

EXCELLENCE *in* EXECUTION

In both periods, our biggest challenge has been to get the organization moving and committed to our broad directions. I call this getting strategic alignment, perhaps a little bit deeper than what Robin refers to as “creating awareness”. I find that while making a strategic choice is a question of weeks, getting alignment take much longer. Simple and memorable communication is an important part of this, as is the communication platform itself. An occasional (or even regular) email from the top will prove to be woefully inadequate. Town halls, workshops and two way dialogues are some tools that have helped. Most importantly, you need to create “ambassadors” ... a body of front line leaders who will champion the message at various levels within the organization.

Setting the bar high, or committing to excellence, is a second big hurdle. Often this requires a dramatic shift in organization culture. In our own case, we needed to move from a somewhat bureaucratic culture to a more entrepreneurial and nimbler one. Creating such a culture change requires more than just preaching. We found that creating specific platforms for customer experience and innovation, and a process improvement methodology based on human centered design helped create a way for people to learn through doing. We had to ensure that people believed it was okay to take some risks, and that mistakes were acceptable if one learnt from them. A commitment to training (more than classrooms, we focused on exposure and experience) and internal mobility, accompanied by a robust talent identification and development program were key ingredients as well.

Having a rigorous business system with appropriate measures is the third piece in the puzzle. At DBS, we focused on creating appropriate Management Information Systems, and embraced the balanced scorecard approach, but made this a living tool. The scorecard is balanced across time (tactical versus strategic) as well as across stakeholders (shareholders versus others). It is agreed with the Board at the beginning of the year, and is cascaded down each operating unit. Individual KPIs are linked to the scorecard, so that there is clear line of sight between employee goals and organizational imperatives. There is a well-established rhythm towards performance monitoring, and rewards are closely linked to scorecard outcomes.

I do not wish to suggest that we have it all figured out... far from it. However, I do want to suggest that our case study helps exemplify some of the practices that Robin has covered in this book so well. The greatest of strategies will fail if not executed well, and execution is a discipline that can be learnt.

Enjoy the book!

—**Piyush Gupta**, Chief Executive Officer, DBS Group

Introduction

Many people see execution as the toughest part of the strategy-execution equation. I see it as the most exciting and appealing part. Why? Because it's in the execution you realize the results, recognize the financial benefits and deliver on the strategy's phenomenal opportunities.

My personal mantra is “to transform the execution approach globally by changing leaders' attitude and approach.” This passion has inspired me to write my fourth book on the subject, *Excellence in Execution—HOW to Implement Strategy*.

This book introduces the research, new thinking and methodology adopted by the clients of the consultancy I founded and operate, Bridges Business Consultancy Int. Bridges has been fortunate to work with clients that include Singapore Airlines, Cisco, Ikea, Estee Lauder, Visa, Honeywell, LVMH, Citigroup, Wipro, DBS Bank, Oracle, AXA, Ministry of Defense, UBS, Petronas, Home Credit, Microsoft, Aditya Birla, Jardines, MSIG, Standard Chartered, Philips, Informatica, UOB, Schneider Electric, B Braun, Autodesk, Maersk, East West Seed and many others.

My first book on implementation, *Bricks to Bridges—Make Your Strategy Come Alive* (published in 2004), has become an international bestseller. It

explains why change management doesn't work when implementing strategy and why *execution* deserves to be a separate topic from *strategy* (which it was not at the time). *Bricks to Bridges* also introduces the Implementation Compass™—a framework for identifying the right actions to implement strategy.

In 2010, John Wiley & Sons published my follow-up book *Beyond Strategy—The Leader's Role in Successful Implementation*, also a bestseller. It was born out of feedback from leaders who said they learned from *Bricks to Bridges* what the *organization* had to do but not what *they* specifically had to do to lead the implementation.

In 2014, the eBook *The Pocket Book of Excellence in Execution—136 Key Messages for Your Success* was published. It assists leaders in understanding the execution challenge by providing tips, skills and best practices to adopt.

Now, *Excellence in Execution* provides you with the components you need to execute strategy well. It features 182 questions designed to create your organization's execution plan and 72 Powerful Execution Tips that are available as a separate eBook, *Building Your Execution Plan—182 Strategy Implementation Questions* and . . .



12 Checklists of questions to ask and actions to take



18 Toolkits you can readily adopt

Key chapters start with a QR Code access to a video that introduces the chapter's content and asks a provocative question. Please visit www.excellenceinexecutionbook.com/video to view all the videos.



