

Bridging the Gap: The Chasm That's Killing Your Company... and keeping you from staying ahead of the marketplace

Everyone agrees that strategy execution is important, but the disconnect between strategy making and strategy execution continues to plague leaders across all industries and markets and ultimately impede success. Today, organisations spend a good deal of time and effort developing and communicating their strategies to ensure they are understood by all. However, it's clear that many organisations struggle with actually executing their strategies in a manner that achieves its intended results.

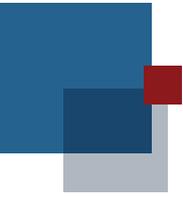
Many executives are concerned about their companies' strategies and their ability to execute them. More than half (55 percent) say their companies aren't focused on executing their strategies.¹ What's more, only nine percent of companies are rated excellent at execution.² While there are many external and internal forces at play, the culprit, more often than not, is the lack of *alignment* at some or multiple levels within the organisation.

A company's leadership typically drives strategy making. It sets the strategic direction of the organisation, often by employing a process of top-down and/or bottom-up planning that includes the identification of goals and metrics. Once the strategy is defined, strategy execution is expected to happen through project-based work; the efforts associated with projects, programmes and portfolios that help move an organisation forward, which is distinct from day-to-day operations.

When there is *alignment* between the strategy and the project-based work, the strategy is easily understood, enabling the work to proceed appropriately with a focus on delivering value and results. The organisation and its teams have the clarity and understanding needed to connect the dots between the work

What happens when organisations fail at this critical phase of strategy execution alignment?

- Loss of revenue
- Loss of market share
- Decrease in shareholder value
- Misaligned organisational structure
- Decrease in competitive advantage
- Slow to market with innovative solutions
- Inability to move from reaction to pro-action



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they are responsible for executing, and how it relates to the organisation's desired strategic outcome. This shared understanding effectively:

- Guides decision making
- Helps prioritise project-based work
- Ensures the appropriate resources are deployed

Yet more often than not, this critical juncture is susceptible to failure and often derailed, sometimes by internal forces such as a lack of technical skills (perform a specific function or task), as well as relational skills (analyse information and relationships); politics; personality conflicts; personal agendas; or poor communication. External forces such as changing market conditions; regulations; and even natural disasters can also play a part in disrupting alignment.

Misalignment Leads to Failure

- 88 percent of executives agree on the importance of strategy. However, a lack of alignment between projects and organisational strategy led to failure 44 percent of the time.³
- High-performing organisations are more likely than their low-performing counterparts to focus on strategic alignment. The increased success of their strategic initiatives is substantial; high performers average twice as many successful strategic initiatives as low-performing organisations.⁴
- 61 percent of firms struggle to bridge the strategy-execution gap.⁵

What are the common causes of misalignment?

- Ignored organisational dynamics
- Misaligned metrics
- Extreme complexity
- Inconsistent methodologies
- Failure to accurately predict scope creep
- Poorly understood risks
- Inadequate resources
- Inappropriate skill sets

Breakdowns in Resources Cost Your Business

One of the greatest causes of misalignment is when too many projects—or too many off-strategy projects—are green lighted. This creates a scenario where resources become spread too thin or are not allocated properly, often causing project as well as strategy failures.

Research shows that only 11 percent of managers believe that all of their company's strategic priorities have the financial and human resources needed for success. That's a shocking statistic: It means that nine managers

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in 10 expect some of their organisations' major initiatives to fail for lack of resources.⁶

To break it down even further, less than one-third of managers believe their organisations reallocate funds to the right places quickly enough to be effective. The reallocation of people is even worse. Only 20 percent of managers say their organisations do a good job of shifting people across units to support strategic priorities. The rest report that their companies rarely shift people across units (47 percent) or else make shifts in ways that disrupt other units (33 percent).⁷

Clearly, inadequate and misaligned resources take their toll on successful strategy execution and contribute greatly to strategic misalignment across the organisation. Having the right talent, with the right knowledge and effective power to manage resource allocation, to effectively support the execution of project-based work is one key to bridging the strategy execution alignment gap.

Striving for the Ideal State

Striving for the "ideal state" in strategy execution by closing the gaps should be seen as an ongoing journey. But how can organisations identify where they are succeeding and where they should focus efforts to improve? In other words, "Where should you begin?"

In order to bridge the gaps and create alignment, leaders need to evaluate teams across a range of technical and relational skills that support strong strategy execution alignment. If you think of strategy execution as the "roadway" on a bridge, which enables seamless, two-way flow of information between strategy, and the required technical and relation skills as the pillars that support the roadway, you can more easily plot the various knowledge and skills required for your success. From there, it is much easier to look at where

