

Overview

All businesses have a "strategy". In essence, a strategy is a plan to achieve success against competition. To be effective, the strategy needs to be forward thinking, based on deep insights into opportunities and capabilities, and a product of clear thinking, honest assessments and effective decision making. All too often, the "strategy" is either little more than an extrapolation of current performance and budgets, or an aspiration that bears little resemblance to what happens in the business day to day.

Common complaints about the effectiveness of the strategy process in large organisations are driven by several factors:

- Day to day concerns often push the longer term strategy to the back burner
- Lack of ownership erodes credibility of the strategy
- Lack of clear steps to implement the strategy means time passes and the actions needed to make long term improvements in capability or positioning fail to materialise

Finally, the lack of imagination, clear thinking and long term vision displayed in some strategies suggest the leadership team and the whole organisation have not spent the quality time focusing on the future that is needed to develop and maintain market success.

A typical strategic planning process is viewed by many as long, cumbersome and uninspiring. How can that be? Aren't we excited about winning? About charting new paths? About delighting customers?

Rapid Strategy Deployment provides a process and framework that not only ensures robust strategies are developed and implemented but helps develop the leadership and enthusiasm necessary to engage and inspire the entire business.

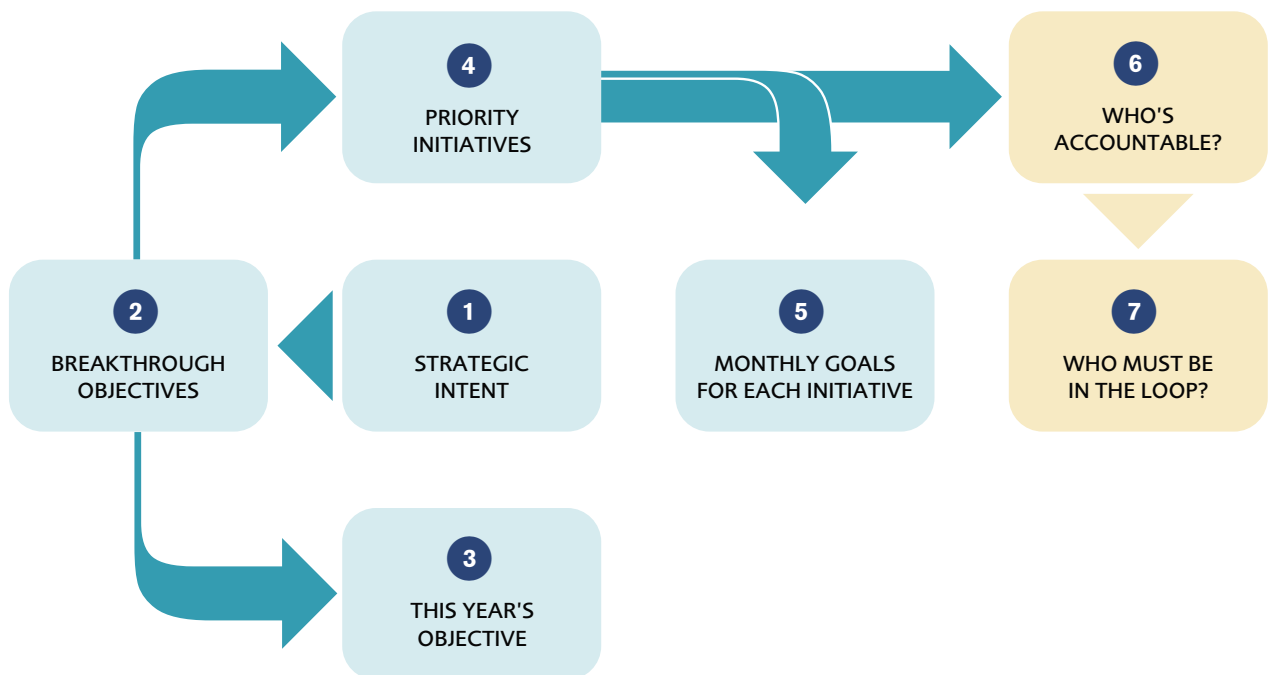
This white paper outlines the process we have been using with our clients to rapidly deploy strategy, and the value it brings to businesses that embrace it:

- Building commitment and leadership
- Stretching beyond business as usual
- Making long term strategy implementation part of the management process
- Aligning the whole business around common business objectives.

