



Getting to High Performance is a Journey...

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Strategy Execution Obstacles & Solutions

Howard Rohm, Co-Founder & President
Balanced Scorecard Institute

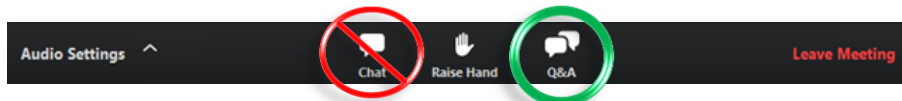


Caribbean Strategy
Summit
June 2024

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A Few Notes...

- Recording
 - We are recording this webinar and will email you the link to view the replay within 48 hours.
- Handout of the Webinar
 - We will provide a PDF copy of this webinar when we email the link for the replay.
- Questions during the webinar
 - Please use the Q&A box that is located on the bottom menu and type your question in the pop-up box. **Do not use the Chat box for questions.**
 - We will answer as many questions as time permits at the end of the webinar.



Your Presenter



Howard Rohm, SMP, BSMP
Co-founder & President
Balanced Scorecard Institute

- 2022 Hall of Fame recipient and former Board member, International Association for Strategy Professionals (IASP); Co-author, IASP Body of Knowledge and Certification Exams
- Founder and President, U.S. Foundation for Performance Measurement
- Co-founder, the Balanced Scorecard Institute
- Founder, the Strategy Management Group, Inc.
- Consultant, Booz Allen & Hamilton
- U.S. government executive, Department of Energy
- Creator, Nine Steps to Success™ Balanced Scorecard framework
- Co-author, *The Institute Way*
- Bachelor and Master's degrees in Engineering, Iowa State University and George Washington University

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BE THE MATCH

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WATER
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This Presentation

- Why Strategy Execution Fails - Obstacles and Challenges
- Strategy Execution Tools

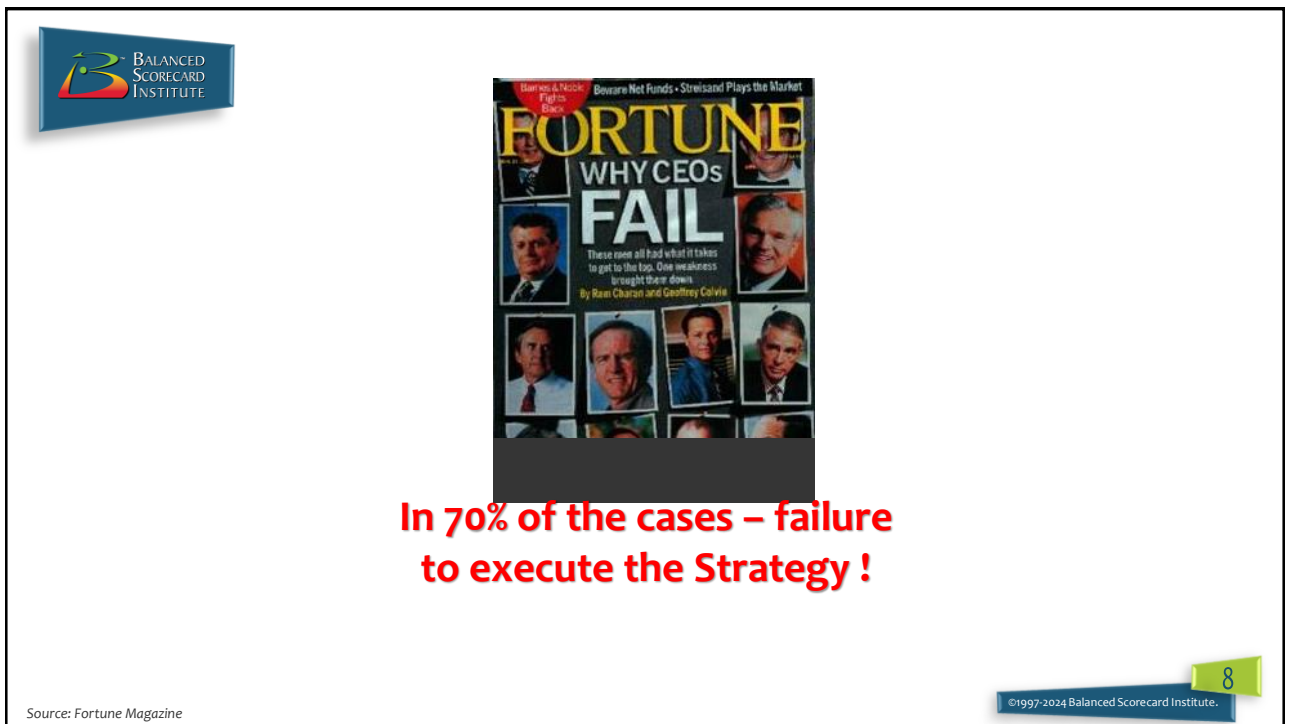
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Bridge the Gap Between Planning and Execution: The SE Imperatives



