

THE SEM GUIDE BY FLEMMING VIDERIKSEN & BJARNI SNÆBJÖRN JÓNSSON

STRATEGY EXECUTION MANAGEMENT IN A NUTSHELL

SUCCESSFUL STRATEGY IMPLEMENTATION
AND GOVERNANCE IN A DIGITAL WORLD

DECIDEACT

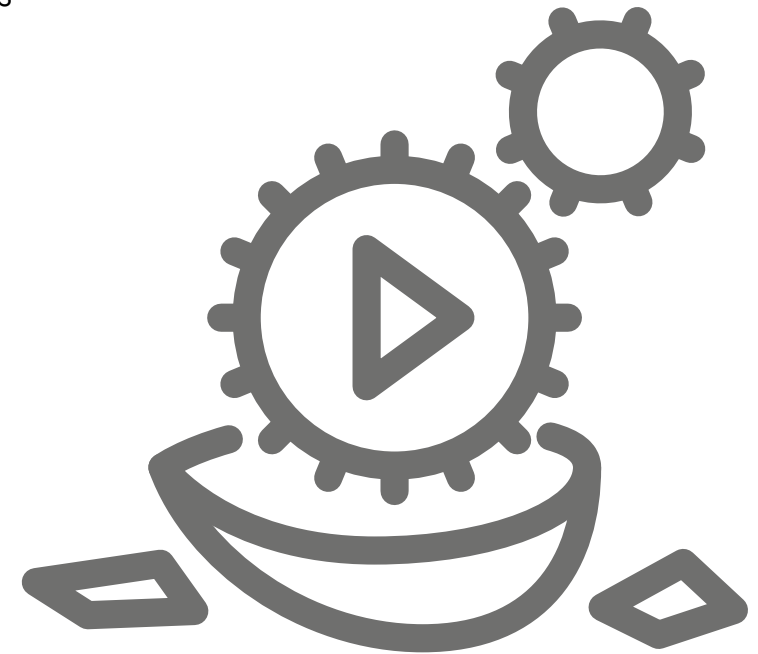


ABOUT THE BOOK AND THE AUTHORS:

For more than 25 years, Flemming Videriksen and Bjarni Snæbjörn Jónsson have worked with international organizations in strategic development and implementation. They have also written many excellent works on organizational leadership. With this professional weight behind them, they have spent the past ten years mapping how to create the optimal infrastructure for successful execution of strategies. They did so in recognition of the fact that methods and tools in the field have basically not changed since the 1950s, while technology has revolutionized all other management disciplines.

They dreamed of designing a digital infrastructure that could help management with strategic governance by supporting all the complex processes and resource aspects associated with it. Together with some of the most skilled programming and UX specialists, they embarked on the development of DecideAct—a cloud platform that sets a new standard in strategy execution.

In the summer of 2020, Flemming Videriksen and Bjarni Snæbjörn Jónsson set out to write an easy-to-read guide to modern strategy management. In *Strategy Execution Management in a Nutshell*, the authors generously share their knowledge of successful strategy execution. After reading it, you'll know everything you need to get started with Strategy Execution Management in the digital age.



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INTRODUCTION

There has never been a more crucial time to get your business strategy in place and keep it on track. Turmoil can either stall your business or boost it to a whole new level of success. We will show you how to make a plan that works, even in times of crisis. Strategy Execution Management is the key.

It is often said that implementation is the most complicated and time-consuming part of the strategy process.

Strategy gets lost in implementation. There is clearly something wrong with strategic leadership when three out of four leaders fail to fully implement their strategies. We must rethink and modernize the process!

Most executives' and boards' approach to strategy execution is old-fashioned, manual, and not tangible. It's time to end years of stagnation in the executive suite and modernize strategic leadership. The fact is that every minute, three million dollars is wasted in failed strategy implementation. Many leaders are great at designing strategy—but in the end, accomplish very little.

The future is likely to be increasingly volatile and uncertain. Whether it will be for the better or worse is up to each and every one of us. Responsiveness and adaptability will be absolutely key to making the most of evolving circumstances. The Executive Team must have the right mindset to navigate through tough times. That is why we have issued this step-by-step guide: to prepare your team for the new norm in strategy execution. With a strong understanding of Strategy Execution Management (SEM) and a mission-critical mindset, you will be prepared to successfully implement strategy and navigate through the territory ahead.



EVEN THE BEST BUSINESS STRATEGIES ARE WORTHLESS IF THEY ARE POORLY IMPLEMENTED AND LACK STRATEGIC GOVERNANCE

STRATEGY EXECUTION MANAGEMENT (SEM)



THE NEW NORM IS CALLED STRATEGY EXECUTION MANAGEMENT

Modernizing strategy execution uses technology to align the whole organization around the most essential strategic priorities.

Gartner (www.gartner.com) reports that “there is an emerging market for enterprise-wide governing of strategy execution. Digitalization, with its requirements of increasing delivery, speed and agility, is what is driving Strategy Execution Management (SEM).”

More speed and agility, a strong and aligned team with clear focus, and using technology to automate follow-up are all critical elements for success. To assist you in this, we have developed a digital platform that will tell you exactly what is going on at any given moment in your strategy plan plan—and help you stay on course.

Make no mistake about agility! Quick, sound decision-making and clear communication are achievable even during strategy execution. They only require some fundamental principles – principles we tend to forget in our day-to-day activities. It is not complicated, and we will guide you through it step by step.



GARTNER: ALL LARGE ORGANIZATIONS NEED AN SEM SOLUTION

“Executing strategy in the digital age requires tools connecting the shared objectives of business strategists and those executing the change and measuring true business value.”

“Program and portfolio management leaders directing transformation should invest in Strategy Execution Management to succeed.”

IMPLEMENT WITH TODAY'S POWER OF TECHNOLOGY

Eighty-nine percent of organizations do not have a full-fledged strategic monitoring and governance process in place. Strategy is not taken seriously because tracking methods, if used at all, are ineffective.

Imagine if you had the same approach to your company's finances. No clear data, no effective way to track your financial status—would that be considered serious leadership? And how long would your organization last without effective oversight of its finances?

Advanced technology is now available that can handle extremely complicated data sets and integrate them with the technology infrastructure of your business. This enables you to follow strategy execution live. By pressing a button, you get a total overview of strategic performance in any part of your organization.

Whether you want to deploy a systematic follow-up or not, the four governance principles laid out in this guide will always apply. But before applying these principles, you must help your

leadership team identify and discard their outdated, ineffective habits and beliefs. Strategy design is only the tip of the iceberg. It's all about execution!

Therefore, you must establish buy-in to strategic accountability. This is the only way to achieve innovative, cutting-edge strategic leadership.



Why spend all that money to plan and not pay sufficient attention to whether it's implemented or not?

STRATEGY EXECUTION MANAGEMENT

Modern Strategy Execution Management relies on a dedicated digital platform that is integrated with the enterprise information architecture. The platform needs to coexist seamlessly with your ERP system, project management tools, and HR tools, and have the ability to link multiple strategies within the organization.

