Successfully Executing Strategy:
Is This the Secret You Need?

By Michele Studer

The executive team spent three days in a closed-door session, reviewing market trends, analyzing the company's past performance and crafting a new growth strategy. The new strategy represented a challenging vision and, if successful, promised tremendous growth. Congratulating each other on a job well done, they wrapped up the session. As they exited the conference room, they came face-to-face with a huge elephant. The elephant was holding a sign that read: "So, now what?"

The executives realized that they had a problem – a big problem. While reviewing the success rate of past strategic initiatives, representing both major and minor outcomes, they had noticed a distinct trend of disappointing results.

- Some initiatives never seemed to end

- No one had an accurate view of the current status

- Reporting was haphazard, with no defined schedule

- Key stakeholders were excluded from planning and communication

- Managers were continually surprised by unanticipated problems

- Expenses were out of control

- Additional goals were continually added to the original intent

The CIO took a look at the list of symptoms and immediately recognized constraints common in project management: *scope, time, quality* and *budget*. They begin to wonder if applying the fundamentals of project management to the execution of their new strategy might make the difference between success and failure.

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Is This the Secret?

Consider the impact of using project and portfolio management to successfully execute strategy. I will apply the fundamentals to various strategic initiatives, both large and small.

Road Map:

1. Creating a project portfolio from your strategic vision

2. Establishing an effective governance structure

3. Instituting disciplined project management

4. Forming the Transformation Team

Connecting the Dots: The Project Portfolio

A company strategy can contain different types of initiatives:

- Organic growth

- Inorganic growth (i.e., M&A and partners)

- Process improvements.

While some initiatives are logically linked, inorganic growth often occurs in a vacuum. In reality, it is an integral part of the firm's overall competitive strategy.

Acquirers go through three essential stages once the deal is complete: integration, synergy capture and organizational transformation. These phases cannot be successfully executed without linking these activities to the other components of the growth strategy.

Successful acquirers carefully plan and link the activities of the integration to the entire business. They are able to see the impact to the business as a whole and identify previously hidden value potential by creating multiple play scenarios and engaging the imagination of the business owners. They conduct discovery sessions with the appropriate stakeholders and ask, "what if?"

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During a recent integration engagement, the parent company acquired a sister business to its US operations. The original strategy was to keep each business separate. By doing so, however, they neglected to see the millions of dollars of shareholder value that could be unlocked by

leveraging scale across both businesses. The integration team worked with both sides of the business to create over $4M in savings during the first eight months and beat the overall synergy target by $12M, simply by getting the leaders in a room and asking "what if."

The integration team then encouraged the leadership to link the acquisition strategy to the firm's overall growth strategy. By doing so, the firm continued to unlock shareholder value by creating synergy between its inorganic, organic and operational efficiency growth strategies. It successfully leveraged scale and scope across all of its business units, and continues to do so to this day.

The Buck Stops Here: An Effective Governance Structure

In keeping with the holistic view of the firm's strategic plan, the governance structure is not developed to simply monitor the current strategic initiative but is designed to align the entire strategy management process. By creating a governance structure with the purpose of managing the firm's overall strategy, you ensure that it remains connected and cohesive.

Typically, the governance structure will include the CEO and all of the business unit owners. You may decide to layer the structure in such a way that discussions occur at all levels of the business but the results are translated and communicated appropriately.

The following table outlines types of roles and responsibilities typically found in a governance structure.

Role	Responsibilities
Executive Sponsor	• Program direction • Business owner • Advisor • Removes obstacles
Steering Committee	• Directs the work of the program • Gains consensus among key stakeholders • Resolves issues • Owns the program's outcome
Program Manager	• Integrates the program's resources, budget and scope • Directs the program's project managers • Translates direction from the Executive Sponsor and Steering Committee into executable projects

Project Teams	• Execute strategic initiatives • Provide transparent status reporting • Identify issues and obstacles threatening the project's success

An effective governance structure requires consistent and competent meeting management. The meetings are not for reporting status but for resolving issues and asking questions. These are work sessions with a clearly defined agenda, documented outcomes and actions.

Most importantly, the governance structure emphasizes accountability. The people involved hold themselves personally accountable for completing the actions assigned to them and for delivering the desired results. They freely exchange information and are not afraid to raise potential issues. (Note: If accountability is a problem in your organization, read Vicki Wrona's article on improving accountability.)