Key Concept: Identify the underlying causes of fails, not just the symptoms

Some Common Strategy Execution Challenges

Leadership and Governance Failures

- Unclear or missing Goals (Strategic Results)
- Unclear or poorly communicated strategy
- Organization structure doesn't effectively support strategy focus
- Disruption planning not adequate

Alignment Failures

- Unit operations and employees not aligned
- Sub-optimized operating units/technology choices
- Lack of a customer-centric focus
- Process bottlenecks and breakdowns

Performance Reporting, Analysis, and Informing Failures

- Too many measures... too little information
- Wrong measures/Poor target setting
- Performance data collection, analysis, and reporting breakdowns
- Poor reporting procedures
- Measurement unintended consequences

Project/Portfolio Management Failures

- Too many initiatives/projects and islands
- Projects/Portfolios not aligned to strategy
- Capability/capacity/competency deficiencies
- Lack of cross-unit coordination

Performance (Change) Culture Failures

- Performance culture missing
- Lack of accountability and ownership
- Resistance to change
- Cross-unit coordination missing
- Agility and innovation not integrated

Poor strategy... poor implementation... or good strategy/poor implementation... or...?

- An endless planning process: out of date by the time it is finally approved
- Too much emphasis on planning – too little focus on subsequent execution
- Plans that focuses on activities rather than outcomes/results
- Considering the strategic plan as just a set of initiatives or projects
- Limited ownership and accountability – hiding behind committees and meetings
- No clear goals or poor communication of goals and purpose
- A Vision statement that sounds nice but is open to many different, yet plausible, interpretations, with no clear Goals
- Poor alignment between Corporate and Functions / Departments
- Too many measures... too little information

Strategy Execution Solutions

- *Start with goals, and a strategy you can measure and communicate*
- *Use best practice SE tools and techniques*
- *Build an SE Roadmap*



“Begin with the end in mind.”

Stephen R. Covey

(Most organizations don't do this!)

Tool: Goal Setting

Organizational goals serve four basic functions:

- Provide guidance and direction
- Facilitate planning
- Motivate and inspire employees
- Evaluate and control performance



Strategic Goals

Deal with organization-wide desired results and accomplishments



Employee Goals

Deal with employee satisfaction, growth, and contribution



Operational Goals

Deal with efficiency, quality, timeliness of product/service creation and delivery



Societal Goals

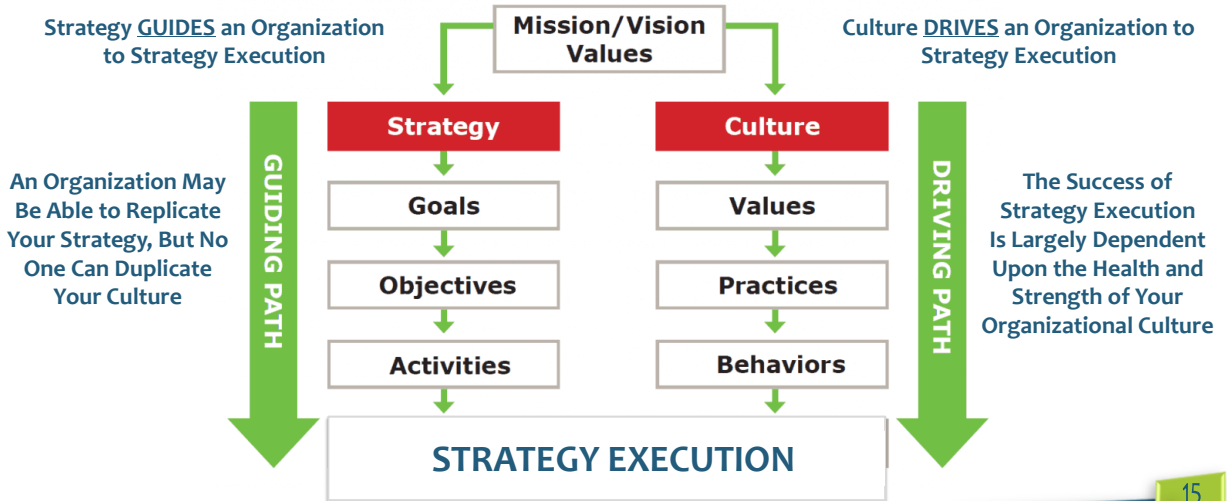
Deal with equity, social, diversity, environmental, and sustainability