Scan this QR Code to see my introduction video to the book.
(To download the scanner app go to www.scan.me/download).

The Implementation Hub (Hub)

This is the world's first portal to provide a singular link for finding a wealth of implementation knowledge. For access to download the toolkits, checklists

and other material, visit www.implementation-hub.com/tools_tips_techniques/excellence-in-execution.

I created the Hub in 2013 as a central depository. It now features more than 500 tools, videos, templates, techniques, tips, best practices, media presentations, case studies, audits and other useful resources. This easy-to-access resource allows you to find what you need about implementation in one place. You'll save hours searching through endless websites, documents and blogs for material that supports your success. Specifically, you'll access supplementary information about strategy implementation including all the checklists and toolkits from *Excellence in Execution*.

Part One: Transforming the Approach

Part One of *Excellence in Execution* introduces opportunities for leaders to transform their approach to strategy execution. It explains the shift in thinking required to achieve Excellence in Execution. It also introduces new tools and language such as the Strategy Cadence, Execution Juxtaposition, Decoding the Execution Challenge, Mavericks Network, Review Rhythm and the Three Themes Broad of Execution, explained in depth in Part Two.

Part Two: Making It Your Own

The Three Broad Themes of Execution serve as the backbone for Part Two along with an in-depth case study on DBS Bank, one of the leading banks in Asia, and 182 designed questions for leaders to ask as they develop their execution plan.

The Three Broad Themes of Execution guide you through what needs to happen in your implementation journey to ultimately achieve Excellence in Execution. The themes are:

- Create Awareness
- Build Excellence
- Follow Through

DBS Bank has recognized the need for both a winning strategy and a successful execution. CEO Piyush Gupta and his leadership team kindly allowed

me to interview team members, research the bank's approach and detail its successful five-year implementation journey for this book. A shorter version of the case study is available to purchase from Singapore Management University with teaching notes at <http://casewriting.smu.edu.sg/case/dbs-bank-transformation-through-strategy-implementation>.

At the end key each chapters in Part Two, you'll find thought-provoking questions to ask as you build your organization's execution plan. The HOW (How Organizations Win) echoes the book's subtitle through these questions.

Throughout both Part One and Part Two, you'll find Powerful Execution Tips, which are snippets of best practices. You can download a summary of these tips from the Implementation Hub at www.implementation-hub.com.

Excellence in Execution aims to transform your thinking about strategy execution and how you approach it. You won't always agree with everything you read, but that's my goal. I aim to provoke you into *thinking differently* and *taking different actions*—ones that can reverse the staggering failure rate of execution and assist in your organization's overall success.

I wish you all the best on your implementation journey. Please share with me your thoughts and experience as you apply what this book provides.

Robin Speculand

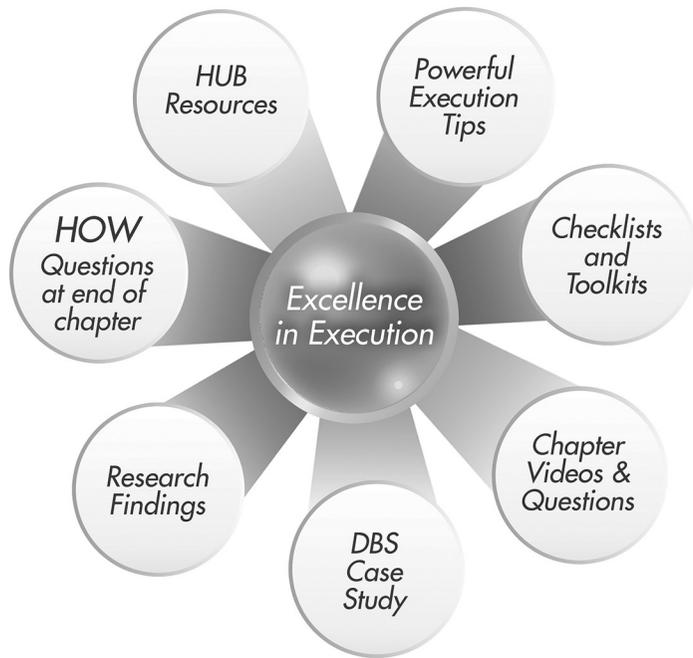
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<https://twitter.com/speculand> and

<https://www.facebook.com/BridgesBusinessConsultancy>

How to use *Excellence in Execution* for maximum value



Author Profile

The current approach to implementing strategy is not working, and a different thinking is required.

