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How to Design Strategy With No Dust—Just Results!

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Abstract

Implementing strategic plans is hard work. It requires involvement, commitment, and a solid implementation plan. Without these three elements, the likelihood of a successful implementation is...well...not very good. In the following discussion we will help consultants answer the following question with a resounding yes! When the strategic planning event is over and you the consultant go home, does your client have the capacity to implement their strategic plan? This article will help you answer this question positively by providing you with some practical frameworks and tools to ensure your client is equipped with a strategic plan that is specific, measurable, and is sure to not collect dust on the shelf.



Introduction

If you have invested countless hours with a client organization to facilitate strategy development and in the end watched the final plan collect dust on the shelf, this is a discussion you will not want to miss. In this article we will differentiate strategy formation and implementation, present a case for effective strategy implementation, and articulate five high-impact actions an OD practitioner can do to provide value when working with clients on strategic planning engagements. In developing the concepts for this article, we reflected on our experiences, explored research in the area of strategy formation and implementation, and consulted with a few seasoned consultants specializing in strategic planning and leadership development.

Strategy 101

Strategy formation is defined as a set of processes involved in creating or determining the strategies of an organization; *strategy implementation* is defined as the methods by which strategies are operationalized or executed (Griffin, 2002). In writing this article, we believe as does Mintzberg (1994) and Morrisey (1996) that it is in the organization's best interest to approach strategy formation and implementation in a planned, systematic way while still recognizing the importance of adapting strategy to changes in the environment. Mintzberg (1994) also supports this approach when he says that organizations need to craft a strategy by mixing intended and emergent strategies in some way to



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attempt to sculpt the organization without stopping the learning process. Mintzberg expresses that strategic plans are intended strategy, which means the plans are developed, typically by the senior leadership team, and explicitly communicated within the organization. Moreover, realized strategies are plans that are successfully implemented. He further purports that many intended strategies are never realized and that much of realized strategy is emergent, not explicitly intended or communicated. In essence, Mintzberg emphasizes that the strategic process or pattern that emerges in the organization by way of implementation is a mix of intended and emergent strategies.

It is in the organization's best interest to approach strategy formation and implementation in a planned, systematic way while still recognizing the importance of adapting strategy to changes in the environment.

Our clients are typically aware of the need to formalize their planning and many do have strategic plans in place; however, we have discovered that they often need help constructing an implementation plan that will work in concert with the inevitable ebb and flow of complex business environments.

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Strategy Implementation...Not!

Dulmanis (2003) states that far more attention is paid to creating and promoting strategy than the implementation of it. Furthermore, according to Pete Gustavson, a strategy consultant at Clark Consulting who has worked with organizations for over 20 years, "Many executives are mistaken in their assumption that the greater the time and effort put into coming up with a strategic plan,

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the greater the attention that will be devoted to implementing it.” Furthermore, Ram and Geoffrey (1999) found that CEO failure was not due to the CEO’s inability to formulate a great strategy but due to poor implementation. These insights resonate with us because we have worked with organization leaders and stakeholders to create strategies and implementation plans only to watch them be unrealized.

It has been our experience that many individuals who work in well-established and recognized enterprises are not aware of their organization’s strategy, never mind how to execute strategy through implementation plans. These business savvy employees seem to understand that leaders go off somewhere to develop strategy, but they are often not apprised of it when the leaders return. To that end, many of these individuals are exposed to vision, values, and the goals of their work group, but seldom can they express how their contributions contribute to and align with the overarching strategic goals of their organization.

In the following sections of this article, we will highlight five high-impact practices we use when working with clients to implement strategy and to ensure that stakeholders from across the organization are engaged and aligned with organization strategy. The five practices we view as essential to strategy implementation and engagement are as follows:

1. Planning-to-plan (P2P) team
2. Strategic positioning and operational effectiveness
3. Mission, vision, and strategy
4. Leadership development
5. Monitoring and follow-up

