
The logo for Accelare, featuring the word "accelare" in a bold, black, sans-serif font. To the right of the text is a green swoosh that starts under the 'e' and curves upwards and to the right, ending under the 'a'.

Why Good Strategies Go Bad

And What You Can Do About It

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VP/ Business & Technology Strategy

Accelare Webinar
December 3, 2013

Who is Accelare?



Experts in strategy management



**Business
Architect
Advocate**

- **Writer:**
 - Currently publish the blog: The Business Architect
 - Have written over 50 research reports and articles for Forrester Research, Cutter Consortium and others
- **Speaker:**
 - Regularly speak at industry conferences, universities, user groups, and companies on the topics of strategy management, business architecture, and organizational innovation
- **Consultant & Mentor:**
 - Work with a small number of business leaders and business architects to facilitate their growth and success



First: A word about strategy

All strategy is not the same



Not all strategy is strategy

Strategic planning

- Financial forecasting
- Demand projections
- Incremental change
- Resource alignment
- Demand awareness

Managing resources

Strategy crafting

- Envisioning new futures
- Organizational transformation
- Substantive change
- Insight and perspective

Growing capabilities

Strategy is difficult to define

Usage	Example
Strategy as goal	“Our strategy is to double the size of the company.”
Strategy as direction	“Our strategy is to become a global company.”
Strategy as plan	“Our strategy is to move our New York offices to San Francisco.”
Strategy as strategic landscape	Strategy refers collectively to: vision, goals, strategies, and objectives.



Why good strategy goes bad

Strategy execution is the **BIG** problem

- **37%** of executives say their companies are “very good or excellent” at strategy execution.
- **Only 23%** blame current economic conditions as a major factor in their lack of execution
- **53%** of implementers cannot state their company’s strategy in its entirety

2010 HBR survey of 1,000 executives

- **60%** of typical organizations do not link their strategic priorities to their budget
- **66%** of HR and IT organizations develop strategic plans that are not linked to the enterprise strategy
- **95%** of employees in most organizations do not understand their organization’s strategy

Robert Kaplan, *Harvard Business Review*

- **70%** of typical organizations do not link their strategic priorities to their budget

