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Implementation Habits

By Robin Speculand

Strategy implementation requires employees to have embedded implementation habits.

A question that consistently arises during organizational transformations is "Should we have a dedicated department or is it everyone's job?" Whether the context is quality, six sigma or digitalization, this question persistently appears.

The rationale for having a dedicated department is: At the beginning of a transformation, having a dedicated department provides a committed focus and accelerates the learning and sharing of what is working (and what is not). The department typically aims to put itself out of a job within a few years of successfully driving the transformation from *awareness* to *knowledge* to *behavior* within the organization.

The same pattern follows in implementation.

Awareness in the field of strategy implementation was ignited with a seminal *Fortune Magazine* article in June 1999 titled "Why CEOs Fail." [1] Ram Charan and Geoffrey Colvin argued that the high strategy implementation failure rate was due to bad execution, not bad strategy.

In 2002, they published *Execution: The Discipline of Getting Things Done,* and I published *Bricks to Bridges – Make Your Strategy Come Alive* in 2004. These books contributed to strategy implementation being recognized as its own field. (Note: "implementation" and "execution" are synonymous.) The books stressed that leaders need both the ability to craft the right strategy *and* the skill to implement it.

Historically, leaders had been taught how to plan but not how to implement. Knowledge about strategy implementation saw a flurry of activity as leaders focused on filling the skills gap between the two. Today, strategy implementation focuses on behavior—that is, leaders demand consistency in the organization's ability to implement the strategy, what they call *perpetual* transformation.

> "It's fascinating to watch what happens when a CEO who executes well brings these habits into a company where they didn't exist." – Charan and Colvin

But, somewhere between planning the strategy and taking action to implement it, leaders typically lose their way. What is missing? The discipline to do what needs to be done and make implementation a positive habit.

[1] https://archive.fortune.com/magazines/fortune/fortune_archive/1999/06/21/261696/index.htm

Customers notice your implementation not your strategy.

It's critical in today's accelerated pace of business and the strain many leaders feel from turbulent markets, reduced working capital and board pressure, to deliver right the first time. That's why implementation needs to become a habit.

Much of the published literature to date still examines why implementation frequently fails rather than how to create a culture of perpetual transformation. This article introduces, for the first time, eight implementation habits that have evolved from 20+ years of research, client work and five books I've written on the topic. The habits are:

1. Discipline
2. Right Actions
3. Measure Everything
4. 90-day Chunks
5. Less is More
6. Nurture Communications
7. Culture of Accountability
8. Review Rhythm

Habit #1: Discipline

Implementation success requires ongoing discipline across an organization. There are no shortcuts. Discipline acts as the bridge across the turbulent sea of strategy implementation propelling movement from thought to performance.

As General H. Norman Schwarzkopf said: "The truth of the matter is that you always know the right thing to do. The hard part is doing it."

Embedding discipline is not easy. Consider that an estimated 40% of physicians are overweight and 44% of them smoke. Yet those paid to advocate healthy living don't appear to have the discipline to do what they know is right!

Changing strategy means changing how employees work. But getting them to do things differently does not result from a one-time town hall meeting announcing a new strategy. Rather, it requires leaders to provide constant daily support, reinforcement and encouragement to take new actions. Many leaders lack the discipline required to make this happen.

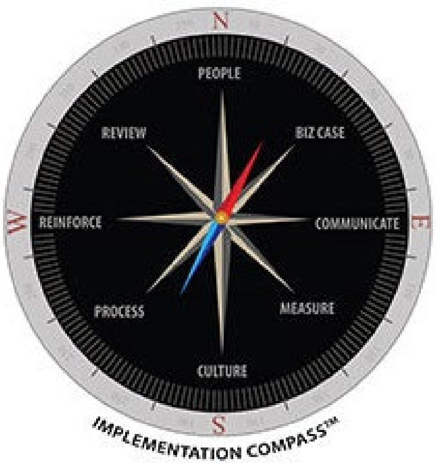
Like training for a marathon or becoming fit in the gym, action has to become a daily discipline.

Rule of Thumb: Adopt the discipline of practicing implementation habits daily.

To establish a daily discipline, organizations can turn to a framework that's often missing in implementation.

In *Bricks to Bridges – Make Your Strategy Come Alive,* I published the Implementation Compass™—a framework of the eight areas required for excellence in execution.

