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MINIMISING STRATEGIC SLIPPAGE

Tips for Minimising Strategic Slippage

1. People want clear direction but, increasingly, they also want to feel they can influence that direction. Frankly, a suggestion box hanging outside the manager's office does not meet those aspirations.

2. If you're in a resource-constrained environment (like the majority), then you should clearly identify priorities.

Make it easier for people to decide which of their competing priorities will deliver the greatest value. Imagine for a moment the impact this would have if everyone in your organisation did this for every decision.

3. How easy is it for people from different parts of the organisation, even different teams, to work together? What makes you say this? Do your processes foster collaborative networks or do they promote or sustain outdated silo thinking? Building strong internal networks is vital to building strong organisations that generate synergies from the diverse sum of parts.

4. Do your processes promote strategic thinking and strategic leadership at all levels, or do they limit this to senior management only? Why don't you ask around, at all levels? You may be surprised at the difference between intent and what really goes on.

If only senior management is meant to be strategic, then most of the organisation is excluded. How might that be seen as the most strategic use of resources?

We have a strategy!

The wall was covered in charts. The executives who sat around were mentally exhausted. The three-day offsite to chart SuccessCo's next 3 years had been gruelling but rewarding. The senior team now had crystal clarity on the course of action SuccessCo would confidently and vigorously pursue into the foreseeable future.

Fast forward a year. The seasoned senior team had done good work a year ago yet, as they reflected, a number of the key strategic initiatives had failed to reach expected levels. Recognising that they were too close to the business, the team had decided to seek an independent perspective of why a seemingly robust strategy had proved such a disappointment. What had derailed the strategy? The team was as committed to overcoming the barriers as they had been when creating the strategy.

Strategic plans are only one half of the equation

Developing a strategy is only one half of the equation and, for executives, usually the least challenging. But often members of the senior team fail to recognise that the other half of the equation is implementation. Ultimately, it's about getting every individual in the organisation aligned with the strategy. And that's where the proverbial rubber hits the road. Truth is that individuals execute, plans don't! But all too often internal processes don't recognise this and strategy stalls or even fails.

Strategic leadership

The SuccessCo team sat dumbfounded as they recognised that, as a team, they had done little to gain buy-in of their plans of a year ago - either before the planning session or afterwards. Leadership, they agreed, was about influencing others, not just commanding.

SuccessCo employed many smart and committed people, yet this vital resource had not been tapped. The team realised that they hadn't really taken the time to listen to others. They also identified strongly with Andy Grove of Intel's notion that "*snow melts first at the periphery*". More time would be devoted to engaging a wide range of SuccessCo's people in planning the future ahead.

Everywhere, all at once

Eager for stretch, the strategy planning session had ended with 20 key initiatives. Research inside SuccessCo indicated now that there were just too many strategic projects on the go. Middle management was frazzled, trying to sustain the variety of initiatives with minimal resources. At the coalface, people were doing their best. But the range different projects, all seemingly of equal importance, was confusing. Efforts were equally unprioritised.

Who is the competitor?

The three day offsite was revelatory. The team agreed to work more collaboratively going forward. Team meetings had improved, but members had failed to grasp that strong silos were still exacting a heavy price on synergies.

It was a huge shock to learn that each of the thousands of internal transactions cost around $150 to process. Worse still, three different business units were competing in at least three extremely small markets. Who needs enemies when you've got friends like these? Own units hadn't featured in the competitor analysis a year ago, and yet the cost of internal competition to SuccessCo was enormous. It limited collaboration and wiped a substantial sum off the bottom line.

How could this be?

How come the team hadn't spotted "the war within" a year ago? How come they hadn't noted it since? Nothing would now surprise the SuccessCo team, stunned by what they had assumed and by how much they had missed. At corporate and business unit level communications were patchy and, in a word, inconsistent. In practice, they were ineffective.

The team was grateful to learn that despite a lack of communication, SuccessCo people were fiercely loyal. But, they were very frustrated by the lack of communication from the top. Management's lack of willingness to listen was also discouraging. People were beginning to wonder just how long the goodwill towards to SuccessCo could last. Even the most cynical member of the senior team now sat wide-eyed. This wasn't a single penny dropping, it was a sackful!

Taking charge down the line

When they learned that only one in five leaders at SuccessCo had received any development the team wasn't too concerned. Not until they also learned the correlation between training spend and performance. The team believed that leaders make a difference, yet hadn't followed that through when they had progressively slashed leadership development budgets. Compared to the estimated loss, the 'savings' had been paltry. Undoubtedly a case of false economy that required immediate correction.

How does your organisation rate?

In our case study, we've highlighted a number of challenges that UGM frequently sees impacting on strategy development and implementation. It's not uncommon for us to help clients who have all the problems identified, and more. And, strategic leadership is not just a senior team issue. Top organisations have good strategic leadership at all levels. Does yours?