Robin Speculand is driven to transform strategy implementation by inspiring leaders to change their attitude and approach. His work begins when leaders are crafting their organizations' strategy and starting to define how to implement it.

Robin is a global pioneer and expert in strategy implementation. He is the founder and CEO of Bridges Business Consultancy Int and creator of the Implementation Hub—the first portal in the world dedicated to strategy implementation featuring over 500 resources. Since assisting its first client, Singapore Airlines, Bridges has worked with governments, multinational corporations and local organizations across five continents to execute their strategies.

Guiding Bridge's clients' implementation journeys involves transferring knowledge, tools and templates developed over two decades. Tools Robin has innovated include the Implementation Compass™, a proprietary framework for successful implementation, IMPACT, a toolkit with a structured approach for implementing actions in 90 days and Readiness2Execute, an audit of your organization's execution capabilities.

A prolific writer and thinker on implementing strategy, Robin is an international bestselling author. His books include *Bricks to Bridges—Make Your Strategy Come Alive*, which set the benchmark for new thinking in his field, *Beyond Strategy—The Leader’s Role in Successful Implementation*, John Wiley & Sons, *Building Your Execution Plan—182 Strategy Implementation Questions* and his latest, *Excellence in Execution—HOW to Implement Strategy*, Morgan James, that provides a new approach to adopting the right mindset, toolset and skillset.

His pioneering work has been featured on the BBC U.K. & Global, CNBC, Financial Times, Sunday Telegraph and Singapore Straits Times and in strategy journals and international print.

A sought-after keynote speaker at strategy and international business forums, Robin is also an award-winning case writer, an educator for Duke CE, the co-founder of the Strategy Implementation Institute, and an adjunct faculty member at the Office of Executive and Professional Education in Singapore Management University. Outside of work, he’s a die-hard ironman athlete.

Robin Speculand is a global pioneer and expert in strategy implementation.

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Part One
**TRANSFORMING
THE APPROACH**

Your Strategy on Trial



Video Quiz: Is it better to take either no action or the wrong action when executing strategy, if you have to choose?

*A*s an essential business topic, strategy execution is in its infancy. Yet it's quickly evolving as leaders demand more knowledge, structure and resources on how to achieve it. When they address how to *execute* strategy, it's not always with the same energy, drive and conviction they applied to *crafting* it. Often, they are missing the skills and tools needed to excel in their execution efforts—a gap I aim to close with this book.

A leadership team doesn't walk into a conference room and declare, "Let's create a bad strategy!" Although they believe they have crafted a winning strategy by the end of the planning, *they only know if it's good once it's executed.*

Each step of your *implementation journey* (the words "implementation" and "execution" are used interchangeably and the term "implementation journey" carries your thinking forward) creates an opportunity to dramatically improve employee engagement, culture, performance and profits. Leaders can seize

this phenomenal opportunity by recognizing *why* execution has previously failed and *what* needs to happen differently to succeed. They can then lead the organization through the journey, delivering on strategy promises to customers and stakeholders along the way. By crafting a winning strategy and achieving Excellence in Execution, you have a powerful business differentiator over your competitors and the payoff is tremendous.

In addition, a well-led execution creates a positive environment, empowers people to improve the way they work, eliminates non-value-adding tasks, has specific measures and targets, and challenges obsolete procedures. It also encourages innovation as well as the right actions while regularly reinforcing and reviewing the strategy.

Once the execution begins, the theory starts to become the reality. The hard work of planning your organization's future comes into play as you test the thinking and assumptions. You discover how good (or bad) your strategy is. In effect, the strategy is being judged as if it's on trial.

Powerful Execution Tip: After about six weeks, half the assumptions made on a strategic decision are forgotten. As we tend to forget assumptions, write them down and review them regularly to make sure they're still relevant.

When it's not the right strategy or it has been poorly executed, a negative cycle is set in motion that can lead to losing customers, top performers, revenue and market share.

The goal is for the leaders *and* people throughout the organization to understand HOW (How Organizations Win) to achieve Excellence in Execution so your strategy succeeds.

Why Focus on Excellence in Execution?