Organizations succeeding in their strategy implementation practiced these eight areas:



1) North: **People** – It's people who implement the strategy, not leaders. Leaders are responsible for ensuring the organization has the right caliber of people with the right skills.
2) North-East: **Biz Case** – This explains *why* the organization must change strategies and creates a sense of urgency around the transformation.
3) East: **Communication** – It's not only about creating initial fanfare but nurturing the communication by sharing customer feedback and informing employees what's going on, what's working, what's not working and what lessons are being learned.
4) South-East: **Measurement** – A change in strategy requires a change in measurement. Leaders need to create the new measures that track the implementation and identify where to take corrective action.
5) South: **Culture** – Culture drives the way the strategy is implemented. Two organizations can have the same strategy, but how they implement it is driven by their culture.
6) South-West: **Process** – Processes need to be continually improved with employees empowered to change the way they are working.
7) West: **Reinforce** – When employees step up and take the right actions, they have to be encouraged; otherwise, they will stop taking those right actions.
8) North-West: **Regular Reviews** – Many leaders check on strategy implementation only once or twice a year. Frequent monitoring is critical as it reinforces the importance of the implementation and identifies where to take corrective action.

The Implementation Compass guide leaders through their implementation journey, identifying the right actions to take.

Habit #2: Right Actions

Taking the right actions means focusing on what adds value when implementing the new strategy.

Many of us have heard the complaint "there's already too much to do"? Employees are busy, but that does not mean they are taking the right actions. To stop them from working on non-value-adding actions, create a "To Stop" list. This identifies current actions that do not apply to the new strategy. On the list might be eliminating reports, old products, or a specific market segment.

Rule of Thumb: Come up with twice as many actions to stop as to start so as to create the space to take the right actions.

Once you have identified the right actions allow employees to choose which actions they want take. This is because people are more committed to outcomes they set themselves by a ratio of almost five to one, as noted by Carolyn Aiken and Scott Keller from McKinsey & Company in their paper "The irrational side of change management."[2]

The authors cite a famous behavioral experiment in which half the participants are randomly assigned a lottery ticket number while the others are asked to write down any number they want on a blank ticket. Just before drawing the winning number, the researchers offer to buy back the tickets from their holders. The result: no matter what geography or demographic environment, researchers found they had to pay at least five times more to those who came up with their own number. Why? Because people are more dedicated to outcomes they set themselves!

This can be put into practice by, for example, offering people a choice of which design thinking team they'd like to participate on. Ask: "Would you prefer to be on the design thinking team for onboarding new customers or one for improving the efficiency of our key product?"

Rule of Thumb: Small actions by lots of people equal big transformation.

Habit #3: Measure Everything

Measures drive the right actions, yet some leaders do not change their measures when they changed their strategy. By default, they keep measuring the old strategy.

Rule of Thumb: Change your strategy, change your measures.

A strategy scorecard is an exceptional tool for measuring and managing strategy. Using it though needs to become a habit in the organization.

Without the right measures in place:

- You won't know where you are along your implementation journey.
- You don't know which direction you are heading.

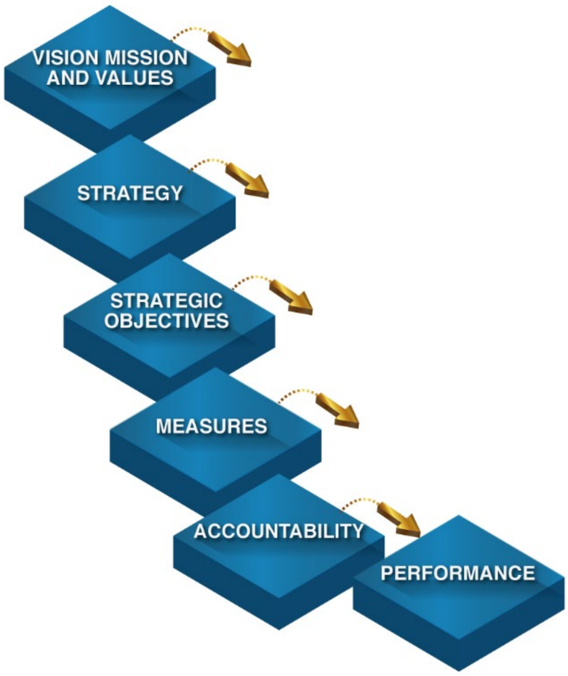
[2] www.mckinsey.com/business-functions/organization/our-insights/the-irrational-side-of-change-management

- People become confused when they're told one thing but measured against something else. When this occurs, they will continue to take actions based on achieving the old measures, not the new ones.
- You can't accurately show progress made from the baseline data to the targets.
- You don't know how your implementation is performing and therefore can't take corrective action.

