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The great 'business bake-off'

Has your organisation got the Ex-FACTOR?

Right thinking

In our experience helping hundreds of organisations with strategic development and execution, we have found that those that adhere to six critical steps (Frame, Align, Cascade, Task, Oversee and Review) can avoid the common strategy execution pitfalls. To truly excel at strategy execution however, organisations must go beyond this basic recipe and discover their own 'Ex-FACTOR'.

It takes more than just a great strategy session to revitalise a stalling business, dramatically improve customer experience or develop innovative products that leave the competition behind. In truth, crafting a brilliant strategy is just the first step towards winning in the market. The next challenge is delivering on the strategy.

The great 'business bake-off'

An analogy we use likens competing in the market to entering a baking competition. The first vital step is to decide what it is you are going to bake. Since the competition is fierce, many entrants enlist expert help to analyse the judges' preferences, find out what the other contenders are baking, and design a recipe that is worthy of first place.

However, crafting a world class recipe is a far cry from winning the contest. As most who have some experience baking will attest, few cakes come out of the oven looking like the picture in the recipe book. The same is true in business.

The gap between strategy and execution

The academic and popular business literature is replete with perspectives on the challenges associated with strategy execution: 'Strategy is easy; execution is hard' (Mizrahi, 2016), 'Why strategy execution unravels and what to do about it?' (Sull et al, 2015), 'Is execution where good strategies go to die?' (Bonchek, 2017). Reputedly, as many as 67% of well-formulated strategies fail due to poor execution (Carucci, 2017).

But why is execution so difficult? Is it because some executives don't know what to do? That's probably part of it, although if you put any group of executives in a room for an hour and brainstormed strategy execution success factors, the chances are they would come up with a pretty good list. This is not to diminish it per se, but rather to recognise that there must be other factors at play.

The Ex-FACTOR

To better understand why some organisations succeed where others fail, we've reflected on the hundreds of organisations we've seen take brilliant strategies to market and identified the common elements which were present, or missing, in their strategic execution.

Based upon these learnings we have developed a six-step recipe for successful strategy execution. We call this recipe the Execution Factor or (a little self-consciously) the Ex-FACTOR. (See Exhibit 1).

In our experience, organisations that adhere to the six Ex-FACTOR steps rarely go too far wrong. Or, to return to our analogy, they successfully make a cake. But what separates the many organisations who can 'make cake' from the contest winners, those who really 'knock strategy execution out of the park'? In other words, what is the 'Ex' in 'Ex-FACTOR'?

The 'Ex' in 'Ex-FACTOR'

To answer this question, we observe that different bakers following the same recipe will typically not produce identical cakes. It is by bringing their own artistry to bear that experienced bakers can produce outstanding results. Perhaps the same is true in business: executives (mostly) know what to do (follow the FACTOR steps), but it is those who add their own flair to strategy execution that outshine the rest.

Just as different bakers have different styles, we've seen organisations take many and varied approaches strategy execution; our experience suggests that there is no single 'correct' approach. However, we have found that the organisations that excel at strategy execution are those which go beyond the basic recipe.

For some organisations the 'Ex' may come from the CEO relentlessly engaging the executive team in strategic discussions, in other words, being 'like a dog with a bone' when it comes to strategy. For others it may come from thinking like your best marketer when crafting messages to your people, or from engaging staff at all levels

of the organisation in strategy execution via 'vertical-slice' project teams.

The question therefore becomes, 'what is your Ex-FACTOR?'. Or, put differently, how will you ensure your organisation is among the minority that truly excel at strategy execution?

We'd like to challenge you to consider this as you reflect on these ideas and to let us know your thoughts on this next time you find yourself speaking with a Right Lane consultant. We would love to hear how your organisation puts the 'Ex' in 'Ex-FACTOR'.

References

- Bonchek, M. (2017, November). Is Execution Where Good Strategies Go to Die? *Harvard Business Review*.
- Carucci, R. (2017, November). Executives Fail to Execute Strategy Because They're Too Internally Focused. *Harvard Business Review*.
- Mizrahi, A. (2016). *Strategy is easy. Execution is hard. These 5 steps will improve your results*. Retrieved from https://medium.com/@AviMizrahi_TO/strategy-is-easy-execution-is-hard-these-5-steps-will-improve-your-results-39d2a3ae8e72
- Sull, D., Homkes, R., & Sull, C. (2015, March). Why Strategy Execution Unravels—and What to Do About It. *Harvard Business Review*.

Exhibit 1: The Ex-FACTOR

| | | Step | Critical features |
|----------|----------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| F | FRAME | The strategic direction is comprehensive, internally consistent and accessible. | The high level strategic direction is: <ul style="list-style-type: none"> comprehensive (everything needed is there) internally consistent (contains clear causal relationships e.g. between goals and measures of success) accessible (concise, visual). |
| A | ALIGN | The desired outcomes, and the approach to realising them, are well understood at the executive level. Executives know what success looks like for them. | Executives: <ul style="list-style-type: none"> share a common understanding of the organisation's compelling strategic narrative are well positioned and visibly lead the strategy understand how the required activities link to the desired outcomes and are clear about what success looks like. |
| C | CASCADE | The organisation's strategic objectives are clearly reflected in functional, geographic, and business-unit strategies, and explicitly linked to budget and performance monitoring processes. | The strategy is cascaded to: <ul style="list-style-type: none"> functional/geographic/business-unit strategies resource allocation and budgeting processes enterprise performance measurement. |
| T | TASK | Individuals and teams have the necessary skills and influence and are provided with the resources for success. | Success of strategic projects is enabled by: <ul style="list-style-type: none"> appropriately assigning responsibility to ensure project teams have the necessary skills and influence allocating sufficient resources to set up individuals and teams for success. |
| O | OVERSEE | Clear delivery expectations are set against which progress is closely monitored. Additional support is provided as necessary to overcome unforeseen obstacles and keep strategic projects on track. | Strategic oversight: <ul style="list-style-type: none"> is founded on clear delivery expectations includes highly visible progress reviews is responsive to unforeseen challenges. |
| R | REVIEW | The expected and actual outcomes of strategic initiatives are reviewed and clear next steps agreed. | Review processes: <ul style="list-style-type: none"> monitor measures of success, key activities and corresponding deliverables have a clear 'rhythm of accountability' are outcomes focused result in clear next steps. |

want to know more?

If you would like to discuss this article in more detail, please contact **Dr Marc Levy**: marc@rightlane.com.au

About Right Lane

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We employ our distinctive ideas and processes, and our absolute commitment to delivery, to help clients we care about pursue their inspiring missions.

We work alongside clients who do great work within the sectors they operate, and we are excited to be involved in creating outcomes that truly make a difference.

We are an ethical consulting firm with a strong belief in the work we do, and with a passion to give back to the broader community with the skills and expertise available within our walls.

Right Lane was established in 1997 to help private, not for profit and public sector clients to clarify and accelerate their future plans. Over the past 22 years, we have helped the executive teams and boards of around 300 organisations to define and adapt their direction and strategy, identify and clarify their priorities, align their efforts with their aspirations, get their major projects started and finished, and measure and improve their performance.



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