Navigating through our increasingly volatile, uncertain, complex and ambiguous (VUCA) environment is about fast and secure execution of decisions. It is important to use any challenge as an opportunity to build excellence in strategy execution and bring strategy to the core of the organization. Those who sharpen their ability to execute and adjust strategies in an immediate and agile way will have far better chances of survival and success.

Strategy is no longer a one-off thing that we address once a year. We need a structured approach that ensures:

- progress is monitored in real time
- strategic initiatives are implemented on time
- the roadmap is under constant review
- rigorous strategic governance is applied

The purpose of Strategy Execution Management is to bring strategic governance, transparency, and discipline on par with financial management. Successful SEM is powered by modern technology. The old way uses notes and spreadsheets; modern Strategy Execution Management requires integrated digital tools. Among these is the DecideAct SEM Platform Solution.

“Ideas are commodity. The execution of them is not.”

—Michael Dell



YOU CANNOT RIDE A BIKE STANDING STILL

When it comes to executing strategy, you must make decisions and act on them in a timely manner or your business will get stuck in the swamp.

THE SEM SILVER BULLET: TOP-DOWN GOVERNANCE AND BOTTOM-UP ENGAGEMENT

The best SEM platforms enable top-down strategy execution and bottom-up engagement of all team members involved in the strategy's fulfillment.



DESIGN YOUR STRATEGY TO BE READY FOR EXECUTION

To plan for successful SEM, your first goal should be to create a strategy that is fit for execution. Research shows that execution cannot succeed unless the strategy itself is designed to be executable. Building your strategy on a logical hierarchy, similar to a chart of accounts for your finances, enables you to plan logically and monitor results.

Building a hierarchy (a chart of strategic elements) also connects the strategy to your organizational hierarchy. By being attached to strategic initiatives, any unit or employee can see their role in the strategy's success. It also helps the Executive Team and the Board monitor progress and apply effective strategic governance exactly where it's needed.

Framing your strategy in a logical hierarchy helps you systematically manage its execution by regularly monitoring, reviewing, and adapting your plan of action. Without this, you're unable to cascade the strategy throughout the organization, leaving your employees unable to relate to the

strategy or contribute to it in any meaningful way.

Keep in mind that, under normal circumstances, three million dollars is wasted every minute on strategies that fail or never get implemented. This equals 1,6 trillion USD every year, or the full GNP of Canada or all the Nordic countries.

**STRATEGY EXECUTION
MANAGEMENT WILL HELP
YOU DELIVER A TANGIBLE
ACTION PLAN FOR SUCCESS!**



**“Success is
sweet when it is
shared.”**

– John Scully

THE FOUR CORNERSTONES OF STRATEGY EXECUTION MANAGEMENT

Most leaders have experienced strategies that were lost in implementation. They simply faded away from lack of monitoring and timely execution. If you can't afford another failed strategy, it's time to take it seriously: make your strategy the core of your organization, using digital tools to drive execution and follow-up. You can embed strategy execution skills into the cultural DNA of your organization.

There is more than one way to implement your strategic plan, but it is essential that you remain consistent: keep trying, and if necessary, fail fast, then reshape your plans. To succeed, you need a structured approach that allows immediate and transparent follow-up.

The Four Cornerstones are explained in subsequent chapters.

DON'T ALLOW YOUR STRATEGIC PLAN TO BECOME ONLY GOOD INTENTIONS

The four cornerstones of Strategy Execution Management

FOCUS AND CLARITY

Insight and Diagnosis
Clear Objectives and Priorities
Clear Line of Sight

SPEED AND AGILITY

Clear Roadmap
Real-Time Data
Drive Strategic Decisions

ALIGNMENT AND ENGAGEMENT

Clear Accountability
Empowerment and Follow-up
People and Culture

GOVERNANCE AND EXECUTION

Clear Execution Plan
Transparency
Efficient Review

CORNERSTONE 1: FOCUS AND CLARITY

FOCUS AND CLARITY

With clear focus, you can think outside the box, making radical yet thoughtful decisions and quickly making necessary changes.

Consistent follow-up on explicitly stated priorities ensures the strategy is on track—and that essential daily tasks don't get in the way.

WHY IS FOCUS IMPORTANT?

Following up on clear priorities through regular reviews ensures the strategy execution stays on track—and that essential daily tasks don't impede your strategy's progress.

AS A REVIEW TOOL, SEM ENSURES THAT:

- reviews resonate throughout the organization and reinforce the importance of executing the strategy
- the right messages cascade down through the organization, from Board to Front Line
- the right actions are being taken that are critical for executing the strategy
- strategy execution stays on the leader's radar—not only once in a while or when remembered, but **CONSTANTLY**
- necessary adjustments are made through the strategy execution journey
- team members are held accountable for their performance

WHY IS CLARITY IMPORTANT?