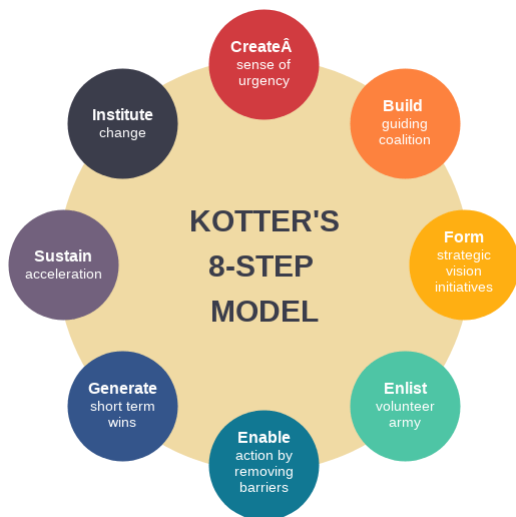
Project Goals

Deal with deliverables, resources, schedules, scope, and risk

High Performance Organizations Recognize the Importance of Dual Paths



Tool: Kotter's 8-Step Change Model – Move From an Unadaptive Culture to an Adaptive Culture



Leadership + Management

Places the Emphasis on the need to involve the leadership team with Change.

Mind + Heart + Celebration

Your strategy must consider what motivates each person in your organization to allow them to succeed in changing their behavior or attitude regarding Change. Take time to celebrate the wins.

Select Few + Diverse Many

Rather than giving direction, give your people a chance to lead. If you do this right, you may discover new leaders you did not know existed within your organization.

“Have To” + “Want To”

People are more likely to respond and become greater advocates for change if they WANT to help rather than merely doing what they are told to do.

Tool: Internal Communication Matrix Gets Employees “On Board”

Target Audience	Desired Behavior	Resistance Issues	Pain Solved or WIIFM	Key Messages	Medium & When	Who's Voice (Messenger)
Executives Directors Managers Other Staff	Examples: <ul style="list-style-type: none"> • “Walk the talk” • Unconditional support • Align department plans • Embrace change 	<ul style="list-style-type: none"> • Too busy • My bonus could change • No resources to support this • I don't see the benefits • I don't want to lose power & influence 	<ul style="list-style-type: none"> • Alignment means less unproductive activities • Prioritization = less fire-fighting time • Larger profits = higher bonuses • Career enhancement • Easier resourcing decisions • Corporate level recognition 	<ul style="list-style-type: none"> • If we don't initiate change, our competition will • You are a key component of strategy implementation • You will be better able to focus on leadership, strategy & customers • I expect you, at the minimum, to embrace this 	<ul style="list-style-type: none"> • Face-to-face meetings – first a breakfast meeting and then a series of half hour personal meetings with leadership team members) 	<ul style="list-style-type: none"> • CEO and COO

Tool: Inventory What You a Starting With Compared to Best Practices

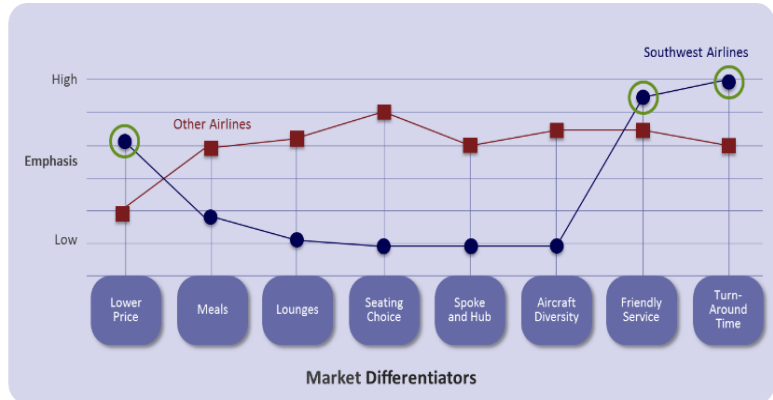
EXAMPLE

Strategic Components	Reviewed	Acceptable	Revision Suggested	Comments
Mission	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	Mission statement is old; revisit
Vision	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Developed & validated last year
Core Values	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Finished; revalidated existing
Overarching Strategic Result tied to Vision	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	Not developed yet
Communications & Change Management Plan	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	Not developed yet
Enablers / Pains	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	Have SWOT from a few years ago
Customer Needs and Value Proposition	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	Started; more discussion req'd
Strategic Themes and Results	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	Not developed yet
Perspectives	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Done
Strategic Objectives	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	Strategic altitude is wrong
Organization Strategy Map	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	Not developed yet
Performance Measures & Targets	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	First pass done; too operational
Strategic Initiatives	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	First pass done
Balanced Scorecard System Graphic	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	Not developed yet
Strategic Plan & Story	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	Partially done
Automation Plan	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	Not developed yet
Cascading Plan	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	Not developed yet
Evaluation Plan	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	Not developed yet

