is currently happening in the organization, and the chasm is too wide to allow its implementation.

**No buy-in before launch**

Leaders make no effort or fail to leverage the opportunity to engage employees before the launch.

**Strategy is bad**

Employees are confused, as the strategy is unclear in what it is aiming to achieve, and no clear implementation route is explained.

## How Leaders Learn Lessons

While setbacks and failure are a natural part of strategic change, it is important to act on failure and capture lessons learned. This involves 5 steps.

### Step One: Discover

Explore why implementation has failed in the past by holding a brainstorming session with key stakeholders. Allow people to feel safe to speak openly and honestly in acknowledging past mistakes. Share the list in this building block on "Why Strategy Implementation Fails" and ask participants to select what is most relevant for your organization. Also allow them to suggest other reasons by asking, regarding the previous implementation:

- What went right?
- What went wrong?
- What could have been better?

If the organization culture doesn't naturally support this kind of postmortem, which is likely the case if the organization has not encouraged after-action reviews and reflection in the past, then you may need to start by casting forward. Asking people what they think might go wrong with the strategy, where the obvious challenges lie, and what obstacles are most likely to slow down or trip up the implementation doesn't require people to admit mistakes or own past failures and may start you off with a richer discussion.

### Step Two: Recommendations

Identifying what the organization needs to do differently to succeed this time is important. This requires transparency and for people to be open and constructive. Participants brainstorm and then prioritize actions.

### Step Three: Actions

Taking the right actions requires discipline. Talking about what to do is one thing, but making it happen is quite another. High-performing organizations have discipline as part of their culture. This ensures that what is discussed is acted upon.

### Step Four: Documentation

The lessons learned and what needs to be done differently needs to be captured so that it can be shared with the rest of the organization and become a living document. In this process, the medium and timing of the sharing is as important as the lesson itself.

## Step Five: Revisit

During the implementation, the document created in Step Four is constantly reviewed to ensure the organization is constantly learning and moving forward.

> *If you're not making mistakes, then you're not doing anything.*
>
> – John Wooden, basketball coach, University of California

## Establishing Right Leadership to Embrace Learning

A powerful sign of an effective leader is an ability to unlearn old habits and change your mind when presented with convincing evidence or recognizing when you have made a mistake.

Many employees are used to a culture that doesn't tolerate failure, but failure is an essential ingredient for successful implementation. This is because no one knows the implementation road ahead. Employees need to experiment and try new things; naturally, not everything will work. What's critical is that you embrace these mistakes as learning opportunities in the organization.

To create a learning environment from mistakes, you should:

- Provide an environment where employees freely experiment and serendipitously come up with their own ideas (self-organization).
- Facilitate moderate (not too hard or too easy) challenges that employees need to work through.
- Tolerate—indeed, embrace—failure as a necessary input to radical innovation.
- Coach your people to learn from the experiences.

## Pause—Reflect—Learn

The PRL Model (Figure 3.0) is a useful tool for leaders.

**Pause**—avoid rushing into the strategy implementation, and make sure you create the time and space to prepare properly.

**Reflect**—on past mistakes on why implementations have failed and have not delivered their full value. According to research by Michael C. Mankins and Richard Steele, companies deliver, on average, only 63% of the financial performance their strategies promise.

**Learn**—to maximize the pause and reflection and, more importantly, to deliver full value from lessons learned by diligently applying the lessons into the new implementation.
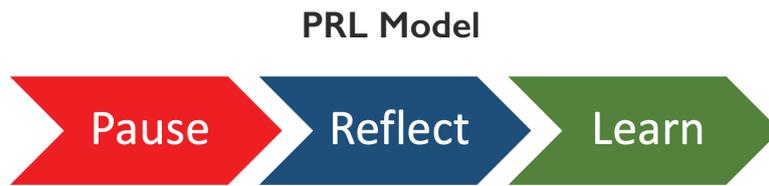
## PRL Model



**Figure 3.0:** PRL Model

## PRL Model Example

A CEO was recently rolling out a new strategy in India. The previous strategy by the predecessor had failed. While completing the new strategy, the CEO hosted an offsite with her 40 leading organizational change agents. The first item on the agenda was to ask everyone to share why the previous strategy had failed.

By personally facilitating the discussion, the CEO demonstrated her openness to listen and reflect on what her change agents had to say. She also provided the strategy with an appropriate level of importance and context.

More importantly, the organization identified what it should do differently to implement the new strategy successfully, and the CEO followed up after the meeting to ensure the lessons learned were being applied.