Mark Hughes, *Journal of Change Management*

The strategy articulation problem

STRATEGIC PLANS HAVE LESS STRATEGY THAN YOU THINK

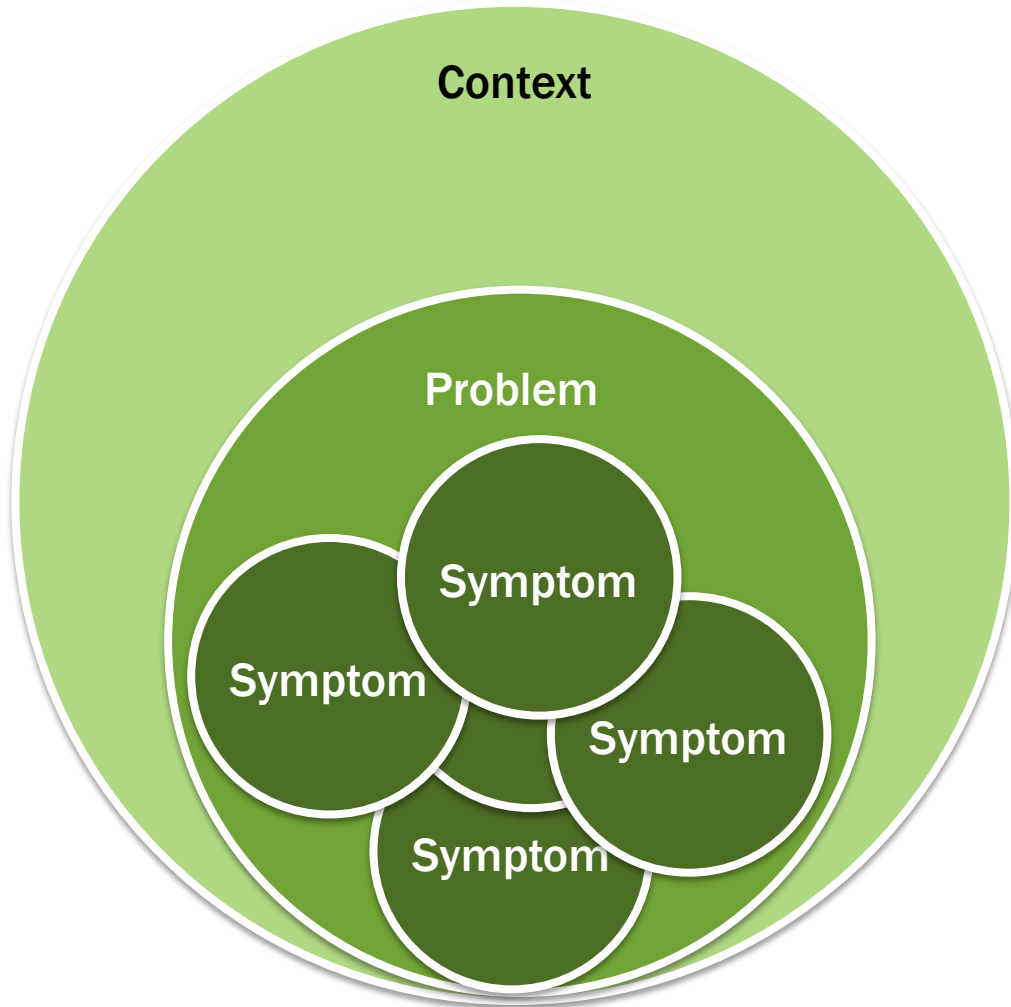


Examples

- Simplify existing process to increase efficiencies
- Explore new services for customers
- Maximize marketing effectiveness
- Develop products and services that are customer centered
- Deliver high value to customers
- Make education and outreach more effective
- Develop strategic partnerships to maximize value of services offered
- Lead the industry in deriving business insight from data

