

Closing the Execution Gap

An SBTI White Paper

Execution has to be a part of a company's strategy and its goals. It is the missing link between aspirations and results.

— [Larry Bossidy, Execution: The Discipline of Getting Things Done](#)

SBTI has helped over 700 companies achieve higher results. This was achieved by creating a concrete link between strategy and execution.

We catalogued common behaviors that contributed to the organizational congruency and grouped them into the 4 C's of Execution:

- Clarity
- Commitment
- Capability
- Cross-functional collaboration.

Clarity

Having knowledge but lacking the power to express it clearly is no better than never having any ideas at all. – Pericles

Leaders often lament "I've made it quite clear what we are trying to do. They are not doing it". Yet when we dig down that clarity dissipates.

Donald Sull's research highlights this problem. (Reported in Harvard Business Review [Why Strategy Execution Unravels—and What to Do About It](#))

He surveyed 8,000 managers in more than 250 companies. His primary finding was people are not working on their strategic priorities:

- 51% say they can secure resources outside their strategic projects
- 11% note they can't get all the resources they need for their strategic projects
- Over half of all top team members say they have a clear sense of how major priorities and initiatives fit together.
- Only 55% of middle managers can name even one of their companies top 5 priorities

The middle management level finding is profound. Their confusion prevents them from directing the people and assets beneath them.

Without clarity, the default tendency is to succumb to the tyranny of the urgent.

We regale firefighters as heroes. The reality is they are your best arsonists.

You want to be in the fire prevention business.

Management operating systems are key to translating strategy into action. It sets out clear priorities at each level. These systems should be living entities. We often see visual boards purporting to help direct work and flow. Rarely are they used to define systemic problems and root cause solutions.

Commitment

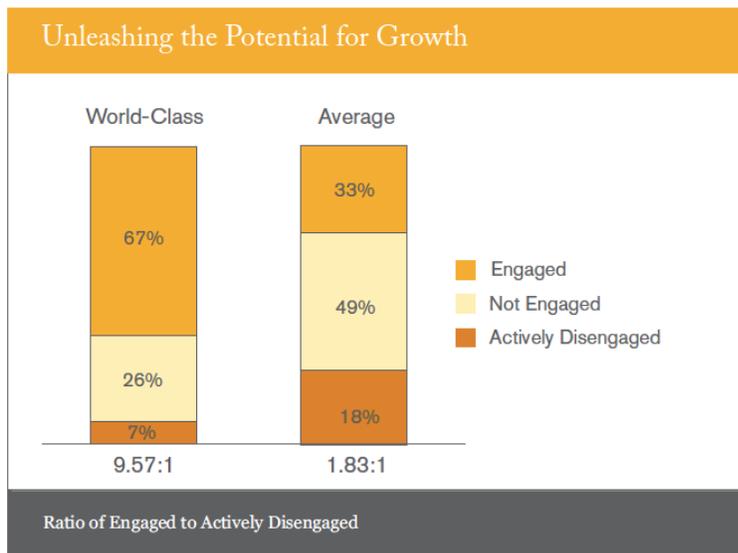
Commitment is an act, not a word. – Jean-Paul Sartre

Research by Gallup finds over two thirds of your employees are not actively engaged.

This is a tragic waste of your human capital.

The benefits of high engagement are profound. Gallup found that companies with top quartile engagement outperform their peers.

High performers achieve a 3.9 times the Earnings Per Share growth rate. (see graphic below)



There is a common magic component that can transform employee engagement. It is first line supervision.

They are the very glue of the organizational fabric. The tragedy is active supervision is like rocking horse droppings. It's impossible to find.

We have mapped active supervision in hundreds of engagements. It is usually less than 20%. They are firefighting not fire preventing.

Critically, they don't have the time to get and eradicate root causes.

SBTI has developed an approach to leveraging this talent pool.

Capability

Success is dependent upon the glands - sweat glands. – Zig Ziglar

Capability in business is the measure of its ability to achieve its objectives.

The word measure is quite meaningful here. How do we know how to improve and increase our ability to meet the business goals if we don't measure it?

I enjoy meeting all levels within a new client organization. I'll often ask.

"are you having a good day?"

Great answers have specificity linked to business or departmental goals. For example, "My target is to reach 8 new prospects by phone today and I'm already at 7. Last week I only averaged 6 per day so I know I'm making progress"

If employees have good metrics, they can assess how well they are doing. It creates a positive feedback loop. They can replicate the behaviors and conditions that underpinned their success. Continued iteration of that sweat equity builds the organizational muscles of habit. Flexing them causes adaptation and improvement.

Cross Functional Collaboration

Make everything as simple as possible. But not simpler. – Albert Einstein

I met with a year industry veteran with 35 years experience championing improvement. I asked "are the problems you are dealing with today any different to those you encountered 30 years ago"?

Her reply was telling, "We have gotten a lot of the low hanging fruit but *the hardy perennials are still the same*".

Businesses have become more complex. Supply chains are longer. Enterprises are global. The biggest opportunities span functional, organizational and intra-company boundaries.

Workforces need to elevate themselves above these boundaries to map this complexity. Then they can identify, quantify and cut the waste and slash that complexity. The rewards are enormous.

Companies heavily invested in continuous improvement are getting good results. But, most improvements cluster within functional boundaries. More significant opportunities lie untapped.

Top decile performers exhibit two key characteristics. First, there is a common problem-solving vernacular. Second, selection and prioritization of improvements use a more holistic benefit evaluation process. This obviates political and functional boundaries.

SBTI's Approach

We have pioneered many of the approaches to systematic business improvement. We recognize the need for clarity, commitment, capability and cross-functional collaboration.

We have a risk-free approach to delivering self-funding improvement.

It has 3 steps—**Listen. Design. Execute.**

The Listen Step is free. We will invest a day in your Business Unit to understand the environment and what you are dealing with.

We will interview your key leaders and walk the process. At the end of the day we will play back our findings and outline the opportunities we see. We will tell you if there is a self-funding improvement opportunity.

We will leave you with all our findings and workshop output for you to use as you wish.

No charge. No risk.

If you like the way we work and the opportunity is significant we will propose the Design Step. Usually a 2-week on site series of diagnostics, data analysis and empirical studies.

We charge a fee for this work but it comes with two guarantees. We will identify a self-funding project. Plus, identify a set of quick wins that will more than pay for the Design Step fees. If not we don't charge you.

The Design Step creates an implementation blueprint for the Execute Step. It includes a detailed business case and action plan. At this juncture, you can elect to put in place this improvement on your own or keep us for our Execute Step.

In the Execute Step we deliver the benefits. We tie some of our fees to the delivery of those benefits. We build skills and organizational discipline to ensure the improvements stick.

Please click the SCHEDULE button to the right to discuss your free Listen Step and let's talk. I'd love to see if we can help.