MAKING IT HAPPEN IN YOUR ORGANIZATION -
Turning STRATEGY into RESULTS in Dynamic Business Environments

by Mark Attila Opausky

Mark Opausky, CEO, Business Propulsion Systems Inc. provides us with some thought provoking insights into one of the biggest problems plaguing business today.

Proper execution of corporate strategies is arguably one of the most important and challenging objectives for a business. Leaders of companies routinely express concern about their ability to drive, change or alter the direction of their enterprise. As a result, they see lost opportunity and lost shareholder value.

THE STRATEGY

Imagine a mid-20th Century battleship commanded and crewed by your enterprise's team. This team is accustomed to local autonomy and is expected to solve local problems without 'Head Office' direction.

The Captain on the bridge develops a battle plan that involves a set of directions at set speeds with appropriate deployment of guns. He orders his senior officers to implement this plan. These officers are with the Captain and see the impending battle formations. They understand the purpose of and risks in the plan and attempt to execute it flawlessly. A Lieutenant directs: the Helmsman below deck as to course directions; the Chief Engineer, below in the engine room, as to the timing of the application of the different speeds; and the Gunnery Officer in the war room, as to the timing of the guns' firing – all planned to suit the exact planned course, speed and attack of the battleship. The Lieutenant's orders are precise and accurate. This level of rigor is essential because the Helmsman, Chief Engineer and Gunnery Officer are not on the bridge and cannot see what is happening.

The rudder was slightly damaged in a previous engagement and the Helmsman through experience knows not to stress it. He therefore eases the changes in direction. The Chief Engineer finds that he must accelerate quicker in order to achieve the top speed demanded. The Gunnery Officer recognizes that his reduced crew prevents the rate of fire expected and makes modifications by starting sooner and ending later in each fire cycle. The combination of these effects causes the ship to miss its targets.

Every officer and crew member did an excellent job. However, the engagement is not successful. The ship's maneuvers failed to achieve the Captain's plan.

The battle would likely have turned out very differently if the Captain had known the limitations on his ship's performance or, more practically, had seen the small challenges and resulting decisions made by each of his officers and crew. He would have likely modified his plan and maximized the chance of success.

What this illustration attempts to highlight is the way an enterprise attempts to implement strategy is often as important as the strategy itself. This article touches on key elements of the challenges in implementing a strategy, the characteristics of a solution to this challenge and an existing new technology that seeks to make this issue a thing of the past.

EXAMINING THE CHALLENGE

Three important questions CEO's should consider:

1. By what means does my organization transform my strategic direction into activities that will yield the intended results?
2. How do I, and my immediate team, know what is really happening during the course of this activity?
3. How do we ensure everyone's ability to respond to new information or changes in our business environment during the execution of the strategy?

In most enterprises, the strategic level, including the CEO and senior executives operate in a cluster of meetings, analyses and reports. The tactical level below them, managers and their subordinates, works in a world where they must balance business processes, knowledge, documents and data, schedules, problem resolution and more. The strategic level communicates its direction to the tactical level, which in turn interprets this direction into projects and activities using the company's knowledge, processes and people. The detailed work is actually accomplished inside the structure of the separate departments or disciplines of the enterprise. People will be scheduled to conduct work either as part of a formal process or on an ad-hoc basis applying their expertise and knowledge to information that they are given. Numerous documents will be created and data will be developed and passed back up to the strategic level for periodic review and to gage the company's level of achievement. All of this activity will be conducted against the backdrop of normal, daily business operations. The activity will cease when the strategic level decides it has either achieved the expected goals, changes the strategy or suspends the initiative.

Despite the presence of excellent, hard working people, the overall process of executing a strategy as described above is wrought with expensive inefficiency. Studies of the nature of this inefficiency show that costs spring forth from the misalignment of three core areas: planning, accomplishment and reporting.

Once a strategy is defined, a cycle of planning and scheduling cascades through the company and breaks the goals down into projects. This cycle will create and document elaborate promises to deliver results based on time lines, budgets and resources. However, once activities on the project begin, reality comes into play and the value of the original plans is compromised.

Accomplishing a project requires potentially hundreds or thousands of people across the enterprise whose work must be planned and coordinated. This work happens either as part of a recognized company process or as ad-hoc work, problem solving sessions, negotiations, etc. Information and results developed during the completion of these activities can affect all other work in some fashion. For planners and managers in the hierarchy, failure to constantly perceive this effect and make timely adjustments, corrupts the course of the projects and makes the original plan, as a whole, irrelevant. This ultimately results in people working on activities that are not in line with the overall strategy. Though the work itself may be conscientiously and expertly conducted, it could have been initiated for the wrong reasons or is being conducted with the wrong assumptions or information. This kind of systemic miscoordination results in a ripple effect of wasted efforts and expensive errors. It also makes it virtually impossible to measure the true overall progress of the strategy. In fact, the reports commonly required by the company's managers interrupt the work completion process by requiring people to stop working in order to explain what they are doing. This disruption makes the cumulative costs of reporting high, yet does not answer the previous underlying question as to whether or not the work being measured is actually helping the company move forward on its stated strategy. The planning, accomplishing and reporting activities often create a viscous cycle that wastes resources, does not allow for adaptability and obscures the truth.

As a result, we have managers reporting on the work of people, who are expending resources to accomplish activities that may or may not match the plan, which are not based on reality.