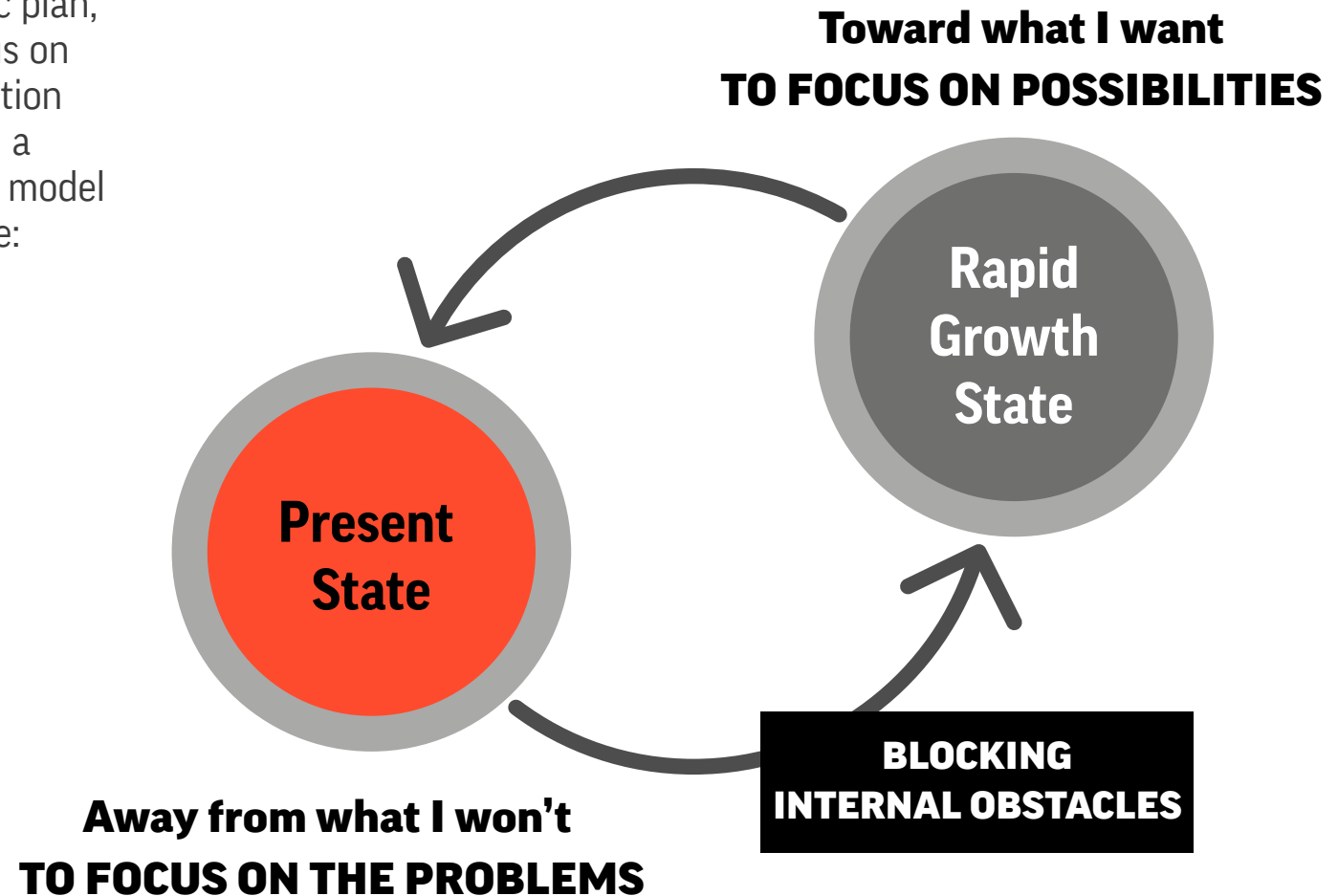
What gets measured gets done! That is a simple truth that we all are familiar with. Therefore, careful selection of measures (as well as consistency and transparency in measuring and communicating progress) becomes a cornerstone of successful Strategy Execution Management.

SEM SOLUTIONS PROMOTE FOCUS BY ENSURING THAT:

- the measures drive the right actions, which in turn drive the required change
- data visualization of the measures leverages performance
- measures are used regularly to review and communicate performance
- team members receive recognition and rewards for their improvements of measures
- the selected measures assist in managing the business

DESIRED STATE: WHERE DO WE WANT TO GO?

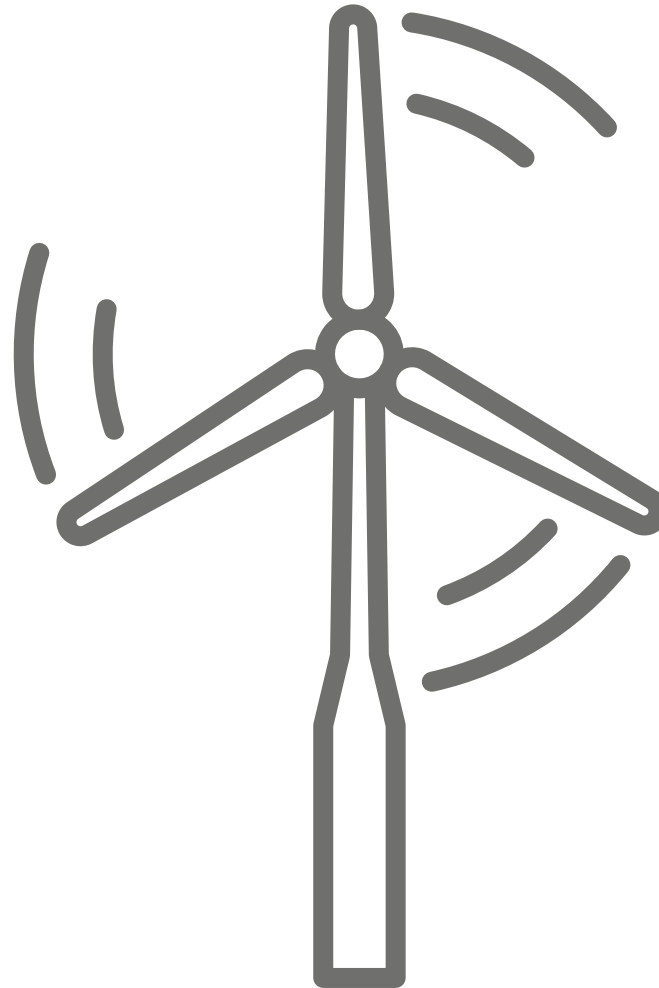
When you begin a strategic plan, it is essential that you focus on the desired state: a description of where you want to be in a certain period of time. This model is very simple, but effective:



Be careful not to spend too much time talking about the problems you face right now, at the risk of undermining your organization with a negative outlook. This can create delays just when swift execution is essential. If just one member of the executive group says, “We’ll never be able to manage that,” doubt will infect everyone’s minds when the team encounters any resistance.

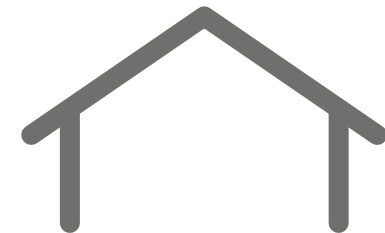
There are a limited number of things our brains can handle simultaneously, and you must be aware of this limitation in your team members. Here is a little example: when we teach this model, we say to our learners, “Don’t think about kangaroos!” What do they all think about? Kangaroos!

It is therefore vital that we focus on the organization’s desired state. We must fill our minds with what the organization needs (mission, vision, strategies, etc.) so that our subconscious can devote its full attention to achieving it. Use swift and clear communication to get this process started as early in the crisis as possible.



“When the storm blows, there are those who build shelters and those who build windmills.”

—Danish proverb



TYPICAL CHARACTERISTICS OF A DESIRED STATE:

CHARACTERISTICS OF THE DESIRED STATE (Example)



SET UP A DRAFT STRATEGIC FRAMEWORK (PILLARS) BASED ON THE DESIRED STATE

After categorizing and summarizing the team's views on the Desired State, the next step is to transform it into a draft strategic framework outlining top priorities.