Planning-to-Plan Team

When working with clients on strategic planning engagements, we create an internal planning team made up of key constituents from across the organization to help plan the strategic planning process—not create the actual strategic

plan—and devise an implementation strategy that engages stakeholders from across the organization. We call this committee the “planning-to-plan team” or simply, the P2P team (Kusy & McBain, 2000). This is consistent with Kotter’s (1996) suggestion that a guiding coalition be formed to help facilitate change efforts. Moreover, Kotter suggests that individuals with position power, expertise, credibility, and leadership be included on the team. Chris Rud, Senior Vice President of Consulting Services at Right Management Consultants, also emphasizes the importance of having a committee of internal stakeholders thoughtfully create an implementation plan to engage the strategy throughout the entire organization. To this end, we work with the P2P team to develop a solid communication plan, identify individuals to champion strategic objectives, and develop follow-up plans that are driven by senior leadership. According to Murray and Richardson (2003), one of the important winning conditions during a change process is progress reviews and action plan updates. We agree; in our practice, we work with the P2P team to ensure that its members have a sound understanding of the performance management process and the means by which individuals are formally linked to the strategic goals of an organization.

Strategic Positioning and Operational Effectiveness

In our work with the P2P team, we emphasize the importance of strategic positioning in addition to operational effectiveness as it relates to strategy formation and implementation. According to Porter (1996), operational effectiveness means performing similar activities better than rivals perform them, and strategic positioning means performing different activities from rivals or performing similar activities in different ways. Porter (1996) emphasizes that managers must clearly distinguish operational effectiveness from strategic positioning. Both are essential, but the two agendas are different, and they require individuals to recognize the power of getting

better at their core competencies as well as developing unique capabilities to beat competitors to the market. In support of Porter's comments, strategy consultant Pete Gustavson emphasizes that one of the important early challenges when working to implement a strategic plan is to help the organization recognize the difference between operational effectiveness and strategic positioning. Individuals across organizations need to understand the necessity to continually reinvent the organization to adapt to changes in the market, not just improve what it already does. He further emphasized that it takes leadership and individuals who understand the importance of learning new ways of doing business. Pete explained that people across the organization have assumptions about how they approach their work. Many times these assumptions are steeped in the operational effectiveness mode. To change the organization, individuals need to understand that their work is going to change constantly and that at some point they need to exchange what they are doing today with new activities.

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Congruent with Porter's insights on strategic positioning, Pete's comments, and our own experiences, we work with clients to help them assess their current capabilities and assumptions about how work is performed in the organization. Often the first items we look at are their previous strategic plans and we ask questions about the formulation and implementation of their plans. Often we can get a good sense of the organization's strategic orientation by asking the client to give us a history on the type of strategic objectives that have been accomplished and those that have languished. We believe that this investigation and

inquiry gives us a good sense of which modes the organization operates in, from a strategic standpoint. Moreover, the inquiry often serves as good learning for the client with regard to the importance of strategic positioning as well as operational effectiveness when devising strategy.

An additional piece of work that we do with our clients at this stage is to help them understand the significance of new behaviors. We borrow this perspective from the work of Kotter and Cohen's book, *The Heart of Change* (2002). Kotter and Cohen note that with any organizational change process, leaders cannot just keep piling on new behavioral expectations to an already overloaded schedule. Makes sense, right? But in reality, many leaders pay little heed to this. At the P2P stage, as we talk with our clients about strategic positioning and operational effectiveness, we emphasize Kotter and Cohen's point. How? By insisting that the P2P team be prepared to share with management the importance of exchanging strategy or operational work for the typical work one does on the job. For example, with one strategy implementation session we conducted with a large law office, the P2P team worked with the management team to help them understand that successful strategy takes dedication. And we are not just talking about commitment beyond the call of duty. What this law firm did was to state that the process needed coordinators to represent each of the final goals that would be decided upon. Because of the time commitment to this process, the coordinators' time spent on this process would count towards their "billable hours." This was a great way to put the organization's money where its mouth was.

The following are ways to enhance operational effectiveness and strategic positioning.

- Learn new ways of doing business
- Identify the history of the types of strategic objectives previously initiated

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- Avoid piling on new behaviors.

Mission, Vision, Values, and Strategy

When working with the P2P team, we emphasize the importance of developing a shared idea of where the organization is headed. This can be accomplished by ensuring that an organization has a clear direction and that a direction is clearly communicated and reinforced throughout the organization. More specifically, we encourage clients to engage internal and external stakeholders in mission, vision, values, and strategy creation or clarification before formulating and implementing a strategic plan. According to Yearout, Miles, and Koonce (2001), involving multiple stakeholders from across the organization in a visioning process increases trust, involvement, and commitment. In addition, we believe that the P2P team should also consider including external stakeholders in the strategic process.