Tool: A Strategy Profile Helps Visualize Important Strategic Elements

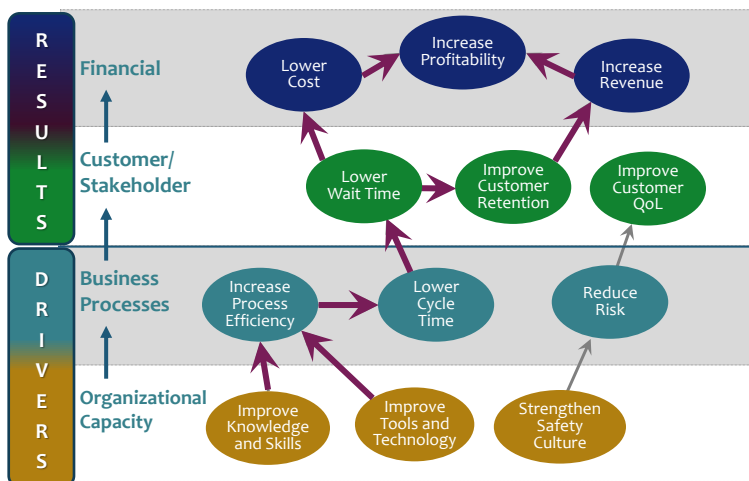
Use a Strategy Profile to:

- Develop your organization's competitive business strategy (applies to mission-driven and government organizations also)
- Evaluate how well you implemented your strategy compared to competitors
- Identify the most strategic areas to focus on in the future

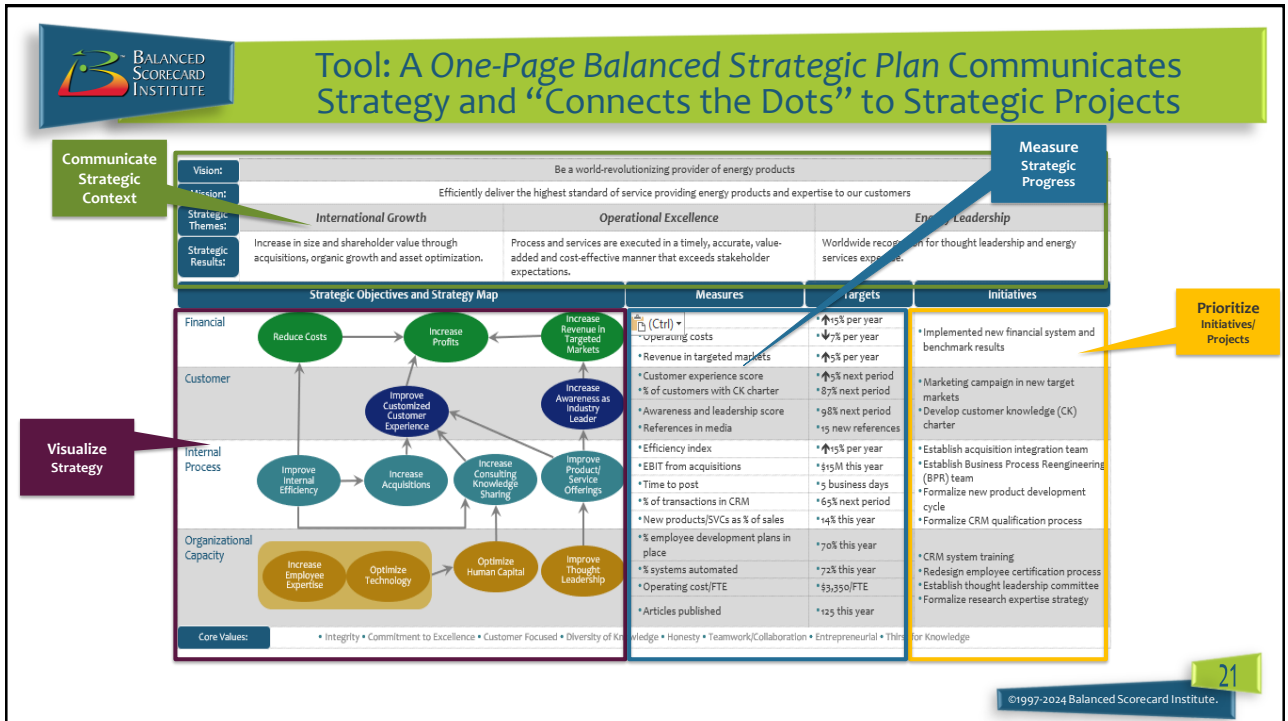


Source: Adapted from *Charting Your Company's Future*, W. Chan Kim and Renée Mauborgne, HBR, June 2002.

