**The Secrets to Successful Strategy Execution**

Gary L. Neilson, Karla L. Martin & Elizabeth Powers

*Harvard Business Review June 2008*

---

* This presentation is prepared by the author in one's personal capacity for the purpose of academic exchange and does not represent the views of his/her organisations on the topic discussed.

---

A strategy put you on competitive map...

---

...but only solid execution can keep you the destination.

---

Are we good at execution?

Over past 5 years,
- >125,000 employees
- >1000 companies
- >50 countries

“Are important strategic & operational decisions quickly translated into action?”

3 out of 5 – No!

---

Why fail at execution?

- Organizations fail at execution because they go straight to structural reorganization.
  - seems to be most obvious solution
  - changes are visible and concrete
  - may yield quick improvement in efficiency
Building Blocks for Strategy Execution

- Clarifying decision rights
- Designing information flows
- Aligning motivators
- Making structural changes

Online Survey

- More than 26,000 people in 31 companies
- To identify most effective actions in enabling organizations to implement strategy
- To rank actions in order of their relative influence

17 fundamental traits of organization effectiveness

Top 5 traits of organization effectiveness

Create a Transformation Program

- To identify sources of the problem
- To map improvements to building blocks
- To have phased implementation

Decision Rights

- Clarify and streamline decision making at each operating level
- Focus headquarters on important strategic questions
- Identify and eliminate duplicative committees
Information Flow

• Improve field-to-headquarters information
• Define and distribute daily operating metrics to the field or line
• Institute lateral moves and rotations

Conclusions

• To have successful strategy execution
  – clarify decision rights and improve information flows vertically and horizontally,
  – then alter organizational structures and realign incentives to support those moves

Comments & Suggestions?