## External Papers

- Strategies for Learning from Failure by Amy C. Edmondson, HBR

## Video Links

- 3 Strategies for Becoming More Self-aware, Tasha Eurich
- Excellence in Execution, Robin Speculand, Keynote

# EMBEDDING

## Introduction

Your challenge is to find ways of sharing a consistent message across the organization while driving, coaching, and championing the implementation.

- Implementation Never Goes According to Plan
- Stepping Back to Implement
- Strategic Thinking as You Implement—Four Techniques to Adopt

### Implementation Never Goes According to Plan

> *The best laid schemes o' mice an' men/Gang aft a-gley.*
>
> – Scotland's favorite poet, Robert Burns

Translated from Scottish, it means the best-laid plans of mice and men never go according to plan. Similarly, after you have crafted the implementation strategy, you need to recognize that whatever was planned will not be what happens in the execution.

There are few absolutes in business, but this is one. Considerable forces affecting the strategy also affect the implementation, and therefore it will change. That's why leaders have to remain agile and open-minded as they constantly review the implementation.

Here are a few highly visible examples of when the execution didn't go according to plan.

## Example #1

Heathrow Airport learned an embarrassing and costly lesson when it opened its fifth terminal in March 2008. The airport had promised a sparkling new efficient terminal that would provide a "much-improved" experience for passengers. It was designed to handle 45 million passengers a year and 12,000 bags an hour. Before its opening, then British Airways CEO Willie Walsh went on global television declaring, "Three years of planning . . . we're waiting for the day . . . We have worked through every scenario . . . We believe we are ready."

The reality? On the second day of the terminal's opening, 70 flights were cancelled and 30,000 bags were mislaid. The terminal became known as a hotel for the stranded. The cost

of this failure was £62 million. In the words of Walsh, "It was not our finest hour." A well-thought-out strategy was poorly executed.

> *Leaders need to be constantly engaged throughout the implementation journey, ensuring the actions are achieving the desired outcomes.*

## Example #2

In 2002, the German retail chain Metro became the first foreign distributor to enter Vietnam. The retailer promised a new kind of shopping experience for the country. Yet when the doors opened, hardly any customers came to buy. Metro had spent considerable time and money preparing to enter the market, but despite this, their execution faltered initially due to missteps.

Specifically, Metro stationed uniformed security guards at the entrance for security—not an unusual practice in retail stores in some countries. But in Vietnam, the practice evoked memories of the country's former totalitarian rule, and it prevented potential customers from entering. Those who did enter experienced an unfamiliar shopping experience.

For example, tomatoes were already packaged and not laid out for customers to select as they were used to. Some customers were suspicious of this new layout and tore open the packets, thinking the store was hiding rotten tomatoes beneath fresh-looking ones. Metro had to give up the plastic packaging and stack the tomatoes the way they usually were at a farm stall. Also, when the customers saw signs saying Fresh Chicken, they expected those chickens to be live, not dressed and packed!

## Example #3

McDonald's initiated a growth strategy for China in 1992. At the time, it was playing catch-up with Kentucky Fried Chicken, which had already entered China. As part of the strategy to maximize customer revenue, McDonald's introduced the "drive-through" concept, and individual locations were refurnished to accommodate drive-through orders.

One day, a manager was outside watching to see how the new revenue-producing idea was performing. A customer drove up to the machine, placed his order, and drove forward to collect his meal and pay for it. The astonished manager then watched as the customer parked his car in the car park, picked up his brown bag, walked into the restaurant, and sat down to eat his meal.

McDonald's had not only introduced the first fast food drive-through but the very first drive-through in all of China. The strategy of maximizing revenue by having customers purchase their meal and eat it outside did not go according to plan.

## Example #4

The French railway had a plan to improve their regional network and accessibility for the disabled to attract more passengers, including the purchase of 2,000 new trains. When the plan was implemented in 2014, the new trains that cost $20 billion were too wide for the platforms.

What happened? They had measured the distance between the platforms at the stations built around 30 years previously. But in the south of France and other areas, there were more than 1,000 stations that had been built 50 years prior to the upgrade at a time when the platform distances were less. The blunder cost over $70 million to correct, as 1,300 platforms had to be rebuilt. But worse was to come. The new trains were several millimeters too tall to go through the tunnels in Italy, forcing passengers to change to shorter trains at the border.