The strategy context problem

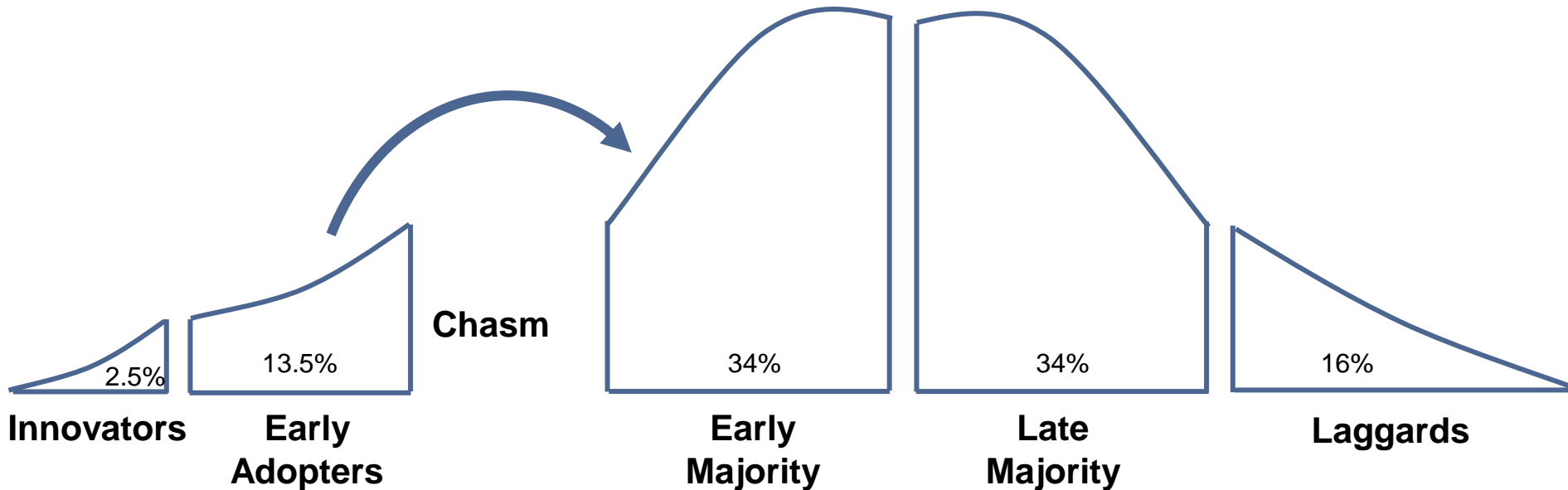
STRATEGY DOESN'T "FIT" THE PROBLEM



**Context
eats
strategy
for
lunch!**

The motivation problem

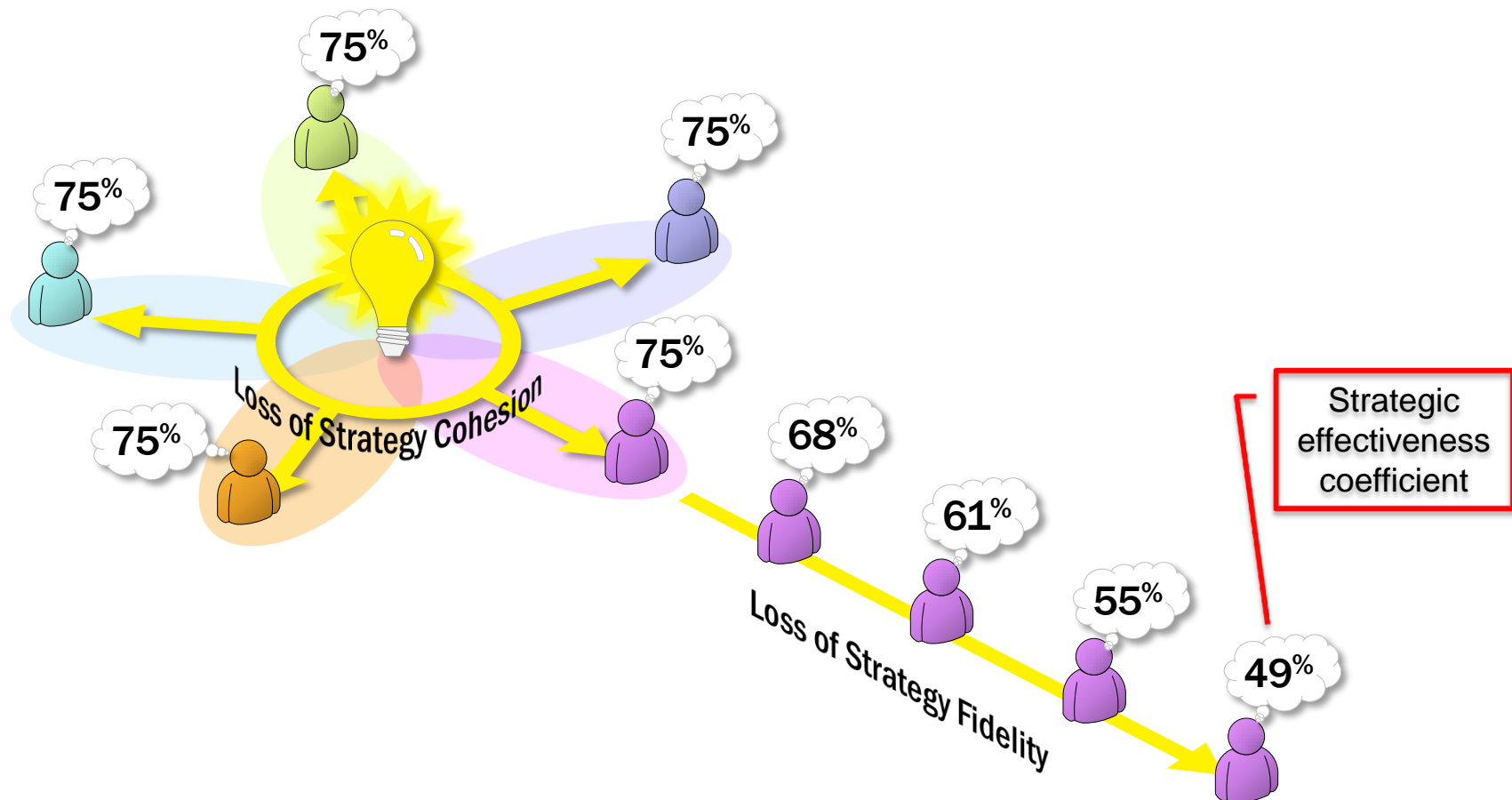
