“Why Strategy Execution Unravels - and What to Do About It”

Candy Marie Bickett

Strategy and Governance for Social Impact

University of San Francisco, School of Management

Master of Nonprofit Administration

February 21, 2015
"Why Strategy Execution Unravels - and What to do About it"

Having spent nearly a decade of my nonprofit career working with small to mid-size corporations on different dimensions of organizational development, I’ve discerned some notable patterns in the context of the challenges, which threaten an organization’s ability to operate efficiently. However, given my limited experience with strategic planning specifically, I’ve relied on rather narrow diagnoses relative to the positions I’ve held. Regardless of my professional prevue, however, the ‘constant’ challenging development has typically been related to collaboration.

Context: From the discovery phase of the strategic planning process, through the development and implementation of action planning, collaboration is perhaps the key ingredient in the execution of strategy. Organizational development has been an historical challenge of – but certainly not unique to - the nonprofit sector (given the collaboration between, and overlap across, the private, public and non-profit spheres). Eager to learn more from perspectives external to my own, I selected the article, “Why Strategy Execution Unravels – and What to Do About It,” which attempts to identify and analyze some predominate factors contributing to this ‘failure to launch,’ among “organization’s in volatile markets” (Sull, Homkes, & Sull, 2015).

Method(s): Assessing the opportunities and implications, of data gleaned from a survey designed to shed light on this issue, Donald Sull, Rebecca Homkes, and Charles Sull frame their diagnosis by five commonly held misconceptions at each level of the value chain. These myths include: (1) equating execution with alignment; (2) valuing rigidity over agility; (3) synonymizing communication with understanding; (4) performance over collaboration; and (5) executing strategy in a vacuum. The respondents surveyed by Sull, et., al, comprise team members, direct reports, middle and frontline managers, as well as executives, working in the for-profit fields of finance, business management, and information technology. Results are based upon data gleaned from the 95% of respondents who finished the survey. Discussion is framed by opportunities presented, and practical applications include collaboration, coordination, and communication.
Five Myths Obstructing the Execution of Strategy

“Myth #1 Execution Equals Alignment:” Overwhelmingly respondents surveyed in this study reported the belief that alignment at each level of the value chain reflected successful execution. The implication being, if strategic goals were not being met, a ‘weak link’ somewhere in the chain was at fault. However, according to Sulls et., al. the “vast majority of companies” surveyed tell a different story. Respondents reported feeling well supported by, and confident with the performance of, direct reports and supervisors. However, satisfaction with horizontal collaboration and execution yielded less than confident approval ratings, suggesting the need for greater collaboration and coordination of “activities across units” (Sull, Homkes, & Sull, 2015).

“Myth #2 Sticking to the Plan:” While coordinating strategic direction across departments was identified as the primary disconnection, the second greatest myth involved the fear of deviating from strategic planning goals, which the majority of the respondents viewed as illustrative of failure. However, Sulls et al. argue, planning is an agile process “requiring ongoing adjustment.” The challenges that arise from planning processes, especially during the monitoring and controlling phases, present companies with the opportunity to balance agility with alignment - matching strengths and resources with needs. “When managers come up with creative solutions to unforeseen problems…..they are demonstrating execution at its best” (Sull, Homkes, & Sull, 2015).

“Myth #3 Communication Equals Understanding:” In addition to the need for collaboration and participation among and between all stake holders involved in the planning process, the ability to effectively engage individuals around a common mission is an essential part of communication that is neglected. Adding to this disconnect is the notion that communication equals understanding, analogous to inputs equaling outcomes; what’s missing are the activities and outputs. Sulls et al. write, “when asked about obstacles to understanding the strategy, middle managers are four times more likely to cite a large number of corporate priorities and strategic initiatives than to mention a lack of clarity in communication.” In the nonprofit sector, one might diagnosis this phenomenon as
‘mission drift,’ symptomatic of a disconnect between the ‘why’ and the ‘how.’ Unsurprisingly, the very same disconnect between priorities and motivation underscores myth #3 among for-profit companies. When “strategic objectives are poorly understood…..they often seem unrelated to one another” (Sull, Homkes, & Sull, 2015).

“Myth #4 A Performance Culture Drives Execution: While neglecting communication, innovation, and collaboration can bring both planning and implementation to a halt, “a focus on performance,” write Sull et al. “does shape behavior on a day-to-day basis” [emphasis mine]. The caveat being, excessive attention paid to performance as driving data, in isolation of collaboration, can negatively impact the ability achieve inter-departmental goals.

“Myth #5 Execution Should be Driven from the Top: It would be difficult if not impossible to discuss organizational development outside of a leadership context – as, ‘setting the tone’ and direction for execution. In terms of the perceived and real roles and responsibilities of leaders and governance, in both the nonprofit and for-profit spheres, fundamental similarities exist. In the context of the former, conversations around defining and cultivating organizational culture usually tend to center around the founder or executive director’s vision. Sulls et al. describe similar accounts, in terms of the latter, which “reinforce the common image of the CEO perched atop the org chart, driving execution.”

In any context, having a discernable – if not clearly defined – structure, supporting the leaderships’ modeled expectations for the company, minimizes the effects of fragmentation down the ‘ranks.’ However, when the tone set by the leadership does not model, coordination, accountability, and effective communication (dimensions of collaboration) the ‘trickle down’ of values - at best – ‘dry’ by the time they reache middle management.

Practical Application: From Execution Strategy to ‘Strategic Execution’

Across sectors, fields, and positions, falling into the “alignment trap” is not uncommon (Sull, Homkes, & Sull, 2015). With an the increasing emphasis on impact metrics and efficacy in the
nonprofit sphere, (particularly in subsectors whose longer term impacts hinge upon the trans-sector intervention over time, e.g. advocacy, education, etc.) it is both unsurprising and not necessarily a ‘bad thing’ that leaders are turning inwards to evaluate the strength of strategic planning processes. Conversely, while this demonstrates awareness and accountability, it may lend to leadership ‘tunnel vision’ wherein focus upon improving alignment risks “developing even more refined answers to the wrong question” (Sull, Homkes, & Sull, 2015).

However, planning for success means really ‘fleshing out’ the discovery phase, ensuring that key players are present, developing anticipatory protocols for addressing challenges and opportunities that arise during the monitoring and controlling phases - facilitating the reevaluation of strategies. What the authors ‘hint at’ but neglect to delve deeper into, is the inclination - of for and nonprofit corporations alike - to approach strategic planning as a linear process, one which has a beginning, middle, and end.

The attitudes, which underscore the five ‘myths’ exemplify this - the notion that there is a final ‘step’ of planning, whether that be communicating expectations, assignment of projects, or executing action plans, etc. In my own experiences, I’ve found that the desire to rush through the planning process, to ‘get it finished’ is not uncommon. A sobering statistic quoted from the study by Sulls et al. stated that only 55% of middle managers surveyed could name even one of their companies’ strategic goals. Given the interdependent relationship between and across the sectors, this is pretty significant – and perhaps symptomatic of a greater challenge: the need for a mental paradigmatic shift in how we conceptualize and connect planning processes to impact, and public accountability.