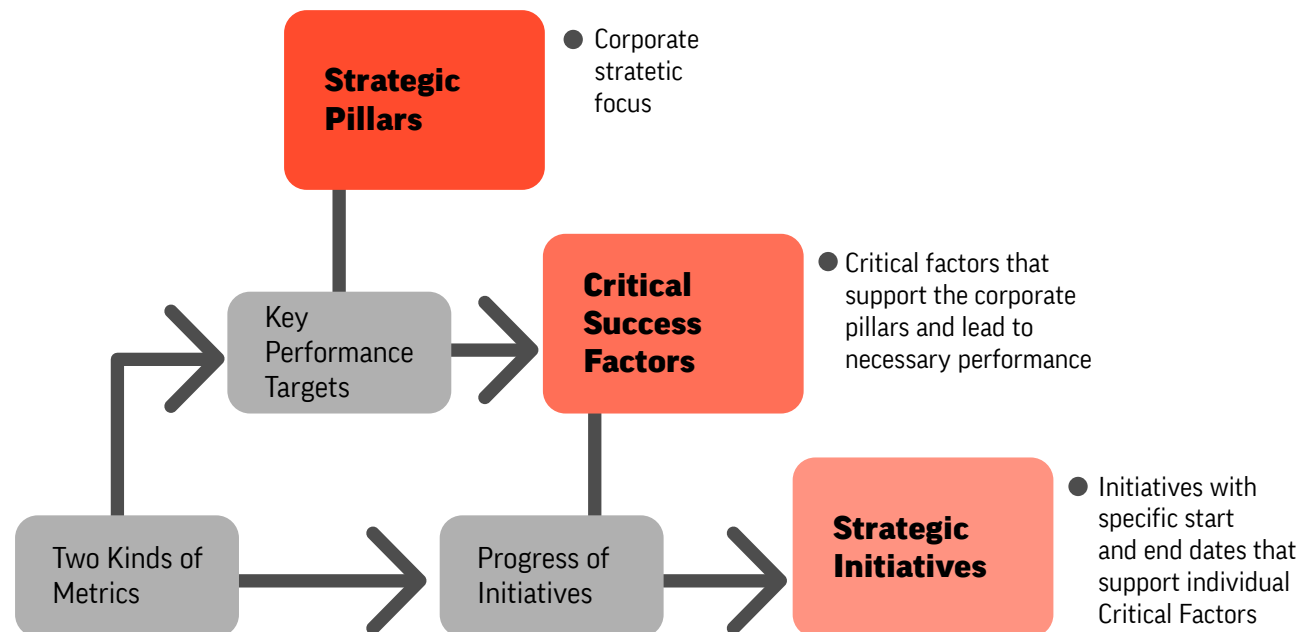
The compilation of the team's ideas and concerns, summarized clearly, will inspire your team to follow the process through to the end. It will encourage them to overcome whatever barriers they may encounter along the way.

All of the points submitted in the dialogue session for the Desired State are potential strategic objectives. These objectives will fall into categories relating to customers, operations, employees, and finance. The team has automatic buy-in on the process: their ideas and concerns are the foundation for the next steps.

Objective of the Focus and Clarity

Cornerstone: a structured overview of what matters most. This should include a thorough analysis of your situation and a roadmap of your organization's potential, while assessing its liquidity, optimization, and profitability.

THE ELEMENTS OF SUCCESS



CORNERSTONE 2: SPEED AND AGILITY

SPEED AND AGILITY

Change is now happening faster and with greater effect on us all. Agility and speed are absolutely essential in such an environment. Your strategic framework is the roadmap to your Desired State.

HOW DOES SEM INCREASE AGILITY?

Change requires movement. When we move in an uncertain environment, we will make mistakes. The key to success is to fail fast and learn fast, which depends on how leaders respond to change. You can turn failures into learning opportunities, create a positive reinforcement cycle, and deal with competition with increased flexibility and speed.

As a real-time monitoring tool, SEM answers the following key questions relating to corrective measures:

- What mistakes have been made? What are the learning opportunities?
- How can we share the lessons learned throughout the organization?
- What are the successful actions and behavior we should keep doing?
- What changes have been made to the strategy and what are the implications across the organization?

HOW DOES SEM INCREASE SPEED?

Strategy in the digital world needs to happen fast, but it also needs to incorporate the whole business model. Keeping track of how to transform, in what sequence, and at what time is absolutely essential.

SEM increases speed by answering the following in real-time:

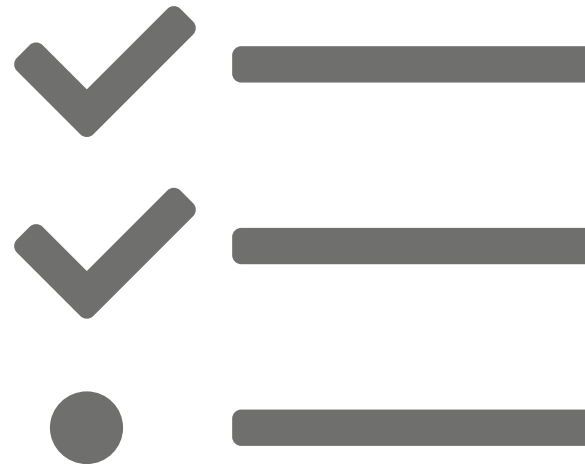
- What has the organization done in the last 30, 60 or 90 days to execute the strategy?
- Are the right resources in place?
- Are team members taking the right actions to deliver the strategic objectives the organization is currently focused on?
- What are the strategic successes at any given time?
- Are the assumptions behind the strategy still relevant, or do we need to update them to maintain speed?

Decisiveness is crucial to success—but so is the courage to cut your losses. By encouraging your team to learn from any missteps along the way (and refusing to give in to frustration), you'll create a culture of positive reinforcement.

WHAT QUESTIONS MUST STRATEGY EXECUTION MANAGEMENT ANSWER?

As a real-time monitoring tool, Strategy Execution Management must answer the following questions:

- What mistakes have been made?
- What are the learning opportunities?
- How can we share the lessons learned throughout the organization?
- What successful actions and behavior should we keep doing?
- What are the implications across the organization if we revise the strategy?