The 1950s-era criminal Willie Sutton was asked why he robbed banks. He allegedly replied, "That's where the money is." Similarly, why should leaders focus on Excellence in Execution? Because that's where the phenomenal opportunity is, as most organizations are still very poor at it.

Over the past decade, the latest research by Bridges¹ and others show an overall improvement in execution of strategy. (See Bridges' Research in Chapter Two.) Still, the current high failure rate demonstrates there's a long way to go. The methodologies, tools, techniques, templates, tips and other material available in this book assist you throughout your implementation journey.

**Excellence in Execution assists leaders in
achieving a greater than average revenue growth.**

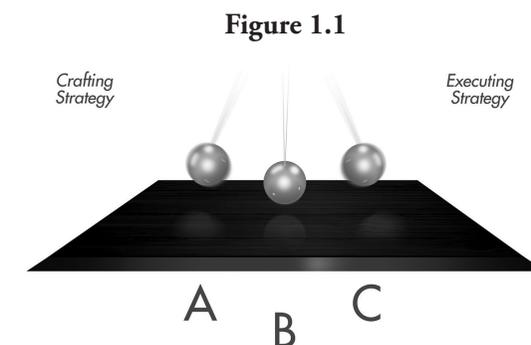
Execution is the Achilles Heel of Strategy

If too much emphasis is placed on strategy compared with execution, then it leads to lower levels of performance because leaders become occupied with *crafting* it rather than *executing* it. High performance comes from striking the right balance between crafting strategy and executing it for your organization.

A number of organizations have shifted their thinking from predominantly focusing on strategy to giving a balanced consideration to the strategy and its execution. This shift represents a "pendulum swing" in current thinking.

The Pendulum Swings

Over the past decade, the pendulum has swung from principally focusing on *crafting* strategy to *executing* it. (See Figure 1.1.)



¹ <http://www.implementation-hub.com/resources/implementation-surveys>

Strategy planning was only introduced as a discipline in the mid-1960s, making it a relatively new topic in business. Since then, organizations are striving to develop their ability to craft strategy and we are still learning. For example, we understand the word “strategy,” but we don’t have a common global definition for it.

The catalyst for the pendulum swinging toward execution came from leaders realizing that strategies are failing more often than succeeding. It is, however, a slow-moving swing. If you search online, you’ll find at least six times more search results for “strategy” than for “execution.”

Which is more important—strategy or execution? This is a question being asked but it’s truly a moot question, for both are equally important. It arose partly because leaders struggled to understand what was involved in this field of execution. As an example, Paul Leinwand, Cesare Mainardi and Art Kleiner stated in their 2015 *Harvard Business Review* article² that only 8% of leaders are effective at both creating good strategies and executing them.

Today, leaders appreciate it’s not an either/or situation; it’s both a strategy *and* execution priority. The question becomes HOW to achieve Excellence in Execution?

Lloyd Blankfein, the CEO and chairman of Goldman Sachs, stated, “For a company in Goldman’s position, the response to current tough conditions is not wholesale strategic change, but rather one of tactical execution. For us, good strategy is effective execution.”

In its report *Why Good Strategies Fail*, the Economist Intelligence Unit reported in “Lessons for the C-Suite”³ that senior executives recognize the importance of strategy implementation. Yet a majority of executives admit their companies fall short. They acknowledge a disconnect between strategy formulation and implementation.

As we are in the initial stages of discovering what it takes to achieve Excellence in Execution, today’s business pendulum is swinging *toward*

execution. That means more force is required to gain movement, especially as the skills for strategy execution are new to many leaders. In the next few years, the pendulum will find an equilibrium position with equal force on strategy and execution. It will, however, take a global transformation in the approach to create the right balance.

Powerful Execution Tip: If your strategy does not provide a competitive advantage, then Excellence in Execution needs to provide it.

Part of the leaders’ challenge is to strike the right balance between *crafting* the strategy and *executing* it for their organization.

One organization that has found the right balance is IKEA. It has a winning strategy that can be described as Excellence in Execution.

The organization’s business model is to provide DIY furniture at good value. It minimizes shipping costs by packaging products tightly rather than in large rectangular boxes that create a high volume of wasted space. Assembly work once done by the retailer is pushed to the consumer, allowing IKEA to offer greater value for the money spent.

Its straightforward model is easy to understand and replicate, but who competes with IKEA across continents? IKEA has no direct global competitors because, even though its business model is well understood, no one can compete with its Excellence in Execution. That staves off competition and gives IKEA a competitive advantage.

