



VISTAGE™

Executing Strategy with Clarity and Discipline

By Vistage speaker Rick McPartlin

Have you ever found yourself thinking, we have great strategies, but we always have trouble executing them?

CEOs place a great deal of time and energy into developing a strategy, but daily tasks, emergencies, and problems cry out and divert us from these vital strategic initiatives. Months down the road, we realize that the great strategy we developed is long forgotten or ignored.

With the current speed of change, innovation and competitive pressure, it's crucial to execute efficiently and reliably. Companies that, in the past, survived by moving at a comfortable pace are becoming roadkill in the new fast-paced marketplace.

The core competencies of implementing strategy

The core competencies of execution don't conjure up sexy or exciting work. Those competencies are:

1. Clarity
2. Consistent discipline

Execution is all about understanding human dynamics and then artfully applying clarity and consistent discipline. Process is important, but human motivation lies at the heart of our ability to execute successfully.

Execution solution Part 1—Clarity

This step-by-step solution will help you execute the strategies you've developed for your company.

1. Clearly articulate the purpose of your strategy so everyone understands the benefit.

We all need to understand why something is being done in order to fully get behind it. Take the time to explain the entire business situation from your perspective. Remember that your own perspective is broader than that of your employees.

Explain what your strategy means for the big picture. Articulate the threats facing the company so your team is crystal-clear on the rationale and approach.

2. Draw a direct line between the strategy and the initiatives for achieving that strategy.

It's dangerous to assume that people will naturally make the connection - make sure it's clear to your entire organization. People need to understand how their job and their actions affect the outcome. They'll not only be more engaged, they'll even come up with surprising suggestions and improvements to reach the goal.

Clarity helps everyone understand the part they're playing in helping the company achieve the revenue strategy.

3. Limit the number of goals or initiatives.

Clarity requires laser focus. Yet one of the most common mistakes is to have so many projects and so many important tasks that in the end none of them happens. Prioritization is difficult when

employees have numerous complicated objectives. Instead of creating a laundry list, limit that number to the critical few. Accept the fact that important things will be left behind, but that's better than failing to achieve the critical few.

4. Write your revenue goals in SMART format and make them public.

Write out a goal statement that is specific, measureable, achievable, resourced, and timely. Give the goal to your staff and discuss it often. If a visitor walks into your organization and randomly asks different employees what the most important things are for the organization to do this year, every person should be able to answer without hesitation.

Not a smart goal: Launch our new re-bundled widget.

Smart goal: Launch our new re-bundled widget by August 2009 with a gross margin of 52% and revenue of \$1m from the product by year-end.

5. Deliver a vision of the outcome to everyone in the organization.

You know in your mind what success looks like. Help others see it and they'll be much more proactive in helping you get there. Draw a detailed picture to help them understand exactly what success means. For example:

- * Will your existing product disappear quickly or phased out in 3 years?
- * What's the profile of your new customer?
- * What problems does our product solve?
- * How will your internal culture change?
- * Will you be opening or closing offices?
- * Will employees receive additional training or learn a new skill?
- * Will you be adding employees? What kind?

Remember that the unknown is a frightening place for employees and usually results in resistance, either passive or obvious. When humans don't know what to expect, we tend to visualize the worst.

6. Align all parts of the organization so that everyone supports the strategy.

A revenue strategy belongs to the entire organization, not just to the marketing department or the sales department. Yet misalignment is one of the most common and dangerous issues we see; if teams aren't working together, they're not working toward the same objective. You can uncover alignment issues by asking questions such as:

- Does the CFO know that the current compensation plan will drive behavior in a way contrary to what the strategy requires?
- Does HR understand the right behavioral style to hire now that the buyer profile has changed?
- Is the new "messaging" for the re-bundled product clear to Customer Service, the receptionist and the delivery driver?
- Does manufacturing know that the buyer's expectations are being set for a faster delivery time?

Your entire organization needs to be aligned to support and execute your strategy.

Execution solution Part 2--Consistent Discipline

Employees need help with discipline -- schedules, accountability, tracking, positive reinforcement and more. Weight Watchers is so successful despite the fact that we all know what we need to do to lose weight; we know how to eat less and exercise. We just need help with discipline, the same

thing employers need when it comes to implementing a plan. Here's what you can do to help your employees:

1. Break the plan down into manageable chunks.

No strategic plan is complete without detailing milestones, tasks and owners. Each project leader should create a written plan that describes:

1. How to achieve the goal
2. Important milestones for the year
3. 120-day timeline with task owners and deadlines

The 120-day plan becomes a rolling plan that's updated every four months as the work progresses.

2. Track and measure everything.

How are you doing this week, next week, the following week? Progress updates focus the organization on what's important. If you believe (as we do) that people want to do well, they'll focus on the things that you care about. Show them you care! Make sure you're checking and tracking results, not just activities.

3. Provide the resources needed for success.

Weight Watchers doesn't just give us our goal and say "good luck!" They provide recipes, meal planners, meals, a book to track points, a point guide, and other tools. Executives often hand out goals without asking, "What will you need to make this a reality?" Yet before you establish a goal, you need to know whether the resources are even available to accomplish it. By asking this question, your managers can identify resource issues upfront. And if you give managers what they need, you erase excuses and make accountability real. Don't wonder whether they can succeed - make sure they succeed.

4. Hold people accountable.

This isn't difficult if you've followed steps 1-3. Without those steps, it's impossible. After all, how can you hold someone accountable for a goal that wasn't clear, wasn't measured, didn't have a clear path forward, or wasn't adequately resourced?

Without strategy, you don't know where you're going. Without execution you don't get there. Don't expect your strategy to implement itself. Manage the process with persistent clarity and discipline.

Rick McPartlin a co-founder of The Revenue Game and the Vistage Canada 2008 US Speaker of the Year has spent over 20 years applying "Revenue Generation" as a science in small and large organizations. Rick and The Revenue Game are committed to eliminating the waste and chaos in the production of revenue while replacing it with more profitable revenue. To view a more complete version of this & other articles, see the CEO Challenge blog: <http://www.therevenuegame.com/ceochallenge/>. Rick can be reached at rick.mcpartlin@therevenuegame.com