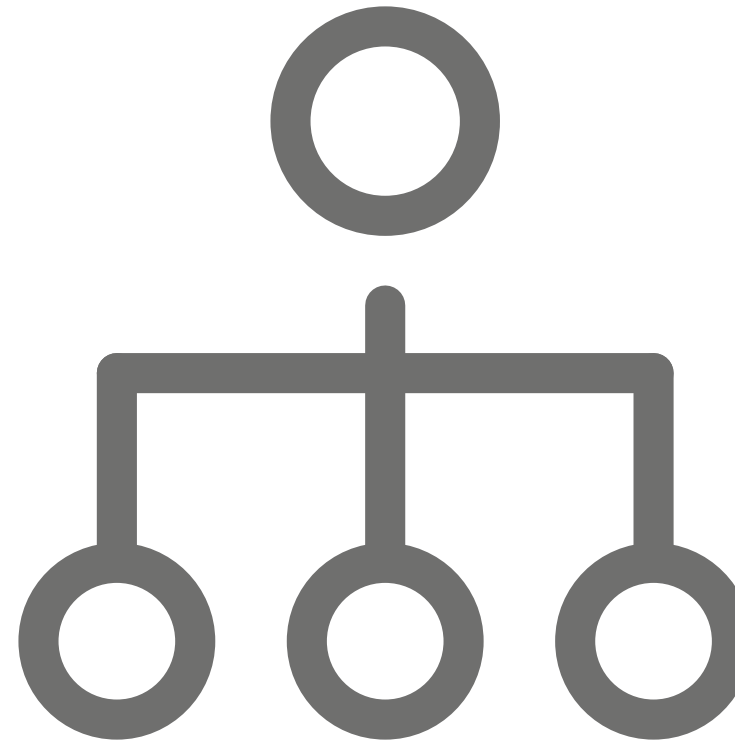


THE STRATEGIC HIERARCHY

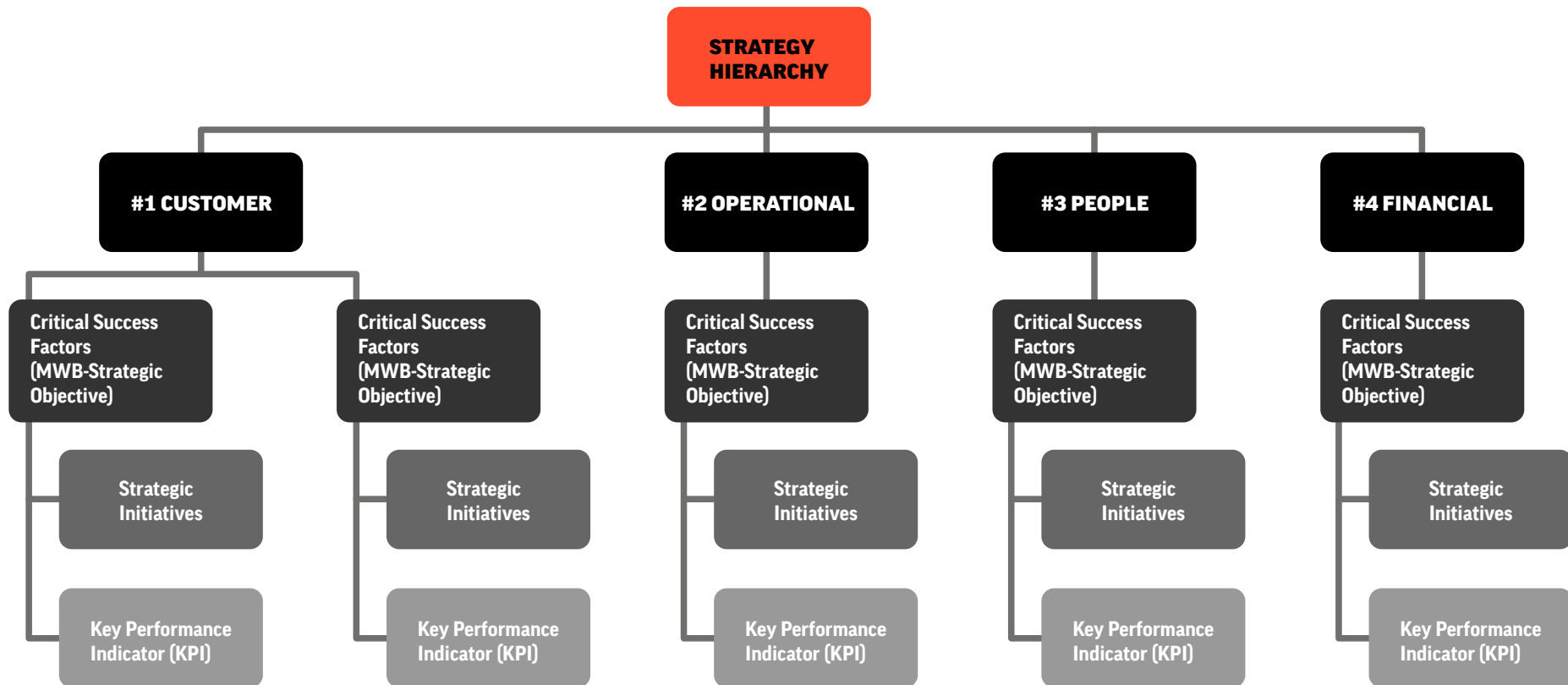
To streamline monitoring and follow-up, strategic frameworks are built as a hierarchy. This is a chart of strategic elements similar to the Chart of Accounts in financial accounting.

A good SEM digital platform works with any existing framework, including custom-designed methodologies. The hierarchy should include:

1. Strategic Pillars (three to five areas your organization must excel in to be successful) or Priorities
2. Critical Success Factors supporting the Pillars
3. Must-Win Battles (to help define strategic initiatives)
4. Strategic Key Performance Indicators (KPIs) to monitor progress of Pillars and Critical Factors.



Using a clear framework helps you make any necessary adjustments to the strategy using real-time data, in an agile culture and with engaged people. A typical framework looks like this:



With your established Strategic Initiatives and Key Performance Indicators configured in the hierarchy, you are ready to put everything into the DecideAct Strategy Execution Management System (described in the last section of this guide), which closes the loop on the Mission Critical process.

ACCOUNTABILITY

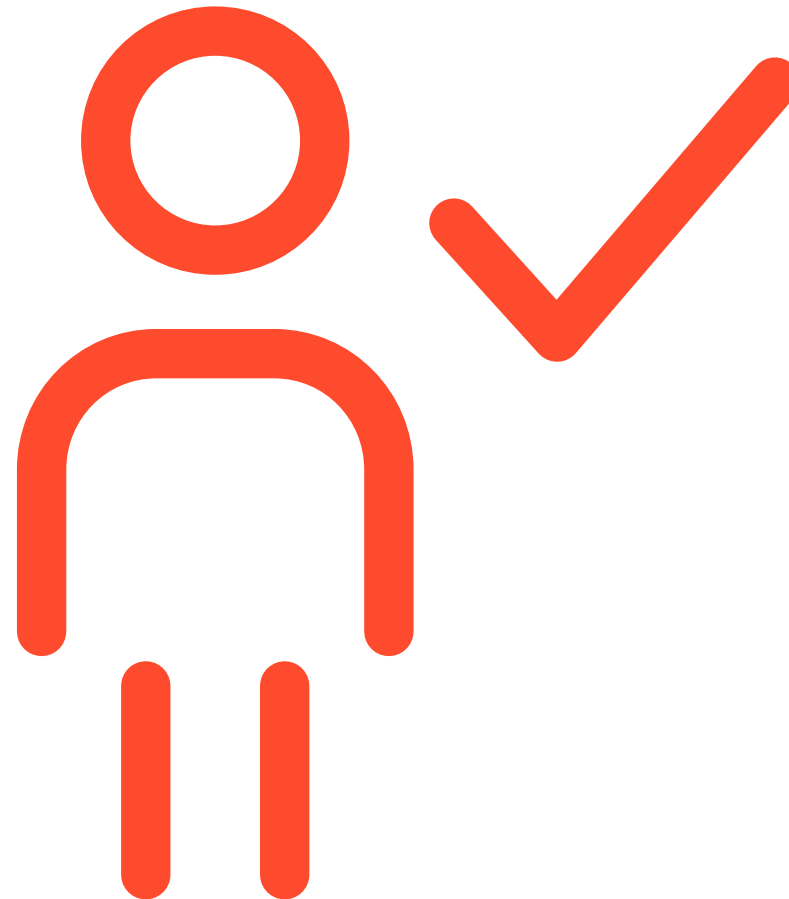
**Accountability is the key to success!
Holding everyone in the organization
accountable for their part in strategy
execution is essential for success.**

In defining individual accountability, there are three questions to consider:

1. Which tasks or objectives is this individual responsible for?
2. To whom is the individual accountable?
3. Which unit owns this initiative?