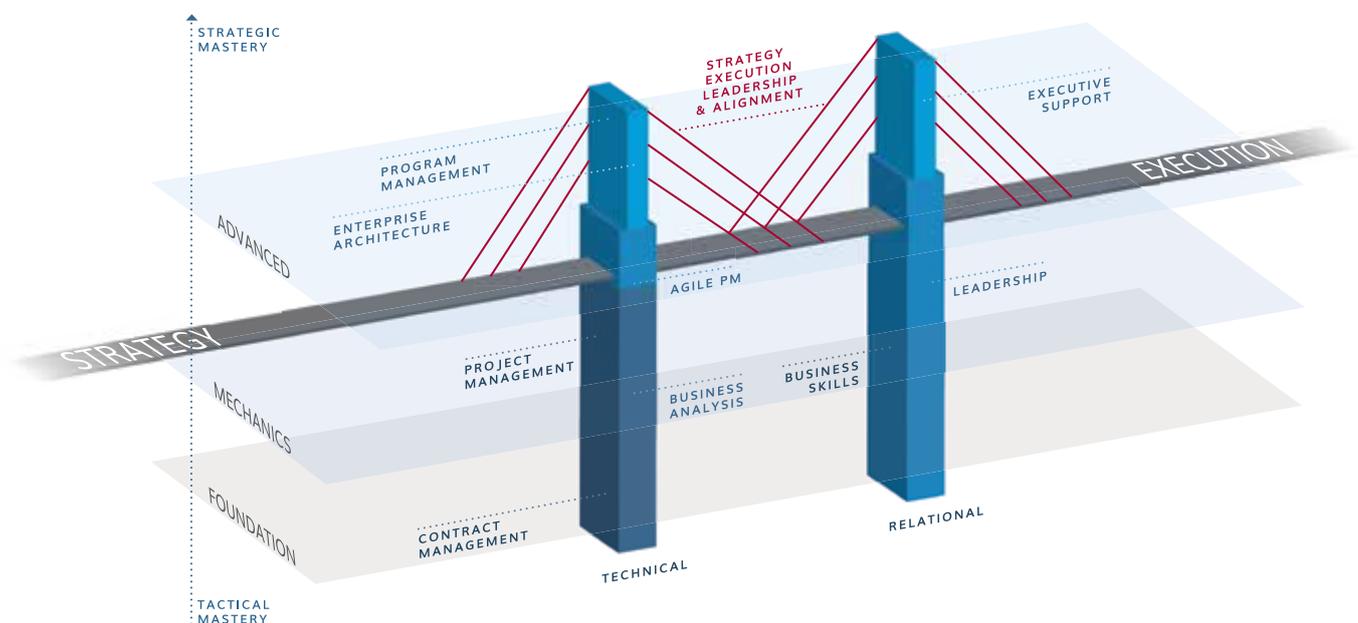
Where are you in your organisational bridge building? Your starting point is determined by your greatest needs or where you know you're failing. You don't have to do it all at once or in any prescribed order. Consider what areas need the most attention, prioritise and begin your journey.

- Do you have a clearly defined strategy?
- Are your people capable of driving your strategy?
- Do they know what the strategy is?
- Can you respond quickly to market changes?
- How do you measure strategic success?
- Do you experience "scope creep" on projects?
- Do you feel your organisation has too much risk? Or not enough?
- Do you have the resources in place to execute your vision?
- Are your people skilled where they need to be?
- Does leadership exist at all levels of your organisation?

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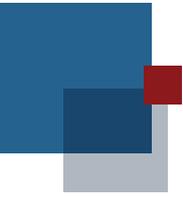
specifically your organisation—and your people—need to improve in order to achieve a higher state of strategy execution alignment.

Keep in mind that even the most well-aligned organisations need to continuously improve or risk falling into a state of misalignment.



BRIDGING THE GAP

In order to bridge the gaps and create alignment, leaders need to evaluate teams across a range of technical and relational skills that support strong strategy execution alignment. If you think of strategy execution as the "roadway" on a bridge, which enables seamless two-way flow of information between strategy, and the required technical and relational skills as the pillars that support the roadway, you can more easily plot the various knowledge and skills required for your success. From there, it is much easier to look at where your organisation—and your people—need to improve in order to achieve a higher state of strategy execution alignment.



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Is Your Organisation Strategically Aligned?

Today, the role of the professionals responsible for executing project-based work is evolving from primarily a tactical focus toward a more strategic perspective. This shift merely reflects the external market environment, which requires all organisations—and therefore their workforces—to have a greater sense of strategic purpose and engagement in addition to tactical expertise.

This external force also places greater importance on the role leadership plays in evaluating and growing their talent pool to ensure it can meet the demands of the business. Given the ever-increasing need for experienced project management talent, forward-thinking organisations see it as an imperative to grow teams that:

- Bring a strategic perspective
- Understand the importance of strategy execution alignment
- Understand the role their work and projects play in helping the organisation achieve its objectives

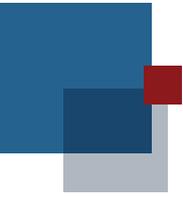
Cultivating a workforce with a solid balance of technical and relational skills helps ensure the gap between strategy making and execution is minimised. And, closing the strategy execution gap will help your organisation:

- Remain competitive
- Achieve innovation breakthroughs
- Reduce time to market
- Improve overall performance

TwentyEighty Strategy Execution Can Help

TwentyEighty Strategy Execution cultivates the knowledge and skills your workforce needs to close the strategy execution gap and operate effectively in the world of project-based work.

We are more than a training company, we are a performance education company that focuses on developing peoples' abilities to get their work done while expanding their tolerance for ambiguity, growing their ability to balance rigor and discipline with agility and increasing their capacity to zoom in and zoom out as necessary to make the most informed decisions at any given time.



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ESI International is formally integrating with IPS Learning, who partners with the Stanford Center for Professional Development (SCPD) to offer organisations the Stanford Advanced Project Management (SAPM) programme, to form TwentyEighty Strategy Execution.

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To learn more about bridging the gap between your organisation's strategy and execution, contact a learning expert at +44 (0)20.3743.2910 or info@strategyex.co.uk.

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