

7-point framework to develop and execute strategies more effectively:

1. Define Your Purpose, Vision, and the Case for Change

A clear purpose and vision are fundamental to strategy development. A compelling vision paints a picture of the future, motivates people to action, and coordinates their efforts. It should be simple, clear, and easy to communicate. Starting with purpose helps drive change and can lead to significant benefits. The strategic planning process begins by articulating the company's strategy, often rooted in defining the mission, vision, and values.

Important to Do:	Important to Avoid:
• Articulate a clear and compelling purpose and vision for the organisation. • Ensure the vision paints a picture of the future, is simple, clear, and easy to communicate. • Define a Big Hairy Audacious Goal (BHAG) that challenges the organisation. • Start the strategy process by defining the mission, vision, and values. • Clearly articulate the case for change to get transformation energised and create a sense of urgency. • Develop a theory of success or victory that explains how the desired end state is to be achieved.	• Not knowing who you are or failing to understand the vision, purpose, and mission. • Using subjective, vague words or equating strategy to a tagline; ugly but specific is better than elegant but vague. • Underestimating the power of vision or having employees without a clear sense of purpose. • Treating goals and strategy as the same thing; strategy says how a goal doesn't. • Allowing complacency to be high; failing to create an internal sense of urgency.

2. Develop and Refine the Strategy Based on Analysis, Creativity, and Choices

Strategy formulation involves understanding the issue and environment, conducting strategic analysis (such as SWOT), and formulating the strategy itself. It should leverage internal strengths, pursue external opportunities, and counter weaknesses and threats. The process should involve generating a range of possibilities and specifying conditions for each. While analytical rigor is important, creativity should also be applied to generate novel strategies and identify transformative ones. Strategy formulation is a dynamic process; the marketplace provides data to test strategic hypotheses, and the strategy should be updated if the hypotheses are invalid. Strategy is a living thing that adapts, and you should constantly look at the data to see if the approach is correct and refine it if not.

Important to Do:	Important to Avoid:
• Understand the issue and environment deeply. • Conduct strategic analysis, such as SWOT, assessing internal attributes and external factors. • Leverage internal strengths, pursue external opportunities, and counter weaknesses and threats. • Generate a range of possibilities and specify the conditions required for each to be strategically sound. • Identify barriers to the strategic conditions and design and conduct tests for these key barrier conditions. • Apply creativity to generate novel and transformative strategies, not just relying on analytical rigor. • Decide what you are not going to do, as this is as important as deciding what you <i>are</i> going to do. • Zoom out to see the whole territory and identify general patterns, putting things in context. • Recognise that strategy is dynamic and evolves; constantly look at data to test the approach and refine it if needed. • Incorporate the existing strategic planning unit and perform external and internal competitive analysis. • Engage the broader ecosystem in development.	• Separating the group responsible for formulating strategy from those executing it; learning won't happen, and adaptations won't be made. • Not understanding the problem or failing to deeply examine the circumstances requiring strategy upheaval versus refinement. • Over-focusing on analytic rigor and under-focusing on creativity, risking not spotting transformative strategies. • Failing to identify relevant actors – supporters, opponents, and those affected. • Avoiding discussions that could cause conflict within the leadership team; this prevents them from coalescing and developing a clear strategy. • Making decisions based on too much data without incorporating intuition or opinions. • Letting innovation derail execution.

3. Translate Strategy into Operational Terms

Once formulated, the strategy must be translated into specific objectives and initiatives. A fundamental tool for this is the Balanced Scorecard, which helps clarify and update the strategy. The Balanced Scorecard system, managed by an Office of Strategy Management (OSM), helps translate strategy by using Strategy Maps that link objectives, measures, and targets. Strategic themes can be used to simplify the Strategy Map and make it easier to understand and manage. Targets should be established and initiatives rationalized.