In high-performing organizations, all initiatives and strategic goals are cascaded throughout the organization. Each unit defines its goals and initiatives, assigns accountability to individuals, and tracks their progress. This keeps the initiative going despite urgent daily matters.

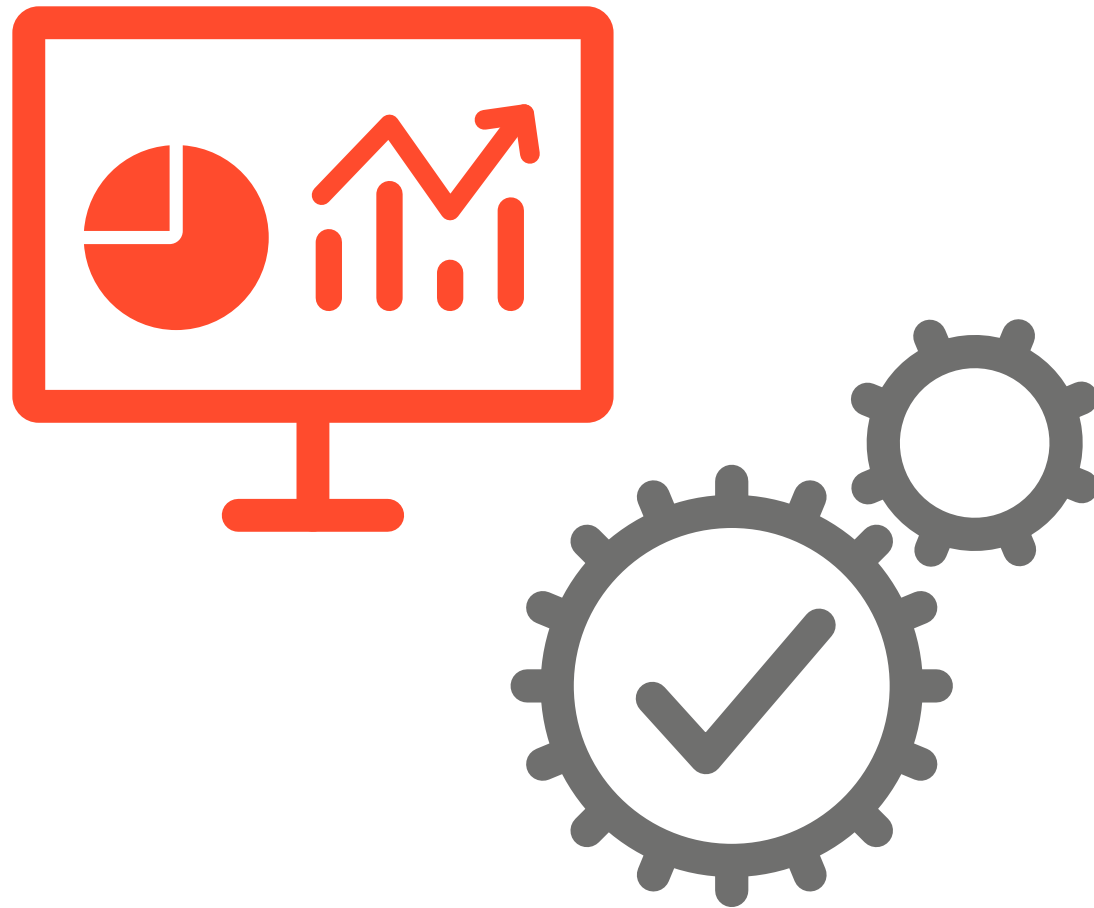
Strategic accountability is carefully delineated, and its progress tracked. Transparency is the key to each accountable individual understanding their part in meeting the organization's goals. Accountability requires the same rigor as in financial budgeting: if assigned tasks are not completed on time, they "turn red" as in an accounting ledger when funds are overdrawn.



THE DIFFERENCE BETWEEN STRATEGIC AND OPERATIONAL INITIATIVES

Often there is confusion between strategic initiatives and operational/tactical initiatives. We tend to focus on urgent daily tasks, which means longer-term strategic initiatives are neglected. Therefore, it is important to clarify that strategic initiatives are not daily tasks.

Strategic initiatives typically involve pivoting business models, new business opportunities, improved productivity, fewer errors, improving quality, increasing customer satisfaction, and internal matters such as the organization's culture. A strategic initiative must be absolutely clear about its end goal, potential milestones, start and end dates, who is responsible for each piece, and expected return on investment.



STRATEGIC FRAMEWORKS AND KEY PERFORMANCE INDICATORS

Key Performance Indicators show you how successful each intervention has been. Success is measured by the degree to which you achieve the targets of each CSF.

Have the team discuss which KPIs are critical and how they should be measured. Be quite clear what a KPI really is and why it is important (there may be ambiguity as to whether a KPI is a metric or an objective, for example). It is often also unclear which KPIs are strategic in nature and which are operational. Be aware that the KPIs you define are directly attached to a Critical Success Factor or Strategic Objective, and should represent a measurable target to reach as part of the strategic intent.

Too often we use only performance indicators that are available or easy to measure. However, if we are not measuring what is important, we are not looking the right place. Remember: what is measured gets done. This makes the use of KPIs very powerful, but dangerous at the same time. KPIs must be carefully defined— often the most

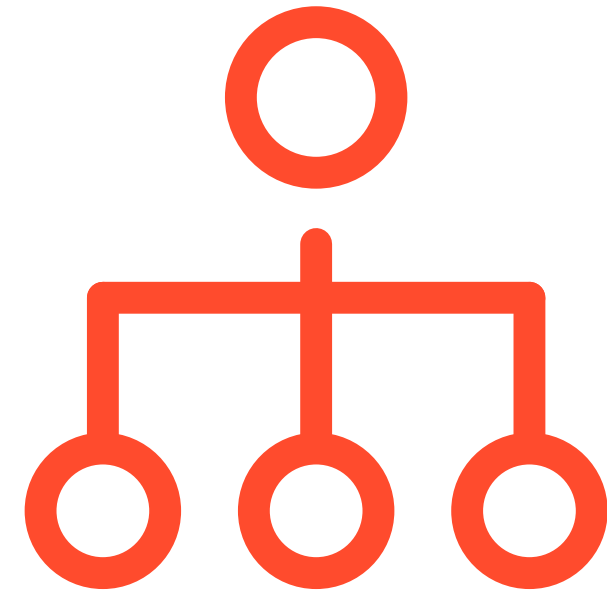
difficult and time-consuming task when formulating a strategy.

