



WHY IMPLEMENTATION FAILS: FRESH INSIGHTS

When to take a less-linear approach to planning

1. Do you have multiple, changeable factors in your context?

When everything fits together like a clock's works, then it is reasonable to apply a linear approach to planning. Each time a process is repeated the exact results are achieved. However, when even three or four factors could vary, you might want a less linear approach to deal more effectively with the emergent context.

2. Are your outcomes 'predetermined' or might unexpected factors intervene?

Getting people to follow a precise plan in contexts that are certain might work. What though if unexpected factors intervene? Will people implementing the plan just press on even though results are not as intended? Do they need some 'wiggle-room' for contingent decision making to minimise risk and loss?

Linear planning may provide comfort to planners but if the context changes then implementers are less likely to deliver!

Focusing on alignment and performance

Dr Donald Sull, a global expert on strategy and execution, recently published findings from his research over a nine-year period. It included 40 experiments and involved close to 8,000 managers in 250 companies.

Sull and co-authors, Dr Rebecca Homkes and Charles Sull, report that "more than 80% of managers say that their goals are limited in number, specific, and measurable". Those managers also report that they have sufficient funds for implementation. Furthermore, 84% of managers say they can rely on their boss all or most of the time and 84% say they can rely on their direct reports all or most of the time. Evidence, the researchers suggest, that alignment up and down the hierarchy is not a problem. Good news for implementation.

Another positive finding was that the vast majority of the companies participating in the research had robust performance cultures. As evidence of this, good rewards for delivery and hiring on the basis of performance track record. Also, direct reports assessed that nine in ten middle managers hold team members accountable for results. So, broadly, a performance-focused culture is in place and might be expected to support great strategy implementation.

Doing it right but getting it wrong!

Collectively then, these organisations were well positioned in terms of two key factors known to impact execution: well aligned and performance focused. Yet the research revealed that, despite these key factors being in place, organisations were still facing challenges with strategy implementation.

On closer scrutiny of the findings, it seems that at least part of the problem was difficulty in managing complex contexts. It is a topic that UGM has highlighted for nearly a decade now and which is finally gaining significant attention. We have always been passionate about alignment and performance. But we have also come to recognise that the linear approach, that most strategy-implementation efforts take, overlooks the complex context in which that implementation occurs. Further insights from the research provide useful focal points for actions that might better accommodate omnipresent complexity.

Recognise emergent opportunities (and threats)

A vital characteristic of complex systems is emergence, sometimes good and sometimes troublesome. Basically, some elements within systems only emerge (or become apparent) as interconnected parts interact over time. The specifics may not be obvious, or even anticipated, at the time strategy planning takes place. Relentlessly pursuing a predetermined strategy despite changed data and conditions is pitiful, not praiseworthy!

Yet, the study found evidence that many businesses press on regardless, at great cost to successful implementation. For example, 8 in 10 managers believe their companies fail to exit declining businesses or to halt unsuccessful initiatives rapidly enough. The cost, undue and disproportionate amounts time is spent on a decaying business instead of refocusing that talent on opportunities with upside.

What of emergent opportunity? Only 30% of managers felt their organisations effectively shifted funds across units to support strategy. Even fewer (20%) believed their organisations shifted people across units to support strategy.

Align across the business

Although organisations in the study provided evidence of good strategic alignment up and down the hierarchy, one of the more concerning findings was the lack of alignment between different units. Only 59% of managers felt they could rely on colleagues in other departments all of, or most of the time. This was barely better than the 56% of external partners who could be relied on all of, or most of the time.

Perhaps the most startling finding was that only a little over half the top team executives say they clearly understand how the major strategic priorities and initiatives fit together. Unsurprisingly, at the next rung down, that fell to fewer than one third and, at the frontline, only 16% felt they clearly understood how the strategic priorities and initiatives fit together. Little wonder that between-unit support is so low. Importantly, complex systems (organisations) work more as networks than as hierarchies, so there is no surprise that imposing a linear approach to alignment does little for implementation across the business.

Support self organisation

One of the encouraging aspects of the research was that 80% of managers expressed commitment to doing their best to implement strategy, even when they would like greater clarity on what the strategy is. Self organisation (also called spontaneous order) is another key feature of complex systems, where parts of the system organise as best they can, based on the information available to them. It is easier then when people understand the intent of a strategy rather than simply being given instructions to perform particular actions without any strategic context.

Rethink alignment and performance with a complexity mindset

Strategic alignment and management of performance are as important today as ever before. However, using an outdated linear approach is, as the research shows, likely to hinder rather than help strategy implementation. Even using just three complexity principles of emergence, networking and self organisation is likely to deliver improved execution and reduce wasted effort and resources.