CROSSING THE CHASM IS MORE DIFFICULT THAN EVERYONE THINKS



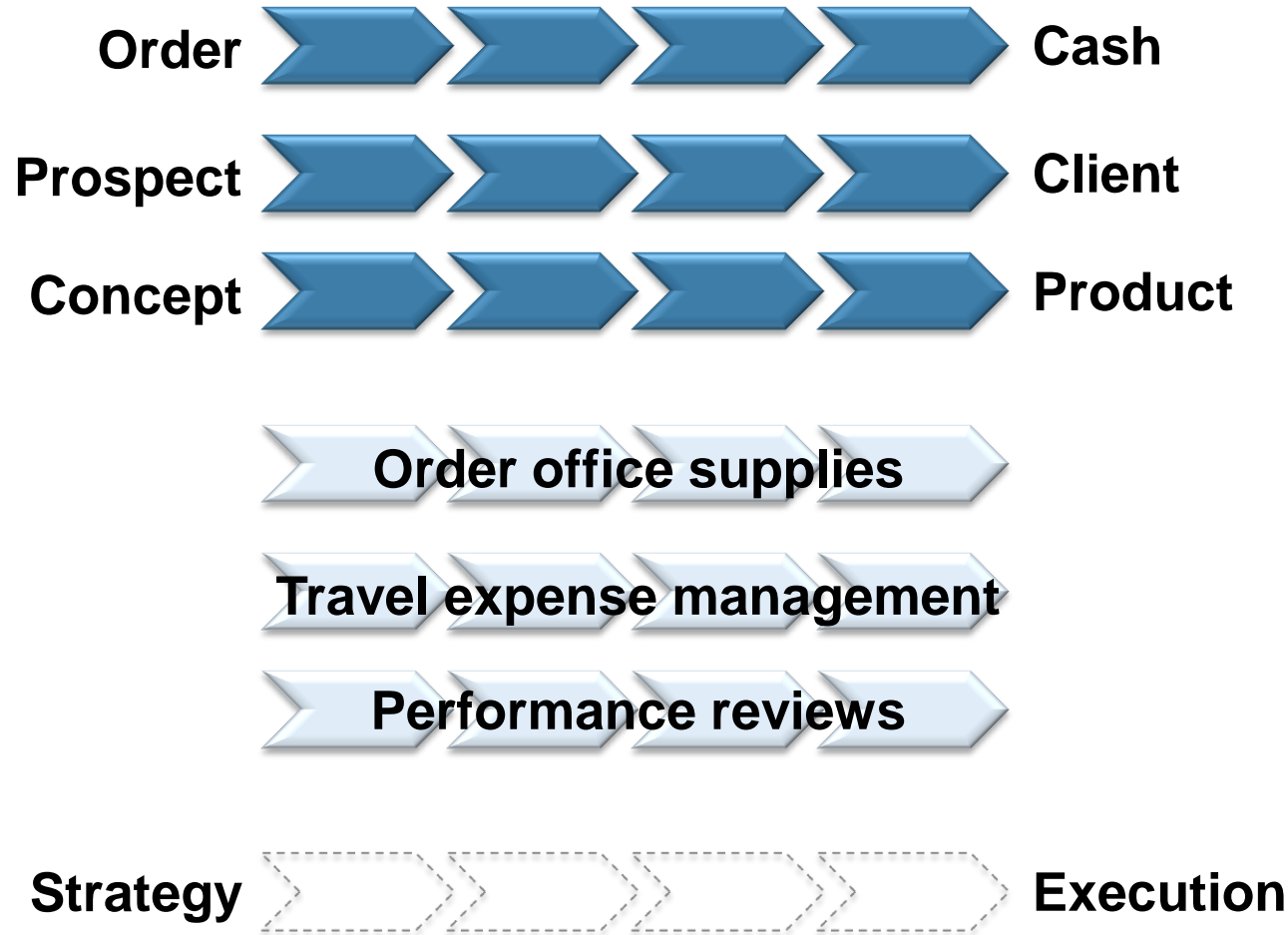
Crossing the Chasm,
Geoffrey Moore

The strategy diffusion problem

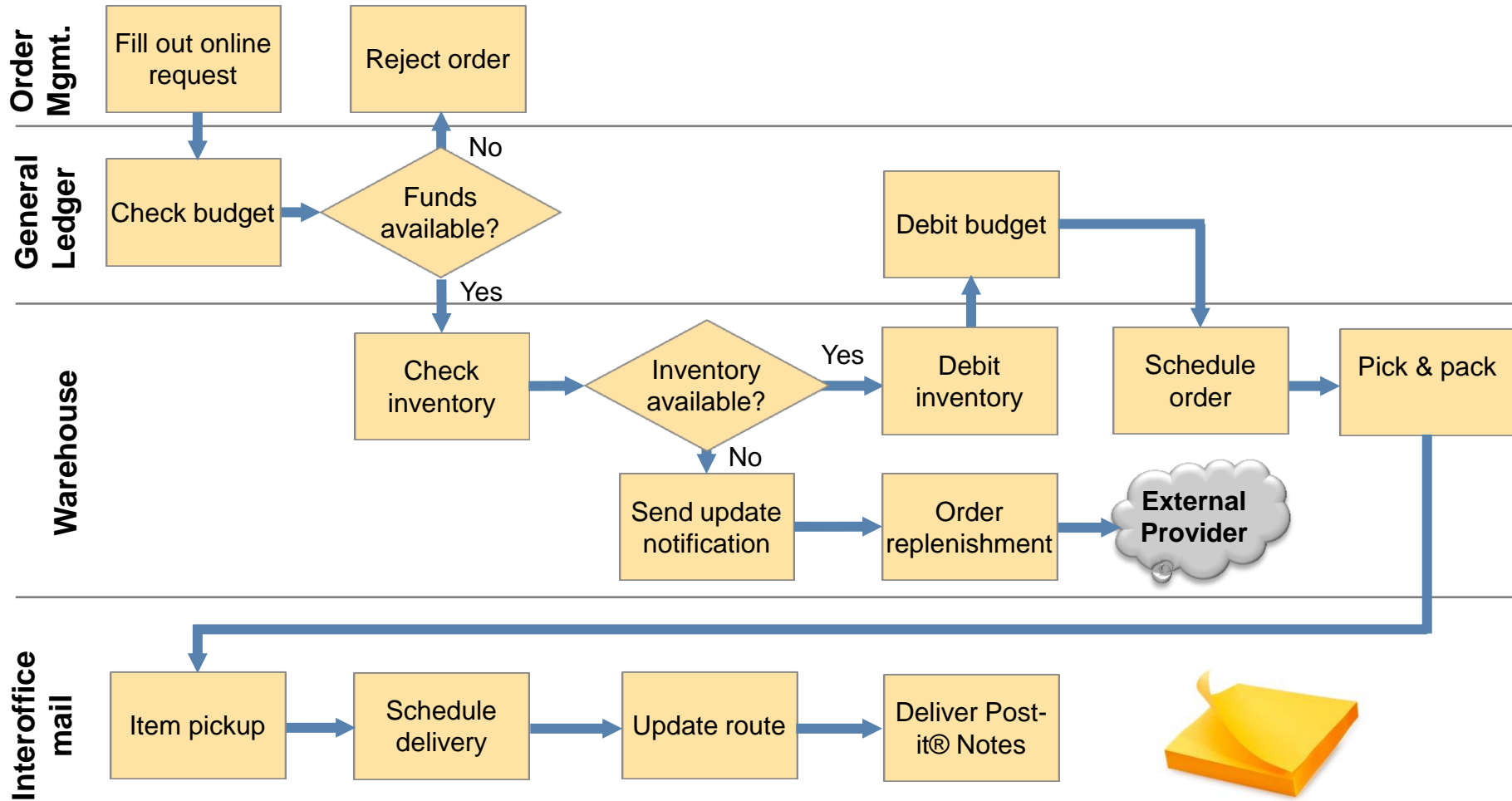
FEW PEOPLE UNDERSTAND THE REAL STRATEGY



Where is your strategy process?



Order Post-it® notes process



Implement strategy process

Executive
Management



Go do something !!!!