The Rapid Strategy Deployment Process (RSD)

Rapid Strategy Deployment (RSD) is a new and effective way for senior teams to develop and lead winning strategies. The strategy is developed by the executive team with input from all levels of the business. It can be developed rapidly and uses a technique pioneered in the automotive industry in Japan call Hoshin Kanri.

Hoshin Kanri provides a structure within which the business can articulate a vision for the future tied to breakthrough objectives, with clear links to strategic initiatives, targets and accountabilities for delivery. In effect, the strategy can be articulated all on one sheet of paper.



The elements of the top level Strategy Deployment Matrix include:

1. The Strategic Intent: A clear vision for the business
2. Breakthrough Objectives – Objectives over the medium to long term (usually 3-5 years)
3. This Year's Objectives – milestones for meeting our Breakthrough Objectives
4. Priority Initiatives – the vital few initiatives necessary to move the business toward the Breakthrough Objectives (not business as usual, but new strategic activities)
5. Monthly Goals – milestones and targets to measure progress on each strategic initiative
6. Accountability for each initiative – Who on the senior team owns this initiative
7. Cross functional Support: Who on the senior team must actively be involved?

The Hoshin Kanri tool is effective and powerful. As the example below shows, the key strategic initiatives can be laid out on one page, for purposes of communication and alignment.

Defining Strategic Intent: The Critical First Step

Early in the process, input is gathered from across the business on key issues relevant to the business:

- What are our key opportunities?
- What are our aspirations?
- What capabilities will be needed to succeed?
- What trends / discontinuities are developing / on the horizon?
- What is our product / market scope now, and in the future?
- What is our basis for differentiation?

The information gathered and assessed is then brought to the senior team for discussion, debate, alignment and decision making. Collective wisdom is greater than that of any one individual. Yet to develop collective wisdom and effective decision making, first one needs to develop alignment and openness. Far too often people attend meetings where critical issues are not acknowledged or addressed and as a result no real progress is made. A critical step in the RSD process is alignment of the senior team.

A key element of the RSD process is a 2 to 3 day senior alignment workshop designed around the initial development of the strategy matrix. The intent of this workshop is as much focused on establishing an environment conducive to rigorous, open and honest discussion as it is on populating the matrix. In most strategic planning processes the importance of alignment and openness is underestimated, either because the focus is 100% on the analytics or the team is not adept at dealing with interpersonal issues. In our experience establishing alignment and the teamwork necessary to lead a strategy is as necessary to success as the development of the strategy itself.

At the end of the alignment workshop there emerges a first draft of the top level strategy matrix and a refreshing level of openness and engagement that allows the team to begin leading the strategy together. The RSD process encourages a systemic "big picture" view and makes the requirement for collaboration explicit.

Furthermore, the senior team has had a chance to discuss what it will take, as leaders, to bring the strategy to life. What behaviours, teamwork and values will be needed to succeed. For once the "soft issues" of teamwork, leadership and values are placed in the context of the business strategy and objectives. In this case, soft is hard!

Finally, the whole process builds commitment and accountability. Not only are individual accountabilities for delivery clearly articulated, but alignment and responsibility to support each other are clearly discussed, agreed and captured in the matrix.

What emerges is a realistic interlocking set of accountabilities that go a long way toward overcoming departmental barriers and parochial thinking. Defensiveness and "silo" behaviour gives way to collaboration and support.