## Stepping Back to Implement

| | |
|---|---|
| **Goal** | Implementation involves you stepping back from the strategy and overseeing the rollout. As a leader, you are responsible for identifying the organization's strategy but relying on your employees to implement it. Your role in strategy implementation is to drive and champion the implementation. |
| **Implementation Challenge** | Strategy implementation involves moving from the thinking to the doing. This step triggers numerous actions across the whole organization, both in terms of day-to-day activities as well as projects and strategic initiatives. Employees should be the predominant ones taking these actions with the supervision and support of leaders; there needs to be a determined handover to the employees. |
| | It is sometimes hard for leaders to step back during the implementation and focus on overseeing and directing rather than doing the work or micromanaging. |
| | Once you step back, the paradoxical second challenge is to remain engaged because, although you have stood back, beware of the mistake of delegating the implementation and then not paying attention to it. When leaders stop paying attention to the implementation, so will their employees. |
| **What Needs to Change** | You need to be clear on your role in the implementation and that the employees are the ones who take the actions to deliver the strategy. |

# *Leaders Step Back, Employees Step Up*

## What Does It Mean to *Step Back*?

To *Step Back* is to provide the space for others willing and able to *Step Up*. You need to see this as an opportunity for employees to grow and to feel part of the implementation. Encourage employees to take the right implementation actions, and provide them the space to do their work. This means supporting your employees' efforts but never overshadowing them.

Building an implementation culture that encourages others to *Step Up* means that leaders purposefully *Step Back* so employees have the opportunity to *Step Up*. In order to be in a position to *Step Back*, you need to have first identified the key person or people who are prepared to *Step Up*.

In the act of giving employees space to *Step Up*, you nevertheless provide the support, guidance, coaching, and resources to ensure that employees know that mistakes are part of the learning. Leaders in high-performing organizations encourage risk taking, which results, occasionally, in mistakes being made. High-performing organizations not only survive these mistakes but thrive because of them. It all depends on how they are handled and what learning is applied to the overall business.

## What Does It Mean to *Step Up*?

To *Step Up* is to recognize the times in an organization during the implementation when someone else is required to do what needs to be done. This usually happens when something is extremely difficult and particularly challenging. The act of *Stepping Up* involves showing the courage to be vulnerable and do what needs to be done to achieve the strategic goals… regardless of the personal sacrifices. True leaders like to *Step Up* most of the time, yet their role is to encourage employees to do it. When an employee is brave enough to *Step Up*, they encourage those around them to do the same, which has a positive impact on the implementation momentum.

> *Leaders are responsible for Stepping Up to craft the strategy. Employees are responsible for Stepping Up to implement the strategy.*

## Leaders Know When to *Step Up* and When to *Step Back*

The balance between *Stepping Up* and *Stepping Back* is all about leading by example and encouraging employees to think and act for themselves. You may find that you are the one who is doing most of the *Stepping Up* in the early days of implementation. But if this phase takes too long (more than a month), that means you are not effectively handing the implementation over to the employees and the organization.

That doesn't mean that you should completely ignore the organization. Besides overseeing, you need to support employees when they:

- Take the wrong action and require coaching
- Hit a roadblock in the implementation
- Need to change policy and/or procedures
- Need to be empowered
- Require training
- Are heading in the wrong direction
- Need to be inspired

On certain occasions, when a major unforeseen roadblock appears (for example, the competitive launch of a successful product), you should *Step Up* and drive the organization through it. Over time, however, it's your job to do more of the *Stepping Back* so that the employees can be the ones *Stepping Up.*

## Implementation Tools

### Leadership as Coaches to Engage Employees

Even if you can fire them up at the start, employees will not be inspired throughout the whole implementation journey, and it is during these stages of low motivation when you need to drive and champion the implementation. Your role is that of the coach and the mentor. These are not necessarily natural skills for everyone, and you may need to train yourself in the skills and behaviors of an effective coach.

Being a good coach involves:

- The right attitude
- Openness to sharing
- Being personable
- Identifying specific and well-defined issues to discuss
- Being accessible when required
- Treating employees as partners in the implementation
- Making expectations clear at the beginning of each coaching session
- Listening at least twice as much as you talk
- Recommending resources or training
- Holding people accountable
- Following up

The implementation is more effective when internal leaders are the coaches rather than the organization outsourcing the responsibility. This is because leaders are responsible for supporting, driving, and championing the implementation. You and your fellow leaders need to stay involved, be visible, and know what is going on.

> *Just because people understand what to do*
> *doesn't ensure that they will actually do it.*
>
> – Marshall Goldsmith

**Strategic Thinking as You Implement—
Four Techniques to Adopt**

As soon as you start implementing, you need to be conscious of the changes around you and keep adapting both the strategy and the implementation.

This session examines how you can be conscious of the changes.