We believe it is valuable for the organization to have key customers, vendors, and business partners involved in developing and clarifying mission, vision, values, and strategy. The inclusion of these stakeholders can broaden the organization's perspective and increase the likelihood that they will support efforts to implement the strategic plan. Moreover, engaging internal and external stakeholders lays the groundwork for a new set of realistic, obtainable, and values-based business goals. Kusy and McBain (2000) express that vision is developed or clarified early in the strategic planning process and that a vision should be challenging yet feasible, connect with the organization's mission, and be oriented toward the future. In addition, we work with the client to define or clarify values (Morrissey, 1996) before implementing strategy. According to Collins and Porras (1994), values are an organization's essential and enduring tenets. Moreover, values support the vision, create alignment, and provide a framework to help everyone in the organization make sound decisions when implementing strategy.

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In addition to creating or clarifying vision, mission, and values before strategy implementation, it is important to have leaders who communicate effectively. Kusy and Essex (1999) express that leaders need to start thinking of themselves as salespeople. They need to persuade their audience carefully by first analyzing their audience; second, outlining their message; and third, choosing the best communication channels. Leaders from across the organization need to be committed to and take ownership of the organization's mission, vision, values, and strategy. Moreover, they need to understand how vision, mission, and values provide a framework for successfully implementing strategy.

We work with the P2P team to build this into the strategic planning event and we work with them to devise a strategy for engaging leaders across the organization that were not able to participate directly in the creation of strategy. One way we have done this is to have a debriefing session with these absent leaders. These sessions are facilitated by a few attendees of the strategic planning session, and they are focused on sharing information with those absent and engaging them in meaningful discussions about how best to refine and implement strategy. Of course, if this is done, there would need to be an understanding of this at the strategic planning session that has already occurred, and a process for getting everyone's agreement with the final outcome before finalizing and implementing the plan.

Kotter (1996) states that leaders need to communicate a sensible vision; if employees have a shared sense of vision, employees will be able to more easily initiate actions to achieve

stated goals. Kouzes and Posner (2003) state that when leaders effectively communicate the vision, the vision has a powerful effect. Kouzes and Posner also found in their research that when leaders clearly articulate their vision for the organization, constituents report significantly higher levels of motivation, commitment, loyalty, esprit de corps, and clarity about the organization's values, pride, and productivity.

Cohen and Tichy (1997) purport that effective leaders create stories about the future of their organizations. Cohen and Tichy (1997) and Shaw and Bromiley (1998) express that stories create a case for change, a vision of where the organization is going or wants to go, and an understanding of how to get there. In our experiences, the continuous communication of a vision, the strategies, and core values from leaders provide the energy and focus to keep individuals aligned with the vision and focused on strategy. The vision is especially important because of the likelihood that strategies will change. The vision, mission, and values can provide guidance and focus for individuals who are attempting to align their daily activities in the face of uncertain strategic goals.

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Still another way to increase the probability of effective strategy implementation is to connect the vision and the strategic goals to the organization's performance management process. To illustrate this connection, we offer a question: How many of you have seen your organization's vision and/or its strategic goals on your performance appraisal forms? We have asked this question to hundreds of clients and we estimate that approximately 10 percent of our clients see this connection.

How can we expect people's performance to change regarding the new vision if we do not begin with a performance management process linked to the strategic plan? The association needs to be there. For example, we recommend including the vision or strategic goals as items on which one is assessed as part of the performance management system. Let staff know that these are some of the ways they will be assessed in the coming year. Reinforce performance based on attainment of the organization's vision and/or strategic goals. Using this method will increase the probability of successful strategy implementation.

When a leader sees someone engaging in an action that is linked to the vision and/or strategic goal, let the individual know immediately of this connection and how much it contributes to organizational success.

A variation of the performance appraisal theme is to include the vision and strategic goals in ad hoc discussions leaders have with staff. For example, when a leader sees someone engaging in an action that is linked to the vision and/or strategic goal, let the individual know immediately of this connection and how much it contributes to organizational success. Likewise, if someone's performance is not up to par based on the vision or strategic goals, tell the staff person this in clear and precise terms. Relate how their behavior is an obstacle to successful achievement of the vision and/or strategic goals. We believe that people will catch on quickly regarding the importance of the vision and/or strategic goals.