In response to this cycle, companies have normally adopted tools or behaviors that are designed to increase communication throughout the organization. The most standard tactics are the increase of the volume and frequency of meetings and the creation of reports at all levels. As mentioned earlier, neither of these approaches addresses the essential issues: **Is the work that all people are doing in service of this strategy ultimately going to provide the expected results?** Are people working towards the same goal and is the path to that goal being distorted as the projects move forward?

Another common approach is to adopt software technology in hopes that it will paint a better picture of how the organization is proceeding with the strategy. Most software marketed to this space can be categorized as some form of report generating tool. In this scenario, people throughout the organization update information on their computers so that it sums up and presents a picture of what is going on to managers and executives. While the concept is not without some merit, the essential problem of quality of information still exists. In most cases, the reporting tool is not really part of people's daily work and is seen as a distraction. In addition, people understand that the results of the data that they enter ultimately flow back to senior management or the executive level. Therefore, this reported data is often less than completely accurate or current.

In a recently reviewed global organization, all participants in several large scale projects were asked to indicate their percentage completion on project related activities on the Friday of every week. At significant expense, software was put in place to generate an attractively assembled top level view of the forward motion of these projects based on the inputted team data. However, the level of completion indicated by each employee was subjective and was based on a combination of what they interpreted "complete" to be and what they expected their management needed to hear. The company in question then initiated bi-monthly reviews of the data with departmental managers who were asked to explain and defend the percentage completion data entered by their subordinates. The whole process was estimated to cost $1 Million U.S. per year. The senior executives continuously expressed frustration at the apparent conflict between the data, which said they were on track, and reality, which showed they clearly were not. This frustration actually drove the creation of more meetings and data collection, which the employees saw as a further and significant distraction from the work they were engaged.
The executive's attempts to measure the progress of their strategies was well intentioned, however, these same attempts did not return any value to the organization and arguably hindered their forward motion. The executive level simply needed to know: "How are we doing?" and instead they received an expensive and highly subjective report on: "How much are we doing?"

ELEMENTS OF THE SOLUTION

The solution to this problem has been the subject of considerable study. Researchers have analysed the path that information takes as it evolves from a strategy at the top of the organization and is transformed into activities where money and other resources are used.

The input and output of all of these processes and their subsequent interactions in both formal and informal projects reveal a solution that balances four key concepts:

o **Strategy, planning and work completion activities must be directly linked to one another.** This is a collaborative problem requiring participation and visibility throughout the organization. Everyone must be included
o Noise or **information overflow must be reduced.** All information, instructions, knowledge, data, etc. must be disseminated at the correct levels, with the correct perspective, at the correct time
o Measuring the effectiveness or progress of work must **not disrupt the work itself**
o Measuring work must be smart! People need to see if the work they are doing and the decisions that are being made are **correct with respect to the work itself and to the overall project or strategy**

The first two points seem at odds. To bring together all people involved in executing a strategy means providing information to potentially thousands of individuals. Doing this without overwhelming everyone with files, messages and data is essential. Business technology has largely failed to deliver a simple way to do this. Instead companies are left with overloaded inbox's, multiple communication portals and central document file systems that are cluttered and difficult to navigate. To expand these traditional systems and meaningfully include all participants may seem unrealistic.

Similarly, the last two points also seem to be in conflict. To attain accurate measurements and reports, one must normally ask the people involved to enter data into systems following the completion of their work. This extra task, however, takes time away from doing work. The burden is further compounded because companies could clearly benefit from up to the minute information that broadcasts what people are doing, why they are doing it, their assumptions and also deviations from plan.

Finally, as most leaders understand, organizations must leverage all assets, especially the talents and insights of their people. Achieving the kind of balance suggested above must not compromise people's ability to be passionate and interested in their work. Creating a purely mechanical environment or scientific management style approach controlled by rigid process covering every possible action is not practical and has failed in the past.

COLLABORATIVE BUSINESS ACTIVITY MONITORING - Navigating the Storm

Collaborative Business Activity Monitoring (C-BAM) is a technology solution that is designed to achieve the kind of balance described above. Its core is a live activity framework that helps people understand and complete their work. It delivers and receives their files and coordinates their efforts with all other efforts within the strategy.

As people complete their work, the system automatically captures and places in context all pertinent information related to their progress, decisions, activities, files, problems and more. This alleviates much of the burden and subjectivity related to reporting and data gathering activities during the course of the strategy. The system also makes itself a valuable part of each person's work experience because it helps them get started and complete their work faster with less interruption or distraction.

The technology coalesces the effects of thousands of events happening simultaneously in order to inform the strategic level how the strategy is supported or hindered in simple terms. Adjustments can be made directly on the system by key planners and strategists that have an immediate effect on the work being done throughout the company (much like steering a large ship). This kind of system is designed to include all affected parties to a strategy including clients and suppliers whose efforts and visibility need to be managed.

The system has two fundamental concepts:

o A highly flexible event-focused collaboration system that directly implements project plans as managed events or a combination of company business processes (or both). This system can touch all people and business processes involved in the undertaking and keeps the events, plans and perceptions live and synchronized throughout the enterprise.

o An activity monitoring system that quietly maintains high level visibility of how all activities are contributing to particular strategies. The information presented is accurate and current, allowing strategists to see progress, risk and opportunity at all times.

What makes this technology different is that it is designed to be used by people with relatively little indoctrination and it can scale cost effectively to encompass the efforts of a corporation locally or globally.

BPS - Business Propulsion Systems Incorporated is the leader in this area of study and solution technology. The company's mission is to provide real strategic control to CEO's and their staff, making even the largest companies easier to steer and more responsive to changes through efficient and universal coordination and accomplishment of events.

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