Important to Do:	Important to Avoid:
• Translate the formulated strategy into specific objectives and initiatives. • Use tools like the Balanced Scorecard and Strategy Maps to clarify, update, and link objectives. • Establish targets for strategic objectives. • Identify and rationalise strategic initiatives designed to achieve objectives. • Define performance metrics (KPIs) to measure progress. • Assign accountability for initiatives and strategic objectives. • Ensure strategic goals are measurable and define how progress and success will be measured. • Design to implement, ensuring the plan is ready for implementation and can be supported.	• Formulating grand strategies that fail to translate into goals and targets that middle and lower managers understand. • Not linking strategic objectives to tools that support operational improvement processes. • Having an absence of a model for implementation or no clear plan. • Allowing actions to be not clearly defined. • Setting vague goals without defining how progress and success will be measured. • Not defining what "good looks like" or setting measures for achievement.

4. Align the Organisation to the Strategy

Achieving organizational alignment is crucial for successful strategy implementation. Alignment creates focus and coordination across the organization. The OSM plays a dominant role in facilitating the development and cascading of Balanced Scorecards at different levels and ensuring business units and support units are linked to the company's strategy. This involves aligning corporate, SBU, and support units, as well as the board of directors. Alignment should also include aligning resources with goals and ensuring budgets reflect strategic priorities. While structure should follow strategy, clarifying decision rights and improving information flow are far more powerful levers for execution.

Important to Do:	Important to Avoid:
• Achieve organisational alignment across corporate, SBU, and support units. • Align units and individual goals with the overall strategy. • Align resources with goals and ensure budgets reflect strategic priorities. • Clarify decision rights – who owns each decision and who provides input. • Improve the flow of information to where it is needed. • Ensure the strategy is aligned with the organisation's mission, values, and culture. • Ensure structure follows strategy. • Secure buy-in from key stakeholders and align the executive team as a unified group. • Recognise that alignment, not consensus, is the bridge from strategy to execution.	• Lack of alignment, leading to an uncoordinated approach and inefficiency. • Allowing resources to be controlled by a separate group that doesn't run the business. • Relying solely on structural change for implementation; clarifying decision rights and information flow are more powerful. • Having managers without a clear sense of roles and responsibilities or intuition about their decision rights. • Unclear accountabilities or decision rights acting as a blocker. • Not linking annual business plans and budgets to the strategy. • Overlooking the importance of change management plans to address insecurities and define evolving responsibilities.

5. Mobilise and Empower Employees

Strategy execution depends on the daily tasks and decisions of every member of the organization. It's vital to ensure everyone understands the broader strategic goals and how their individual responsibilities contribute to achieving them. Effective communication is key to empowering employees. Strategy must be communicated throughout the organization using various channels. To make strategy everyone's job, strategic awareness should be created, and personal goals, incentives, and competency development should be aligned with the strategy. Strategy execution is not incremental to the day job; the day job changes. Employees may need training in new skills, and organizational systems (like information and personnel) may need to change to support the strategy. Embedding new approaches in the culture makes strategy part of "business as usual".

Important to Do:	Important to Avoid:
• Ensure employees understand the strategic goals and how their daily tasks contribute to the big picture. • Strive to make strategy everyone's job. • Communicate the strategy constantly and using every vehicle possible throughout the organisation. • Over communicate the vision and use clear, simple messages repeated often. • Encourage two-way communication and engage staff honestly about barriers and their causes. • Align personal goals, incentives, and competency development with the strategy. • Empower employees for broad-based action. • Provide training in new skills needed to support the strategy. • Anchor new approaches in the corporate culture to make strategy part of "business as usual". • Ensure leaders "walk the talk" and that actions send the same message as words.	• Employees being unaware of their organisation's strategy. • Undercommunicating the vision by a factor of 10, 100, or even 1,000. • Assuming strategy execution is incremental to the day job; the day job changes. • Senior management pulling back from strategies without communicating it, making it appear strategy lacks support. • Allowing employees to feel disempowered by obstacles in their way. • Neglecting to anchor change firmly in the corporate culture, making initiatives susceptible to being rolled back. • Not having effective communication systems.