KPIs must have:

- a baseline (starting point with initial measurement)
- a current status (at a given time of measurement)
- a target (numerical desired state)

Strategic KPIs should be clearly attached to a Strategic Pillar or Critical Factor. Strategic KPI should not be confused with Initiative KPI, which is a metric measuring the result of a given initiative. They should be ongoing, measured as long as the objective or Critical Factor is relevant.

Before defining a target, it should be clear how the KPI will be measured and what the current baseline is. In a strategic hierarchy of Pillars and Critical Factors, one metric for each Critical Factor is a rule of thumb. Two might be needed if the Critical Factor includes more than one performance variable.



SCRUTINIZE YOUR GOALS

The guiding principles to all goal setting: scrutinize, scrutinize, and scrutinize!

This is extremely important, as critical situations cannot allow any room for misinterpretations or private editions of goals. Don't allow any leeway for politics or excuses such as "I thought it meant..." Crystallize the description.

Every single member of the Executive Team must unequivocally accept the goals decided upon and how they are measured and give their best efforts to achieve them when the mission is critical.

Objective of the Speed and Agility

Cornerstone: Be fast, flexible, and predictable. Make a clear and concise strategic roadmap based on a redefined desired state, a strategic framework, measurable goals, and identified must-win battles.



If a goal is not achievable there is no hope, but without a challenge there is no motivation.

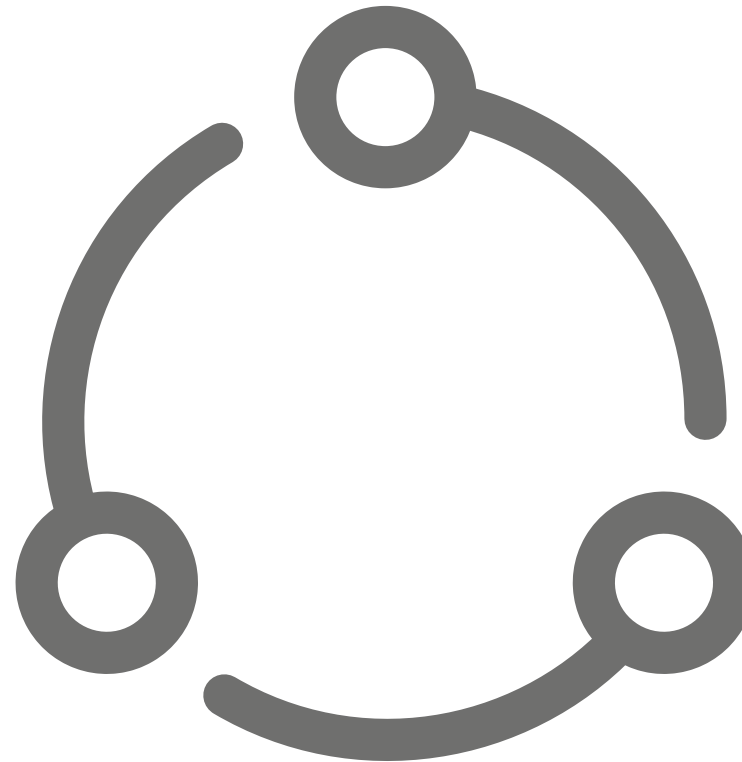
CORNERSTONE 3: ALIGNMENT AND ENGAGEMENT

ALIGNMENT AND ENGAGEMENT

Engage employees by clearly delegating authority and accountability.

This Cornerstone is also about aligning the different layers of the organization and then empowering people to act upon mutual goals. Involve your people in the dialogue, help them understand your strategy and how they can contribute to its success.

Alignment, or buy-in, is the willingness of others to actively support and participate in your plan. Alignment can't happen without clear communication.



SEM AND EMPLOYEE ENGAGEMENT

The fact is that 95% of employees do not understand their company's strategy (based on a survey conducted by Brightline Initiative). This results in lack of engagement, which significantly lowers the chance of implementing anything substantive.

Successful SEM will help you engage the complete organization in strategy execution by:

- getting control by releasing control (only feasible when employees are engaged and feel ownership in strategy execution)
- building engagement from the bottom up to align the whole organization
- successfully conducting strategy execution and essential daily tasks at the same time

The facts speak for themselves. Consider these numbers from Brightline Initiative's research:

- 85% of all leadership teams spend less than one hour per month on strategy follow-up

- 63% say the lack of understanding by middle management is a barrier to implementation
- SEM is not taught in leadership education programs
- Leadership groups seem to be good at formulating strategy and enjoy the process very much, but after that no one seems to know what really happened (if anything happened at all).

Many leaders are great at designing strategy—but in the end, accomplish very little. Strategy gets lost in implementation. According to Professor Martin Reeves, Boston Consulting, 75% of large-scale change programs (transformations) fail to meet initial objectives.

Combined with the fact that most organizations focus on the urgent (putting out fires) rather than the important (preventing fires), it's clear why strategic failure is so common.

If you have been part of strategy follow-up, think about how that process worked. Most still call for a meeting to get status updates and an overview of progress, or just ask spontaneous questions on the go. There is often no formal

WHY IS ENGAGEMENT IMPORTANT?

Engaged employees show a higher level of commitment. They have a better understanding of the strategy, a sense of ownership, and are determined to find the best solutions. They are prepared to let go of old habits to reach the shared goals at hand.

SEM answers the following key questions relating to employee engagement:

- Does our work add value to the strategy?
- Are we held accountable and rewarded fairly for right actions?
- Do we know our strategic objectives and how well we are achieving them?
- Do we know what success looks like when we have executed the new strategy?
- Do we celebrate our successes?

SEM AND STRATEGIC ALIGNMENT

monitoring at all, besides perhaps a spreadsheet, task lists, or some jottings in the CEO's notebook.

This has to change, and the only way is to

engage team members through transparency and follow-up.

“Ninety-five percent of employees do not understand their company's strategy.”

—survey by Brightline Initiative

WHY IS ALIGNMENT IMPORTANT?

Considering that Strategy Execution Management in a digital world requires a whole system change, aligning employees to act on and resolve strategic issues is non-negotiable.

Strategy Execution Management provides the following key insights to align employees:

- Are we focused on the right objectives and taking the necessary actions to achieve them?
- Are the actions we are taking now driving the strategy execution forward?
- What have we done this week to execute the strategy?
- Are we learning from our actions?
- Is strategy execution becoming a habit in our daily work?

ENGAGE YOUR PEOPLE AND BE THE CHANGE YOU WANT TO SEE

Strategic leaders must become the change they want to see. Engage your people and end the excuses for not achieving strategic goals.