"The key isn't just having a strategy,
it's getting it implemented."

Jack Welch

Stretching Beyond Business as Usual

In addition to making clear the challenge of leading the organisation toward the future, the RSD process ensures the ingredients in the strategy has an adequate level of "stretch" to keep the business in the lead.

The Breakthrough Objectives are based on a clear strategic intent. The team must collectively decide on their aspiration – a vision of greatness for the organisation. If the company is to achieve great things, where will we need to be in three to five years time?

The senior team is encouraged to think beyond business as usual:

- What will propel the business forward?
- What challenges will the business face?
- What will be needed to develop or maintain leadership in the market place?

Stretch objectives help challenge the status quo and develop an insight into what is needed for market success and leadership. Breakthrough goals create excitement, enthusiasm and energy. They intrigue leaders and employees alike. They encourage innovation and creativity. They inspire risk taking. They generate optimism and hope.

More and more, the words "What if we could" are heard throughout the company.

Breakthrough objectives require new or focused strategic initiatives in order to be achieved. Strategic initiatives are long term projects that relate directly to a specific breakthrough objective. For example, if the breakthrough objective is to increase new customer acquisition by 40%, then strategic initiatives on marketing segmentation and CRM database development might be required. These are not quick win projects but strategic and long term initiatives that will fundamentally reshape the way a company does business.

Making Breakthrough Part of the Management Process and Culture

The RSD framework helps balance the senior team's focus between day to day business issues and building a strong competitive position for the future.

Too often the day to day issues push longer term strategy to the background. For example, it has been easy for all global automakers to see that environmentally friendly cars will become a greater part of the future. To some extent all the major players have made some investment in new technologies. However one company has already developed a commanding leadership position, having sold more than 300,000 hybrid cars – Toyota. You can be sure that the Hybrid automobile was on Toyota's Hoshin Kanri charts. And therefore specific targets, milestones and objectives with clear accountabilities. Hence the launch of the Toyota Prius, a hybrid vehicle, well before any of the competition. Environmental friendly vehicles were on everyone else's mind, but Toyota made them a part of their rigorous strategic deployment process.

At one of our clients, a manufacturer in the middle of a life and death business turnaround, the RSD process has played a big role in its survival. By focusing the entire senior team on key initiatives with suppliers, Six Sigma and lean manufacturing, the company is returning to profitability. In addition, the RSD process has made sure that longer term initiatives, such as the development of a new family of engines, have stayed on the agenda while focusing on the turnaround.

While the RSD process lays out the forward strategy on a single page for easy communication to all employees, it also includes monthly review of targets and milestones by the senior team. Keeping strategic initiatives in focus and a clear management priority is the key to successful delivery.

A key element of the RSD process is the development of monthly milestones for each strategic initiative. Every month the owner of each strategic initiative updates progress to date. By using a green, amber, red coding system it becomes easy to see which strategic initiative is on track and which ones are not. Those with amber or red codes are then taken off-line for a rigorous review to get the project back on track. By turning strategic plans into actions, accountabilities and monthly milestones, the business strategy becomes more deployable and less a theoretical document of intent.

The finished new business strategy is a remarkably robust roadmap for the future, and it fits on one page. In a glance, anyone from a given function can not only understand the overall big picture of where the business is going but also better understand their role in achieving the business vision. It becomes the focal point for a company wide communication program to energise and focus all employees on the vision for the company.

Summary

Rapid Strategy Deployment is a powerful process that provides alignment, commitment and focus – allowing strategy to move from a conceptual document on a shelf toward a reality with active engagement across the organisation.

It also provides a fantastic opportunity for leaders to consider together what it will take to lead the organisation to achieve their breakthrough objectives, and to identify the extent to which the values and culture of the organisation are aligned with the strategy. The critical enablers of Leadership and Culture are placed in the context of hard business objectives, leading to the alignment necessary to bring the strategy to life.

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