

Strategy is execution: Here is how to do it

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Strategy is execution

The ability to connect a company's strategy to execution is critical for attaining agility and transformation goals. Without establishing a clear link between the two, a company risks squandering time, effort, and money on projects that will never produce the desired results. Too many businesses still take the "Plan-then-Do" strategy approach: the company works relentlessly to create the most accurate market and competitive landscape estimates possible. The organization's leadership then lays forth a strategy that it believes will position the company to win in the future. In the past, this method made sense. In today's ever-changing world, the uncertainty around the future market and competitive conditions are too enormous for corporations to prescribe every part of a multiyear strategy. The plan-then-do method is not only outdated but also dangerous.

Strategy execution gap: Is your business set up to support your strategy?

Company leadership has a strategy execution gap problem if it does not reach at least 90% of its strategic targets as specified in its yearly plans. This signals a need to transform how strategy is formulated, cascaded, and executed. Despite the consensus, the onus is on the leaders to change the performance of the business.

All too frequently, leaders believe that their domain is solely strategy and that execution is the responsibility of their subordinates. However, strategy and execution share a lot of similarities, and they're both critical leadership duties.

Simply put, strategy is the act of deciding how to win across the organization's many levels and elements. Execution is the process of separating responsibility for those decisions and ensuring that people make them.

That is to say, while everyone is responsible for strategy, the implementation falls squarely on the shoulders of the executive team.

Only 8% of company leaders excel at both strategy and execution, according to a global poll of 700 executives across various industries done by PwC's strategy consulting division. Today's leaders require a fresh approach to strategy formulation. Outstanding performance necessitates excellent strategy and execution. To see this statistic improve, we need a drastic shift in the way strategy is viewed by organizations.

Strategy execution best practice

Creating a close, dynamic link between an organization's business goals and its execution activities is all it takes to connect strategy to execution. Because the design of a strategy has such a strong influence on its implementation, a great plan that is poorly implemented is not a great strategy.

The following are examples of successful approaches:

- Clearly define your change or transformation strategy's aims with the execution plan in mind.
- Concentrate and prioritize your efforts on the most critical areas and procedures in your company that will help you achieve your objectives.
- Clearly explain the short-term plan throughout the company.
- Collaboration and engagement with employees and stakeholders and listening to criticism, and ensuring you have the necessary people and resources in place to support your efforts are all critical.
- Wherever feasible, use your data to provide insights into decisions.

Why, if everything is so simple, do businesses fail to make this crucial connection? Organizations fail to fulfill this critical duty for various reasons, including a lack of understanding of the necessity or need to connect their strategy to their implementation.

Another factor is that businesses lack the tools, systems, and processes necessary to link strategy and execution in real-time. All of this can cause delays in decisions and misalignment of strategy and execution operations.

An organization may guarantee it remains relevant and does not become stagnant by focusing on connecting strategy to execution, ensuring the entire organization is aware of the plan and knows their roles, allowing the freedom to conduct process improvement, and providing feedback loops.

Closing the strategy execution gap

To be successful, you must first select the next few stages along a wide strategic route, then learn and refine as you go. This method simplifies execution and increases the likelihood of achieving excellent results.

Today's successful organizations use a new strategy called "Decide-Do" to bridge the gap between plan and performance. This agile, test-and-learn methodology is more appropriate for today's turbulent climate. It also aids in bridging the gap between excellent strategy, great execution, and exceptional performance in many organizations.

The top firms consider a strategy to be more of a direction and agenda of decisions than a blueprint. In practice, a company's strategy is the sum of its choices it implements over time. This approach encourages leaders to make short-term decisions with the long-term goal in mind, but it does not assume there is only one way to get there.

The importance of maneuverability is minimal when the path is clear of obstacles. Flexibility, on the

other hand, is critical in today's environment. Even though it limits the company's flexibility to navigate potential hurdles, leadership is better off choosing a single way forward.

Conclusion

As the world becomes more dynamic, focus shifts from the long term, brimming with uncertainty being the focus of the strategy, to the short term, where operations can be adjusted to affect the long run positively. The value of business strategy thus lies in execution. Resources, as a result, should be directed to execution more than obtaining information to feed predictions and shape long-term expectations.

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