Employees can focus on getting things done when it is clear who has authority to make decisions. Rather than waiting to be told what to do or for permission to act, employees should know when to make decisions on their own to achieve shared goals. When roles and competencies are clear, leaders can use their employees' skills optimally. You must communicate boldly and clearly in order to engage your employees:

- Let each unit define specific strategic initiatives attached to the strategic framework
- Create team spirit by holding everyone accountable for their strategic initiatives
- Make a two-way communication plan to ensure engagement and alignment

Objective of the Alignment and Engagement Cornerstone: Create a clear line of sight by getting all organizational units aligned toward common goals. In this way, you will incorporate effective Strategy Execution Management into the cultural DNA.



CORNERSTONE 4: GOVERNANCE AND EXECUTION

GOVERNANCE AND EXECUTION

Strategic governance must be consistent, transparent, drive execution, and ensure follow-ups. This will reinforce trust and mutual respect between the Board and all other layers of the organization.

The guiding principle of successful SEM is to bring strategic governance on par with financial governance. It is therefore an important part of the corporate information infrastructure and must coexist with financial planning and reporting.



STRATEGY EXECUTION MANAGEMENT AND STRATEGIC PERFORMANCE

WHY IS GOVERNANCE IMPORTANT?

Delivering tangible business results requires discipline and sound governance in all areas. This encompasses allocating funds to the strategy as well as managing the expectations of Board members, executives, and employees.

Governance should answer the following questions on vertical relationships within the organization:

- Is there consistency between success promised and success realized?
- Are we allocating funds in the right areas to implement the strategy?
- Can the Board and Executive Committee check on the strategy's progress at any time?
- Are executives showing integrity by doing what they said they would do (walking the talk)?
- What changes have been made to the strategy and how do they affect its execution?
- Which measures are performing well, and which are of concern and need action?

Rigorous strategic governance, designed to be as effective as your organization's financial administration, is at the core of taking strategy execution seriously. Clear communication that aligns employees around the strategy is key to coherent, organization-wide strategy execution.

Leadership should be ready to answer the following questions:

1. What is our execution plan for strategic frameworks and initiatives?
2. Do we use real-time data and to identify areas that require immediate attention?
3. Do we have an established process for reviews and adjustments?
4. What is needed to align the complete organization?

CORE PRINCIPLES OF GOOD STRATEGIC GOVERNANCE

Principle #1 : Take Strategic Governance Seriously

Deploy the same rigor in governing your strategy as you do for your finances. Make execution a top priority to build trust and engagement throughout the organization. Use digital tools to access any element of strategy execution at any time.

Delegate responsibility and promptly resolve any deviations from the stated plan. By granting necessary authority to specific team members, you enable them to drive their part of the strategy. This helps you narrow your focus to only the issues that require your attention

Principle #2: One Unified Approach and Clear Consequences

Frame your strategy in a logical structure to help team members understand how accomplishing

their assigned initiatives will contribute to the strategy.

Using one common methodology throughout the organization will minimize time spent on format and maximize time spent on content. Terminology and concepts specific to the methodology may be confusing to some; it is helpful to provide explanations ahead of questions that may arise.

Principle #3: Deploy an Accounting System for your Strategy

Successful implementation and follow-up require clear, real-time data. Strategic accountability should be integrated into your ERP system, enabling you to document everything you need to succeed. Such integration helps get things done in the most effective way to achieve the desired results.

Principle #4: Align and Empower your People

When your organization achieves cultural and strategic alignment, your employees help drive the strategy. By granting necessary authority to specific team members, you enable them to drive their part of the strategy. And of course, you'll gain top-down governance and bottom-up engagement.

Remember that employees pay greater attention to what is being done than to what is being said. If they cannot relate their own actions to the strategy, they will not understand it.

IMMEDIATE FOLLOW-UP

Practicing strategic governance and holding people accountable are prerequisites to long-term success. Just as we make leaders accountable for adhering to budgets, they must also be accountable for adhering to the strategy.

As with budgets, strategic plans must be reviewed periodically in light of new developments. If this doesn't happen, after a few months the strategy is often obsolete.

A coordinated and consistent approach to aligning strategy to new developments should be built on the following:

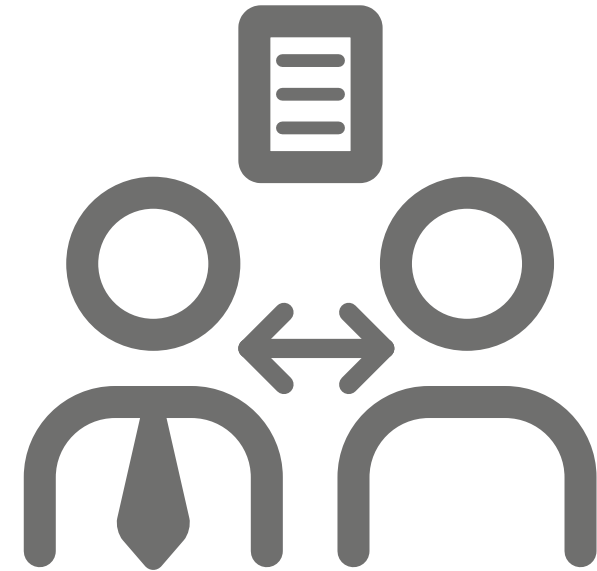
- Decide how to gather input from all stakeholders, how to set up and maintain scorecard systems, and whether/how to reward performance.
- Practice, practice and practice applying this approach. Make it a part of your organization's DNA; it may take a year or two to

become really entrenched in the corporate culture. When training leaders, give them a clear and appropriate mandate for implementing the strategy.

- Organize a calendar for the organization to ensure that long-term strategy, yearly plans and periodic reviews and updates are performed in the right sequence for different levels of the organization.
- Measure progress in a three-dimensional, transparent manner: schedules, Key Performance Indicators, and budgets. Spend time learning about the relationships of these three elements.

Objective of Governance and Execution

Cornerstone: Follow-up and transparency drive the execution of the strategy through clear accountability, frequent reviews, and adjustments.



CONCLUSION: THE NEW NORM IS STRATEGY EXECUTION MANAGEMENT

Most leaders are very good at devising new strategies, but not at seeing them through. With no refined plan to follow up, or even determine if a new plan is feasible in every respect, the exciting new strategy fizzles.

A very expensive proposition in the best of times, during crisis it can lead to disaster. A new discipline has emerged, Strategy Execution Management, to meet the need for structure and prevent any element of the plan from falling through the cracks. More than a step-by-step guide to success, it sets a holistic standard in strategy execution that leaves old-fashioned methods in the dust.

We hope this guide has given you an insight to what SEM is all about and how you can achieve excellence in strategy execution. In agile organizations, strategy is increasingly designed on-the-go simply to keep up with changes in the environment. For this to succeed, adjustments and strategic decisions must be based on facts and not assumptions or feelings. Strategy Execution Management provides the data necessary to accomplish this.





**MAKE
STRATEGY
WALK THE
TALK**