Everyone
Else

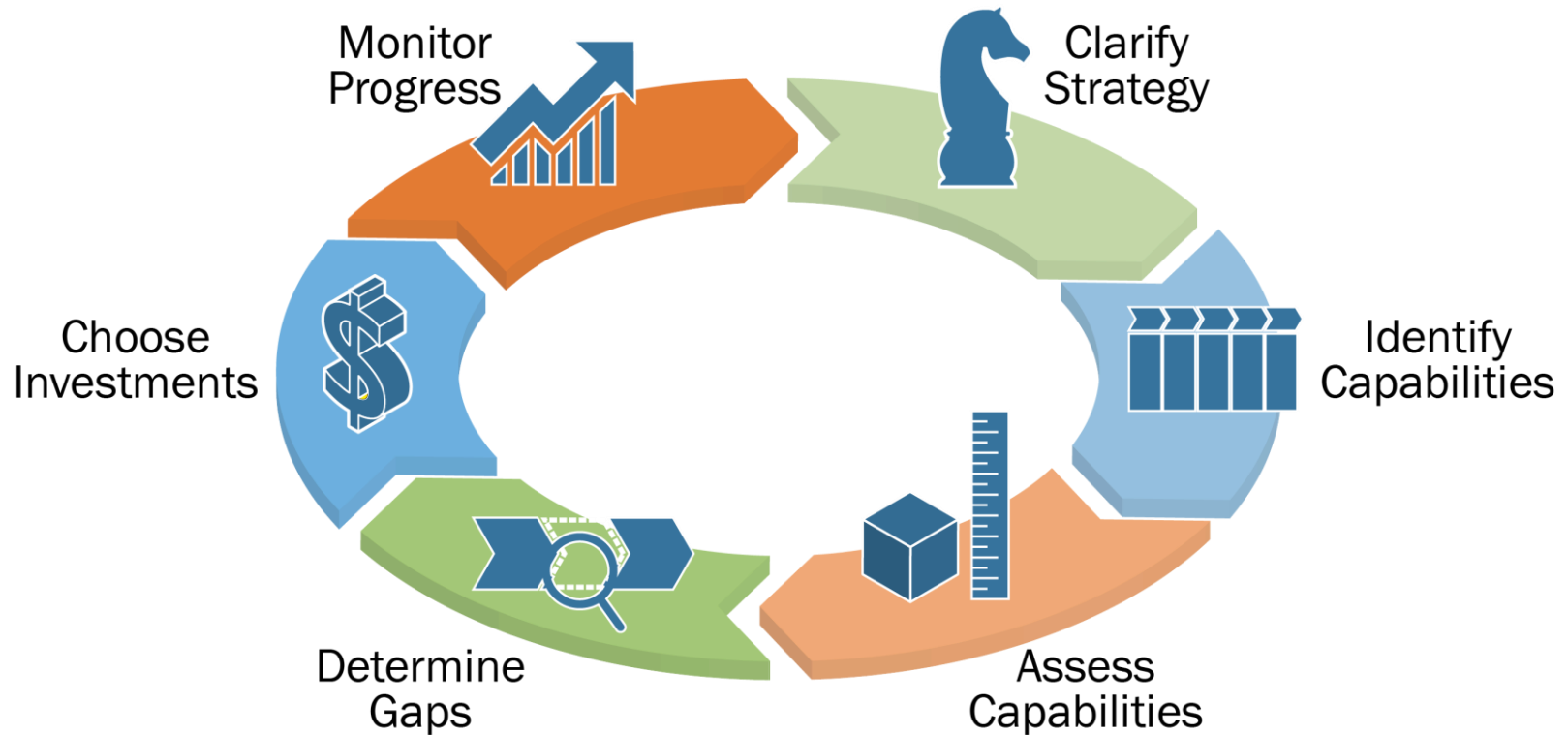




Manage your strategy execution

Strategy to execution management

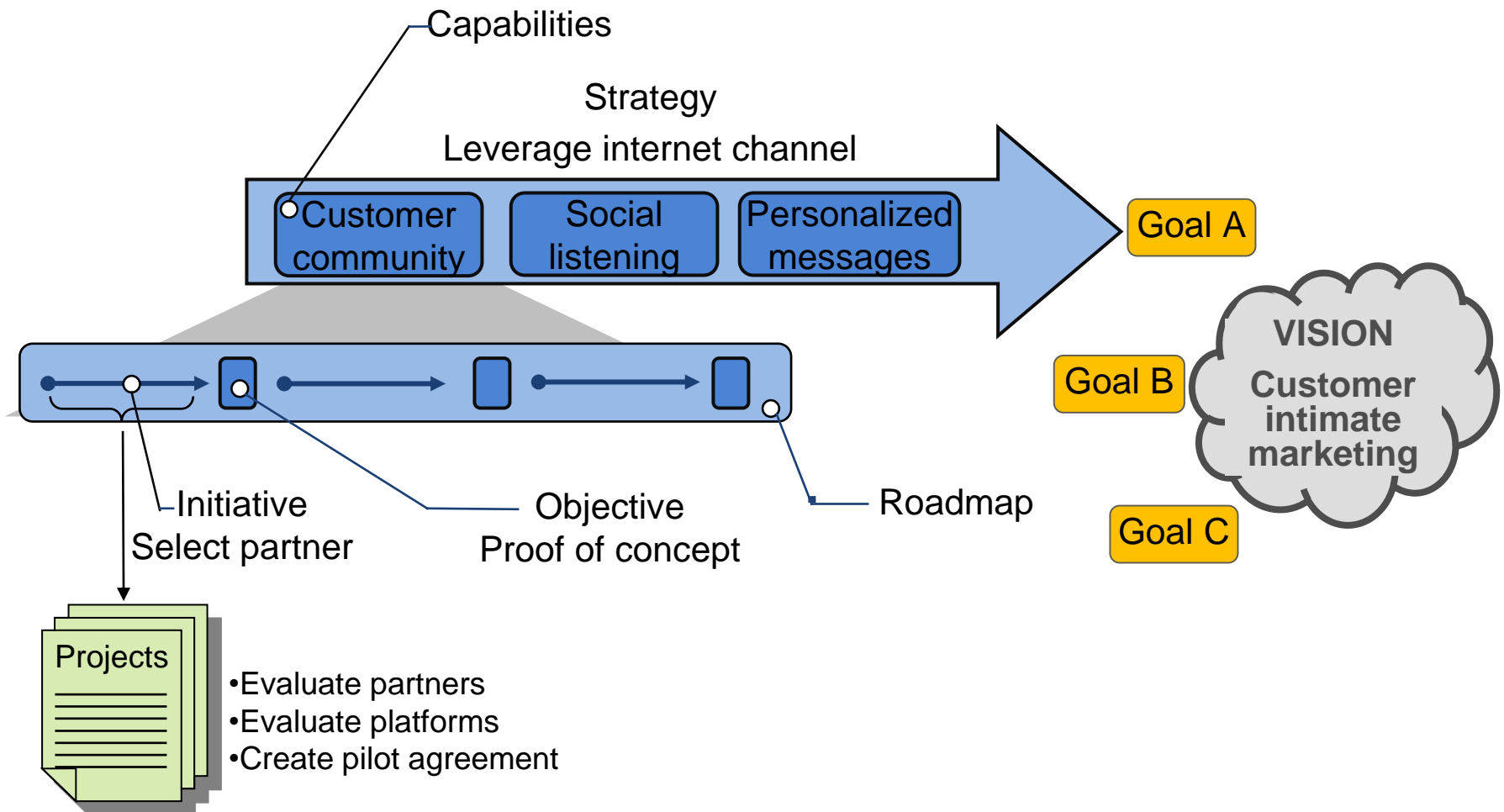
A FRAMEWORK FOR MANAGING STRATEGY



Create strategy definitions

- **Vision** — the future state of the organization
- **Goal** — qualitative results that define the attributes of the vision
- **Strategies** — courses of action that drive activities toward a goal
- **Road maps** — time-sequenced initiatives within a strategy
- **Objectives** — quantitative, measurable results that define strategy milestones
- **Initiatives/programs** — broad actions that accomplish strategy objectives
- **Projects** — activities that organize initiatives to attain objectives

Create a simple strategy model



Review what you have

Things to look for

- Corporate annual reports
- Mission, vision, and goals presentations
- Product strategy documents
- Departmental planning documents
- Roadmap presentations
- Public relations documents
- Marketing documents
- Support services strategy documents (IT, HR, Finance, etc.)