Organizations that have achieved strategy implementation success have an effective strategy scorecard that serves to:

- Enhances leaders' understanding of the strategy across different business lines through discussions when the scorecard is created.
- Provides greater clarity about the strategy—what's important and what isn't.
- Allows leaders to speak with greater consistency in their messaging through a strategy story.
- Demonstrates both the importance and commitment to the new strategy.

The following model, Bridges developed, assists leaders in transitioning from Vision to Performance.



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The *vision* is the future state of the organization. The *mission* is its core purpose. The *values* are its guiding principles. The *strategy* is the detailed plan on differentiating yourself from your competitors and addressing how to achieve the vision. *Strategy objectives* further translate the strategy. Every strategy objective has at least one *measure*; every measure has an identified baseline and target attached to at least one action on how targets will be achieved. Individuals are held accountable for the *actions* they own. These actions are constantly reviewed to ensure the organization is on the right path toward the vision and delivering the expected *performance*.

Habit #4: 90-day Chunks

In any transformation, early wins are required to build momentum and traction. .

Rule of Thumb: Plan to take action in 90-day chunks.

By consciously ensuring the actions can be completed within a 90-day period, leaders make the actions manageable, so those actions gain traction. "Theory promises and success sells." In this situation, the strategy is the theory, and the implementation is where success occurs by completing the action within 90 days. If more time is required, then divide the actions into small segments that can be completed in 90 days.

Why 90 days? 180 days, for example, is too long as many people don't take the action until the day before they're about to be checked! 30 days is too short, as it leads to a list of too many actions to take. 90 days is just the right amount of time.

This habit is a best practice among top-performing organizations and a core component of perpetual transformation.

Habit #5: Less is more

Launching a strategy adds to employees' workloads, because they must continue running the current business while starting to implement the new strategy. Focusing on doing more, not less, has been the downfall of many strategy implementations. Having too many objectives causes confusion about what's important, dilutes resources and can be detrimental to performance.

Carrefour's former CEO, Lars Olufsen, took over the company in 2009 and launched seven retail strategies including agility, customer engagement, innovation, and global expansion. What resulted from launching too many strategies simultaneously? Confusion across the organization, loss of domestic market share and a 53% plunge in share price in one year. Olufsen stepped down in 2012.

Compare this to Angela Ahrendts who joined Burberry as CEO in 2006. She announced five strategic priorities including intensifying non-apparel sales, accelerating retail-led growth, and investing in underpenetrated markets. She stuck with these priorities for seven years, updating employees and investors regularly on progress against each goal. This reinforced the strategic message and the company's commitment to achieving those objectives. During this period, Burberry's share price handily outperformed competitors and the broader market

Rule of Thumb: Focus on only three to five strategic initiatives per year.

An experiment by Sheena S. Iyengar (Columbia University) and Mark R. Lepper (Stanford University) explained how "less is more" in their paper "When Choice is Demotivating: Can One Desire Too Much of a Good Thing?[3]".

The paper cited the Jam Experiment. It involved an upscale grocery store displaying, on one occasion, 24 jams for customers to view and purchase and, on the other occasion, only six different jams. Of the customers who visited the 24-jam selection, only 3% purchased. From the six-jam selection, 30% of the customers purchased—a 10-fold increase.

This experiment also tested for choices of chocolate. Once again, the group being offered only six choices reported a higher level of satisfaction and made more sales than those offering more than six choices.

These conclusions indicate that leaders who promote three to five strategy objectives in 12 months realize greater achievements than those focused on many more. When organizations try to execute more than 10 objectives, less gets done and, in some cases, none of the objectives are completed. When people feel overwhelmed, they do a little work on everything and finish nothing.

Habit #6: Nurture Communication

Every four years since 2000, my company, Bridges, has researched the state of strategy implementation[4]. In every research result, poor communication topped the list of the three key reasons why strategy implementation fails.