Tool: Strategy Map Communicates How Customer and Organization Value are Created



The Strategy Map Facilitates Strategic Conversations



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Alignment = Cascading Objectives

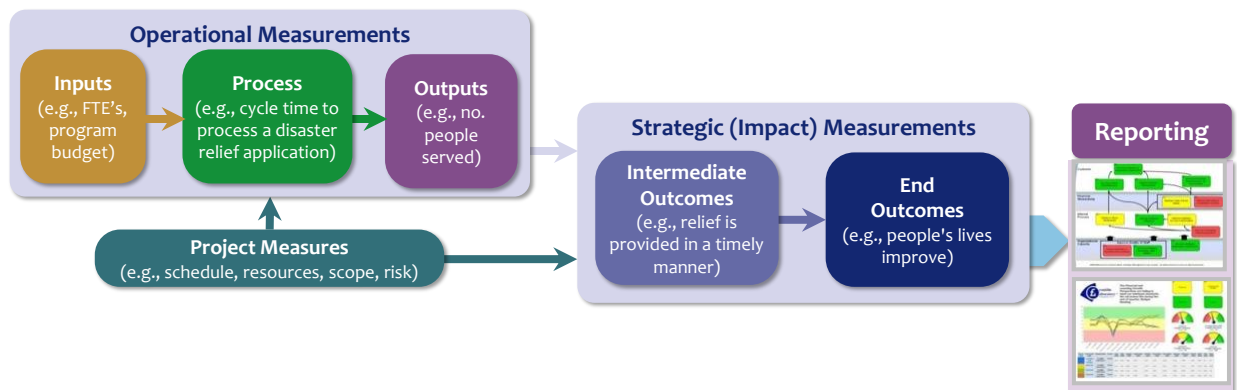


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Tool: Measurement Discipline – The Logic of KPI Development



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Tool: "Fishbone" Diagram Identifies the Measures that Matter



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Five Strategy Execution Imperatives



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Survey: Strategy Execution Assessment

Example: *Leadership & Governance*

	Not applicable	1 = Strongly disagree	2 = Disagree	3 = Somewhat disagree	4 = Neither agree nor disagree	5 = Somewhat agree	6 = Agree	7 = Strongly agree
1. Organization Core Values are clearly articulated and widely disseminated; leaders "walk the talk"	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
2. Key policy guidance, such as Vision, Mission, and/or Strategy, is clearly communicated throughout the organization	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
3. Customer needs and expectations are understood and acted upon	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
4. Executive actions reflect Board guidance and oversight	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
5. Leaders' roles and responsibilities are clear and are clearly communicated	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
6. Leaders create ownership and accountability in managers and staff	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
7. Obstacles and challenges to organization success are recognized and addressed by the Board and leadership	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Strategy Execution Assessment Survey: <https://www.surveymonkey.com/r/STEX23>

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Example Format:

STRATEGY EXECUTION ROADMAP						
Imperative 1: Leadership & Governance						
Component	Desired Outcome	Current Status	Underlying Challenges	Proposed Improvements	Owner	Priority (H/M/L)
Leadership and Governance	Boards and leaders know and execute their roles and responsibilities effectively	Good relationship between Board and leadership; some communications issues between leaders and managers	No formal communications structure	Leadership workshop	CEO	Med
Leadership and Management	Differences between leadership and management are reflected in our organization's work	Mixed roles – some leaders act like managers, some managers act like leaders	No clear understanding of different roles	Leaders versus managers training workshop	HR	High
Leadership roles	Leadership roles and responsibilities are clear and unambiguous	Four out of five leaders have clear roles and responsibilities	Obvious "turf overlap" with two leaders	Clarify roles and responsibilities	CEO	High
Setting organizational goals	Overall organization goals are developed and communicated, and translated into other level goals	Goals are clear at corporate level but could be better connected to our vision; goals not translated well below the executive level	No disciplined process of goal translation	Leaders and managers meet on goal translation	Executive Team	High
Communicating with clarity	Consistent messaging is apparent, and messages are in the appropriate "language"	Our public information office is on top of this—good messaging	No obvious flaws	None	—	—

Questions?

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