Examples

- Strategy Group Charter
- Strategic Plan (current year)
- Customer Service Roadmap-Strategy
- Strategic Drivers and PIE Strategy
- Goals and Mission Seminar Output
- Goals & Status Report
- Customer Experience Vision and Roadmap
- Technology Strategy Charter
- Customer Operations Strategic Business Plan
- IT Strategic Plan
- Strategic Plan - 5 Year View

Organize into a cohesive picture

whatfirst™ Site Actions Browse Page Search: ? Jeff Scott

Start > Strategy > Organizations > Acme Tool Group

Acme Tool Group

Edit Organization Delete Organization

Mission

Our company exists to make reliable products that improve workplace productivity and contribute to a safer work environment for those that use them.

Vision

Our vision for our company is to be the trusted domestic source for custom and off-the-shelf tools. We will offer our customers unbeatable turnaround for quality products that keep their production lines running. Our products will be innovative, reliable and designed with operator safety in mind. Our customer's employees will insist that our products are included in their approved products list.

Strategy Elements

Add Top Level Element

1
Product Research & Development Strategy

- Objective – Complete the upgrade of the custom engineering facility by 11/1/12
- Objective – Complete bi-annual review of trends in the use and development of Industrial tools
- Objective – Bring new Sheet Metal Pressing tool production facility on-line by 03/31/2012

2
Distribution Strategy

- Goal – Establish EMEA Distributor Network
- Goal – Conduct a review of direct channel buying preferences and collect suggestions for improvement

3
Global Sales Strategy**4**
Promotional Strategy Start
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Build a strategy template

Strategy On A Page		
Strategy Name: IT Innovation		Owner: Cindy Burk
		Scope: IT
Description:	Create the organization, processes, tools, and culture to drive a ten-fold increase in IT's ability to find, experiment with, develop, and implement new ways to exploit technology that create new products and service models for our business customers.	
Drivers:	<ul style="list-style-type: none"> Competitive analysis indicates competitors are more aggressive in incorporating new technologies such as smart phones and tablets into their product offerings and internal processes. Business strategy to acquire younger customers in the 22 – 35 age bracket. This age group expects high quality, any time, any place, self-service via the latest devices. Business strategy to reduce workforce by 3% per year for the next 4 years in non-customer facing roles will require new technology solutions at a lower price point. 	
Known Challenges:	<ul style="list-style-type: none"> Risk adverse culture Historically poor cross-organizational collaboration Low innovation process maturity 	
Implications:	<ul style="list-style-type: none"> Will require an additional funding pool for innovation projects Must move from ROI funding to risk based funding model for innovation projects 	
Critical Success Factors:	<ul style="list-style-type: none"> Overcoming cultural challenges Developing new capabilities along with the skills, processes, and technologies to support them Improving the speed to market of IT delivery 	

Differentiate & illuminate

VALUE MAP - STARBUCKS



Site Actions ▾



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Start > Strategy > Value Map > Starbucks