Astonishingly, in many organizations, communicating about the strategy is almost nonexistent six months after the launch due to a lack of discipline—habit number one. Communication reverts to "business as usual, " yet a wealth of communication needs to be shared, including:

- Progress against strategy objectives – This keeps employees informed on how the organization is performing.
- What's working and what's not – This creates a learning environment in which successes can be replicated and failures can be eliminated.
- Customer feedback – Listening to the voices of customers includes gathering their feedback on the strategy and sharing its implications.
- Progress against the metrics – This provides updates of the implementation analytics.
- Share success stories – This keeps employees engaged and encourages them to take the right actions.
- Work improvements – This requires sharing how some employees are changing the way they work.

[3] https://pubmed.ncbi.nlm.nih.gov/11138768/

[4] www.bridgesconsultancy.com/research-case-study/research/

- Milestones achieved – This celebrates small successes and milestones.
- Strategy deviations – Leaders take corrective action during the implementation and explain why.
- Lessons learned – Employees from different business lines share relevant experiences and lessons learned.

Rule of Thumb: Frequently communicate about the implementation throughout the whole journey.

Habit #7: Culture of Accountability

When striving to achieve perpetual transformation, adopting accountability is essential. It requires holding someone responsible, with the emphasis on "one." Leaders hold direct reports accountable with constant follow through.

In Bob Proctor's book *It's Not About The Money,* he noted how people who say, "That's a good idea" only had a 10% chance of making a change. Those who set a specific plan of how to do it had a 50% chance of making a change. But those who set a specific time to share their progress with someone else had a 95% chance of making a change. To set up employees for success with a 95% chance of making a change, take these six steps to help create a culture of accountability:

1. Know the organization's core values. – The values act as guiding principles of what is important and acceptable.
2. Clarify expectations. – People need to know how they're expected to perform and what they're expected to deliver *before* they can be held accountable. For example, does accountability mean attending meetings on time and/or submitting reports on time and/or checking that the right actions have been taken?
3. Adopt measures. – Putting in place the right measures allows you to track performance, show what is important, and hold people accountable.
4. Assign one person. – Don't have more than one person responsible because that eradicates the accountability.
5. Conduct reviews. – People need to know they will regularly be asked how they did against the planned actions.
6. Link actions to consequences. – People have to be recognized in a positive way when they take the right actions. There also needs to be negative consequences for inertia or the wrong actions, and the consequences have to align with the values.

"The single most important change in actions that needs to occur during a time of cultural transition is the shift to greater accountability." – Roger Connors and Tom Smith, *The Oz Principle.*

From a survey of 161 companies, McKinsey & Company research[5] revealed that the number one best practice of agile organizations is *role clarity*, because it leads to greater accountability.

Rule of Thumb: Let your employees know when you are going to hold them accountable.

Habit #8: Review Rhythm

Conducting reviews are one of the most important activities for achieving perpetual transformation. Bridges' research[6] revealed that 85% of organizations spend less than 10 hours a month discussing their implementation.

In some organizations, the strategy implementation is only reviewed once or twice a year. Leaders get distracted by other activities and when they do, so do their people. That's how small issues can snowball into large problems.

Rule of Thumb: Successful implementation requires regular reviews.

Conducting regular reviews creates a review rhythm—a pattern and expectation that progress is checked. Leaders are responsible for conducting regular implementation reviews and making them a habit across the organization. How?

1. Every week, leaders ensure employees are asked by their immediate boss how they have contributed to the strategy implementation and identify where they need support and/or guidance.
2. Every two weeks, leaders review the strategy implementation performance within their own business vertical.
3. Every 12 weeks, the CEO conducts a quarterly review for the whole organization.
4. Every 52 weeks, leaders step back to reflect on the methodology and where it can be improved.

During the review , it is critical that the right questions are asked, for the answers will dramatically affect the actions taken by employees and the success of the implementation.

In *Atomic Habits*[7], James Clear wrote, "If you want to predict where you'll end up in life, all you have to do is follow the curve of tiny gains or tiny losses and see how your daily choices will compound 10 for 20 years down the line."

This statement is as true for organizations as it is for people. To know where your organization could end up, ensure these eight implementation habits become a daily discipline on your journey to perpetual transformation.

[5] www.mckinsey.com/business-functions/organization/our-insights/the-five-trademarks-of-agile-organizations
[6] www.bridgesconsultancy.com/research-case-study/research/
[7] https://jamesclear.com/atomic-habits

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