The bottom line is that leaders will need to understand how to work the internal performance management system. As consultants, we encourage the P2P team to take

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a critical look at the performance system and the way in which it operates to ensure that leaders are having quality performance discussions and working collectively with each of their team members to set high expectations (Livingston, 1988) and align individual goals with the organization's strategy. Kotter (1996) suggests that structures should be compatible with the vision. Unaligned structures, like performance systems, make strategic implementation difficult. The following summarizes this engagement process of engaging mission, vision, values, and strategy:

1. Clear communication of direction
2. Debriefing sessions
3. Storytelling
4. Performance management
 - a. Appraisal
 - b. Ad hoc discussions

Leadership Development

In the process of working with the client, we encourage the P2P team to assess leadership's ability to clearly articulate mission, vision, values, and strategy. Essentially, we will ask them if they can envision their leaders selling these strategic components to their work groups. We believe the planning team should have confidence in leadership's ability to communicate mission and vision, model the organization's values, and effectively link individuals to the strategic goals of the organization via the performance management system (as we noted in the previous section) and be able to coach individuals to help support change throughout the organization. If the P2P team lacks confidence in the leader's ability to do this, we question the ability of the organization to effectively implement strategy under the current conditions, and we will work with them to increase leadership capacity through targeted leadership development activities.

In addition to communicating mission, vision, values, and strategy, effective strategy implementation requires good coaching throughout the organization. Strategist Pete

Gustavson emphasizes that leaders need to be able to effectively coach individuals to develop new skills to work the strategy and to unlearn ways of doing things that no longer support the strategic direction of the organization. If the strategic plan is based on strategic positioning, all parties in the organization are going to need to change the way they go about their work. John Whitmore (2002), an authority on coaching, expresses that coaching develops an organization's capacity to change; moreover, effective coaching fosters self-belief, self-motivation, choice, clarity, commitment, awareness, and responsibility. Lastly, Stowell (1988) states that the challenge ahead for leaders is to develop teams of dedicated, competent, and motivated employees.

Given the important role that leaders play in implementing strategy, the organization may need to increase the capacity of their leaders to communicate, manage performance, and coach individuals before and during the implementation of strategy.

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Monitoring and Follow-up

When working with the P2P team, we strongly encourage senior leadership support. Indeed, we have found it best to work with the team to build a plan to monitor and follow-up on the achievement of plan. Chris Rud, Senior Vice President of Consulting Services at Right Management Consultants, emphasizes that assigning individual and/or team ownership to key focus areas and strategic objectives is an excellent way to make sure that objectives will be obtained. Kusy and McBain (2002) further express that a coordinator should be assigned to

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each key focus area identified during the strategic formation.

We work with the P2P team to ensure that a process is put in place to assign ownership and measure progress toward the achievement of strategic goals. This effort is aligned with what we said earlier regarding how ownership can be assigned—by making this a bona fide component of an individual’s job. We share a template with clients of the five practices outlined early in this article. The template is simple, but effective. We encourage the owner of the key focus area to start with a relatively simple template and work with his or her team to begin the process of identifying activities to achieve goals, estimating completion dates, and discerning measurements for each of their goals.

The measurement process, which includes the identification of concrete outcomes and specific measurements, is challenging for many of our clients. To that end, we will work with the P2P team and the key focus area leaders to ensure that they are equipped to work with their teams in this area. We find that some owners like to take the template and provide more detail; for

example, they may add a column to denote team ownership as it relates to each strategic objective or activity, or they may establish completion dates for each activity. We think this is a great idea and we encourage each team to customize the template and develop a process that will work for them.

Furthermore, we encourage you to take some of this knowledge on strategic implementation to help your clients understand that effective strategic planning includes strategy formation as well as thoughtful implementation. Otherwise, your strategic plan has a high probability of gathering dust.

Summary

When working with our clients on strategic planning initiatives, we want to be sure they realize the value of their strategic planning efforts by putting an implementation plan in place that has a greater chance of success. We hope this article has given OD consultants a greater appreciation for both the difficulties involved in implementing strategy and proactive ways of dealing with these challenges.

Owner:				
Team:				
Key Focus Area:				
Strategic Goal #1:	Activities	Completion Date	Concrete Outcomes	Measurement
Strategic Goal #2:	Activities	Completion Date	Concrete Outcomes	Measurement

Example of a Measurement Process

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