

LakeEffects

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Lake Forest Graduate School of Management
Lake Forest Corporate Education

Forward Motion Perpetuates **Forward Motion**

A “Plan Forward” Approach
for Emerging Stronger

- Use the power of your network to rise higher
- Connect to the broader community
- Inject passion into your organization and career
- Gain measurable advantages and dominate the competition



LakeForest MBA

BROAD THINKERS

STRONG LEADERS

Business Bliss or Market Old Maid: Leveraging the Critical Links Between Strategy and Execution

If the world of business strategy collided with online dating, the result might be the following profile:

Large, multinational conglomerate in late maturity market seeks young and vivacious organic growth strategy. Enjoys high-margin businesses and discussing exit strategies over candlelight and Chardonnay. Hurt before by spurned acquisition attempts; now seeks long-term, stable relationship with thoughtful innovation initiatives. If interested, call to see my EBITDA in person.

While www.strategymatch.com doesn't exist, there are three types of connections between strategy and execution that do, and they're critical to your organization's success.

Critical Connection #1: Common Language

It's often assumed that higher-level managers always understand strategy, but using someone's title to assess their strategic ability is as accurate as using a celebrity's popularity to determine their knowledge of politics. Data from the Strategic Thinking Assessment (see www.StrategySkills.com) shows that the average score on strategic thinking ability for a director-level manager is only 58 out of 100 points. Research from Harvard Business School showed that 95 percent of employees don't fully understand their company's strategy.

It's important to educate managers at all levels on the fundamental concepts of strategy. Because people can't successfully execute what they don't understand, ensuring that employees throughout your organization have a baseline level of knowledge of strategy can lead to real results. Once a framework of common terms is developed and understood, specific company, business unit and functional strategies can be discussed and implemented.

Critical Connection #2: Mid-Level Managers

Mid-level managers are arguably the most crucial members in an organization's strategy ecosystem. Unfortunately, research published in *Long Range Planning* showed that more than half of all strategy workshops don't include mid-level managers. These individuals are often the first to receive intelligence from the frontline employees closest to customers and competitor activities. They can potentially piece together key elements of this intelligence into insights that form the foundation of important strategic initiatives. However, based on their level of strategy knowledge, compensation incentives, and the organization's attitude toward risk taking, they might not act on that intelligence.

These individuals have the power to kill potentially game-changing strategies without senior management ever knowing the opportunities existed. Providing high-performing mid-level managers opportunities to contribute to the strategy development process guarantees a deeper pool of insights and gives them invaluable real-time strategy training experience that will pay off for years to come.

Critical Connection #3: Linking Strategy to Daily Activities

For many years, the albatross of strategic planning has been the strategic plan itself, stuffed into a three-ring binder gathering dust on the shelf. Despite being developed with the best of intentions, it's not driving managers' daily activities. So, let's cook this bird and move on. (Note: No strategic plans were hurt in the writing of this article.)

If you don't have a one- to two-page blueprint of your business strategy, easily updated on a regular basis and sitting on the desk or tacked on the wall, then you don't really have a strategy at all. Not

having a concise strategy document is akin to an architect showing up at the construction site with no blueprints, relaying building specs to contractors on the fly.

A tool such as the StrategyPrint® (see www.StrategySkills.com for more information) provides executives at all levels with a two-page blueprint of their business. Page one is a running repository of insights, and page two serves as the strategic action plan. Developing a link between strategy and a manager's daily activities is essential if an organization is truly committed to staying focused on the important initiatives and avoiding the time wasters.

With organizations of all sizes becoming extinct due to poor strategy, it's important to understand the critical connections between strategy development and execution. Failing to make these strategy connections can be the difference between business bliss and becoming your market's old maid. ✦

— Rich Horwath



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of Deep Dive: The Proven Method for Building Strategy, Focusing Your Resources and Taking Smart Action, published by Greenleaf Book Group Press (August 2009). Horwath is a professor of strategy at Lake Forest Graduate School of Management and writes a bimonthly column called "Strategic Thinker," available by free subscription at www.StrategySkills.com.