Disciplined Project Management

If you view strategic growth activities as the "day-to-day" business of managers, are you actually realizing and capturing the intended value? Each activity should be viewed as a project. It has a start and an end. It has a project charter, communication plan, business plan, project schedule and other required deliverables. It is driven by disciplined, project-oriented leaders. Each phase ends with a tollgate review and approval from key stakeholders to move to the next phase.

Most organizations use project managers to implement IT projects due to the particular challenges inherent in this type of project. These project managers have dedicated their careers to learning established project management methodologies, honing their communication skills and (in some cases) achieving certification.

While it would be ideal to assign a Project Management Professional (PMP)® to each of your business units, that may not be a realistic short-term solution. You can, however, train your business managers to think of their strategic initiatives as projects. For more on this, read Vicki Wrona's blog post on approaching everything as a project manager as a way of making success part of your company's culture. Another helpful resource is Bill Flury's white paper on Motivating Process Improvement.

During one engagement, I worked with the indirect procurement team to identify ways to create and capture more value from their basic function. There were two people dedicated to this unit. The company was a $4B distributor of electrical supply. The "team" was very busy, to say the least.

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While working with the team, I noticed that they went through the same basic steps for each category (i.e., office supplies, warehouse supplies, benefits for employees, etc). I trained them on a few project management basics and developed a set of templates for them to use throughout the project lifecycle. They were then able to increase the number of categories they worked in parallel, increase the speed of realizing the value from each category and provide easy-to-understand executive updates to show the status of each category.

By implementing disciplined project management, you can greatly simplify strategy execution by creating a standard set of deliverables, templates and rules of engagement that can be shared throughout the organization. In addition, you capture the knowledge gained from each project, which can be used to help you improve. Your strategy execution capability can then become a competitive differentiator.

> *The Transformation Team can translate the most ambiguous strategic plans into executable projects for all levels of the*

Recruit a High Performance "Transformation Team"

The Transformation Team is a group of collaborative, creative and crafty people who understand how your business fits together. They relish the wiliest problems and are experts at clearing obstacles from the path to success.

While this team may be composed of functional experts, they all must be able to see through the silo walls and identify the potential value creation. The best candidates for this team are those who have a strong foundation in competitive, marketing, operational and financial strategy. They are also experts in understanding that the people make it all work.

Most importantly, they are intrepid communicators. They may have an innate ability to communicate exceptionally well, and/or they may have studied techniques such as Neuro-Linguistic Programming. The Transformation Team can translate the most ambiguous strategic plans into executable projects for all levels of the organization. They are equally comfortable presenting to senior executives and the front line. They are known for their ability to motivate teams to achieve the most impossible business goals. They are patient and persistent.

The Transformation Team becomes the steward of mission-critical information. Ideally, they are brought in during strategic planning and begin learning the economic and strategic rationale behind the growth strategy. Using their experience from past initiatives and other transformational projects, they can identify additional synergies and potential pitfalls. Because of their ability to clear obstacles, they can readily turn the pitfalls into potential.

It is imperative that the Transformation Team practice disciplined project management to maintain a keen eye on scope creep, time constraints and resource constraints. They develop a

communication plan to keep all of the key stakeholders informed of successes and impending risk. Essentially, their job is to make sure that there are no surprises.

The Transformation Team fills the gaps between the strategic plan in the PowerPoint® presentation and the key stakeholders who must adopt the initiative. The Transformation Team ensures that the initiative moves from stakeholder adoption to organizational institutionalization.

Closing Notes

In closing, it is certainly worth the effort to evaluate and see if your organization could benefit by applying the project fundamentals summarized in this paper. It just might be what your organization needs to bridge the gap for a successful strategy execution.

1. Creating a project portfolio from your strategic vision

2. Establishing an effective governance structure

3. Instituting disciplined project management

4. Forming the Transformation Team

About the Author

Michele Studer, MBA, spends much of her time thinking about ways to create value. Michele's experience includes helping companies, from multiple industries, create and capture value through cross-functional, strategic initiatives such as M&A integration, business process improvement and launching new products in new markets. Michele holds a BA in English from UT Austin and an EMBA from SMU's Cox School of Business. You may contact her at dobusiness@forwardmomentum.net.

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To date, we have trained over 40,000 people, including over 6,000 on the Project Management Professional (PMP®) certification exam preparation. We co-developed the innovative blended learning PMP® exam preparation program that earned PMI's Professional Development Product of the Year award in 2007. We are a PM Training Alliance® (PMTA) Certified Training Provider (CTP), and Project Management Institute® (PMI) Global Registered Education Provider (REP).

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