# If you cleared your calendar for an entire day to free you up to be "more strategic," what would you actually do?

> *A good thinker is always in demand. A person who knows how may always have a job, but the person who knows why will always be their boss.*
>
> – John C Maxwell

## What strategic opportunity did they miss?

*General Electric* missed the computer industry that created…

*IBM*, who then missed the software industry that created…

*Microsoft*, who then missed Internet search that created…

*Google*, who then missed staying in contact online with friends that created…

*Facebook*, who then missed…!

## How much time do you spend firefighting versus thinking strategically?

**Where do you spend your time?**

**Running Your Company**

- Preparing for tomorrow
- Attending meetings
- Managing strategic objectives
- Overseeing employees
- Reviewing strategic measures
- Day-to-day activities

**Thinking Strategically**

- Managing quarterly performance
- Building future competencies
- Conference calls
- Building long-term value
- Managing emails
- Operational excellence

*Strategic people create connections between ideas, plans, and people that others fail to see.*

– Liane Davey, HBR Article "Strengthen Your Strategic Thinking Muscles"

## Four Techniques for Strategic Thinking in Organizations



1.  Strategic Thinkers Analyze
2.  Strategic Thinkers Consider
3.  Strategic Thinkers Reflect
4.  Strategic Thinking Pushes

### 1.  Strategic Thinkers Analyze

Strategic thinking is about analyzing opportunities and problems from a broad perspective and understanding their impact.

**Example 1:**

In 2013, Tesla cars caught fire in both the UK and USA. But the company did not have to recall the car from all their customers. The engineers identified that the problem was that the battery pack became exposed at certain times. To solve the problem, the team thought strategically and, instead of a recall that would have damaged the brand and revenue, they sent an update to the computer on board every car and solved the problem.

**Example 2:**

The casino in Singapore has robotic servers to overcome the challenges from staff shortages.

### 2.  Strategic Thinkers Consider

Strategic thinkers consider what might and could be.

**Example 1: The Two Steves**

If the role of a CEO is to increase sales, then Microsoft's Steve Ballmer was a success. He tripled sales to $78 billion and profits more than doubled. On a quarter-by-quarter review by the board, everything was good.

But when Ballmer stepped down in 2014, Microsoft was not prepared for the future. He had missed the five most important technology trends of the 21st century:

- Search
- Smart phones
- Mobile operating systems
- Media
- Cloud

(Apple under Tim Cook has doubled its revenue to $200 billion while doubling its profit and tripling the amount of cash it has in the bank—now a quarter of a trillion.)

Steve Jobs considered the future and created numerous opportunities for Apple, including:

- Apple stores
- iPhone
- App Store
- Mac computer

## 3.  Strategic Thinkers Reflect

Strategic thinkers reflect that the business landscape is changing faster than any other time in history.

**Example 1:**

Students today, after graduating, will be applying for a job that doesn't yet exist, will be using technology that has not yet been invented, and will be asked to solve problems that we don't yet know!

**Example 2:**

In the 1950s the average tenure of a company in the S&P 500 (the average company size on the S&P is US$11 billion) was 61 years.

In 2021, the average tenure is 14 years, which is the same for the average life of a Fortune 500 company.

20 years ago, the five largest companies in the world were, on average, 93 years old (based on market capitalization).

In 2021, the five largest companies in the world are an average of 30 years old, and the youngest is 12.

> *"Most decisions should probably be made with somewhere around 70 percent of the information you wish you had. If you wait for 90 percent, in most cases you're probably being slow." Choosing not to fail fast comes at a price. "If you're good at course correcting, being wrong may be less costly than you think, whereas being slow is going to be expensive for sure."*
>
> – Jeff Bezos, CEO of Amazon

### 4.  Strategic Thinking Pushes

Strategic thinking pushes you to think above your day-to-day work.

**Example 1:**

For many years it was the army's policy to aim their cannons at the target and then wait eight seconds before firing. During its drive to improve work processes, the army hired an external consultant. He noted this peculiar pause and queried the process.

The privates responsible for firing the cannons told the consultant that they were just following the instructions in the manual. The consultant started researching the army archives for the reason of waiting eight seconds before firing the cannon.

He discovered that the policy was a well-established tradition stretching back to the 18th century. The reason for waiting eight seconds before firing the cannon? To give the soldiers time to move the horses away! What policies do you have in your company that have been around for too long and are now obsolete and add no value to the business?

We all know the Kodak story… But do we learn from it to make sure it does not happen to us?

> *Most business fail because they miss the future.*
>
> – Larry Page, CEO of Alphabet

**External Papers**

- To Help Others Develop, Start with Yourself, Marshall Goldsmith, Fast Company

**Video Links**

- Yes, Our Brain Is a Masochist, Antonio Nieto-Rodriguez, TEDxULB
- Everyone Needs a Coach, Bill Gates & Eric Schmidt