6. Manage Strategic Initiatives and Allocate Resources Effectively

Strategic initiatives are discretionary programs, often cross-functional, designed to accomplish strategic objectives and drive change. These initiatives, which help achieve strategy map objectives, should be identified, rationalized, and managed. The OSM monitors strategic initiatives, reports on their progress, and reviews existing ones to ensure they deliver strategic benefits. Insufficient resources can be a significant reason for strategy failure. It is crucial to dedicate and mobilize the right resources, allocating them appropriately based on objectives set forth in the strategy. Some organizations use the OSM to actively manage initiatives, ensuring they have sufficient resources, priority, and focus. Accountability should be assigned for initiatives and strategic themes.

Important to Do:	Important to Avoid:
• Recognise that strategic initiatives are discretionary programs designed to accomplish strategic objectives and drive change. • Ideally, manage strategic initiatives separately from routine operations. • Identify, rationalise, and manage a manageable number of key initiatives. • Dedicate and mobilise the right resources, allocating them appropriately based on objectives. • Ensure strategic initiatives have sufficient resources, priority, and focus. • Monitor strategic initiatives to ensure they are being actively managed and report on their progress. • Continually review existing initiatives to consolidate or eliminate those not delivering strategic benefits. • Assign accountability for initiatives. • Assign executive sponsors to strategic initiatives. • Use tools like action registers and define roles/responsibilities, milestones, metrics, and reporting frequencies. • Check ongoing initiatives before committing to new ones.	• Having inadequate resources (financial, human, technological, physical assets). • Strategic initiatives being pursued only at tactical levels or as stand-alone projects. • Support for initiatives evaporating once the true costs are understood. • Having a laundry list of too many next steps without a coherent strategic course of action. • Executives assuming their roles end after strategy definition; they are crucial for securing resources and governing execution.

7. Monitor Performance, Learn, and Adapt Continually

Strategy implementation relies on continually assessing progress toward goals. A robust system for monitoring and evaluation is essential. Key Performance Indicators (KPIs) should be defined during planning to measure progress. Regular reporting mechanisms should be established. Strategy review meetings are critical for monitoring and learning. These meetings should focus on strategic issues and learning, not just short-term financial performance. The OSM helps shape the agenda for strategy reviews, brief the CEO, monitor meetings, and follow up on action plans. Continuous monitoring and evaluation allow organizations to identify impediments, revise strategic decisions, and steer their strategies toward success. This learning process cycles back into strategy formulation, ensuring strategy is a continual process that adapts to changing conditions and new information.

Important to Do:	Important to Avoid:
• Continually assess progress toward goals. • Establish a robust system for monitoring and evaluation. • Define and track Key Performance Indicators (KPIs) to measure progress. • Set up regular reporting mechanisms. • Hold strategy review meetings to assess progress, identify barriers, and learn. • Ensure management meetings focus on strategy review and learning, not just short-term financial performance. • Recognise strategy is a continual process; periodically reassess and adapt if assumptions are flawed or obsolete. • Learn from internal results and external data on competitors and the environment. • Identify impediments and revise strategic decisions. • Be nimble and flexible, adapting strategy and execution in response to changing conditions. • Allow for missteps and "fail fast to learn fast". • Create short-term wins to build momentum, reinforce the vision, and provide feedback that the strategy is viable. • Make the long term relevant to the short term. • Govern to make strategy a continual process.	• Lack of monitoring and evaluation, which prevents identifying issues and steering the strategy. • Management meetings over-emphasising short-term financial performance and fire fighting, neglecting strategic issues. • Not having a system in place to regularly see progress against long-term strategy. • Declaring victory too early before the transformation is complete; this leads to slacking before the job is fully done. • Leaders not reviewing their strategy implementation frequently enough. • Getting knocked off track by overreacting to short-term developments; keep the end goal in sight. • Mixing discussions of operations and strategy at the same meeting, which breaks down the strategic learning feedback loop. • Failing to adapt when conditions change or assumptions prove invalid.