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Differentiate & illuminate

IT INC. - CURRENT VERSUS FUTURE STATE



Site Actions ▾



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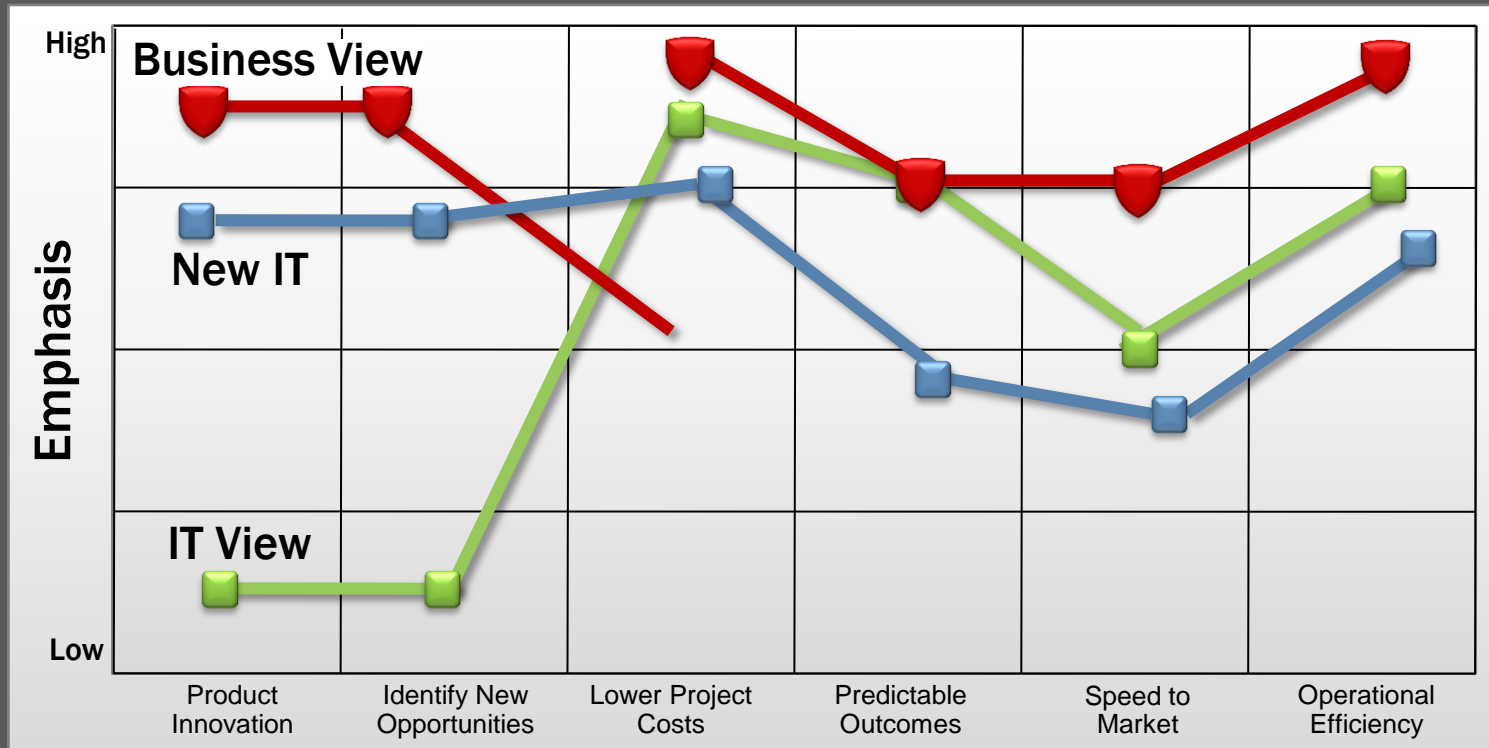
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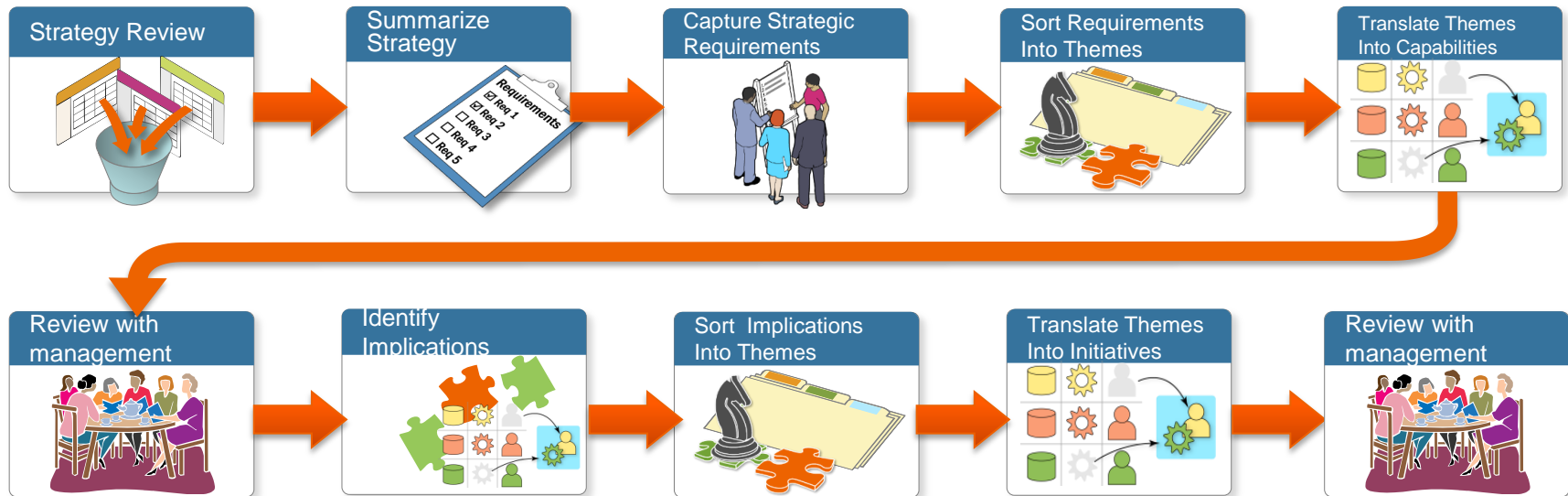


Reports



Lists/Doc

10 Steps for crafting business strategy from the bottom up



Stay in touch

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Questions and discussion

QUESTIONS ?



THANK YOU