The IKEA organization is fanatical about doing its own research, paying attention to detail, taking the right actions and offering customers the best value. Part of its success is the organization’s slow execution speed to allow attention for detail. For example, its leaders take six years before entering a new market to ensure they understand the country’s culture and can design their store accordingly.

This attention to detail also partly stems from the mistakes made when IKEA entered the U.S. market in the mid-1980s. IKEA rushed in without doing

² <https://hbr.org/2015/12/only-8-of-leaders-are-good-at-both-strategy-and-execution>

³ http://www.pmi.org/-/media/PDF/Publications/WhyGoodStrategiesFail_Report_EIU_PMI.ashx

enough due diligence. Although this unprecedented way to shop for furniture quickly became a success, it was not without its growing pains, and IKEA paid the price for not understanding the American culture. For example, its bedding was the wrong size for U.S. beds. Also, the company sold flowerpots that Americans bought and used as water jugs!

Today, IKEA leverages its volume sales to predominantly middle-class consumers. Its people have become skilled at showing how the same products fit into different cultures. One of its Billy bookcases, for example, is sold every 10 seconds somewhere in the world.

In the next few years, the pendulum will swing back from focusing more on execution and then settle equally between strategy and execution. The next chapter examines the current state of execution in organizations around the world based on Bridges' research.

————— *Chapter Two* —————

What's Going On?



Video Quiz: What percentage of executions succeed?

*I*n 2002, Bridges Business Consultancy Int (Bridges) published its first research, <http://www.implementation-hub.com/resources/implementation-surveys>, citing that nine out of 10 strategy implementations fail, where we measure success as achieving at least 50% of the strategy objectives in the time allocated. These results became a wakeup call for leaders. (Note: In the initial survey, we had to replace the term “implementation” with “change” as “implementation” was not yet part of the business language in 2002.)

Bridges regularly conducts research to identify the state of execution and understand the challenges leaders are facing. In 2016, for our latest research, we interviewed 143 leaders. Of these, 28% were CEOs or board members and 63% were organizational leaders. The remainder came from other parts of the organization. The majority of the organizations were multinational corporations with annual revenues of more than US\$50,000,000 a year. They came from a

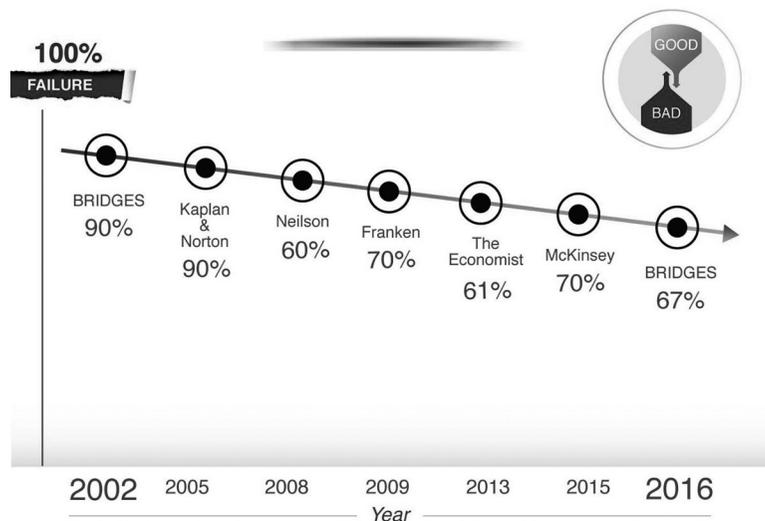
variety of industries including banking and finance, technology, consultancy and government.

The Good News: Research Shows Improvement

Over the 15 years Bridges has been conducting its research, strategy execution has improved by 23% from 90% in 2002 (our first research) to 67% in 2016. In 2005, Kaplan and Norton⁴ echoed the 90% result. Neilson, Martin and Powers⁵ published in 2008 that the rate was 60%. *The Economist*⁶ published in 2013 that 61% were failing and McKinsey⁷ reported the number in 2015 at 70%.

The good news? This is an improvement. The bad news? The odds are still stacked against your implementation success, making it more likely your organization will fail than succeed. (See Figure 2.1.)

Figure 2.1



4 <http://www.hbs.edu/faculty/Publication%20Files/05-071.pdf>

5 <https://hbr.org/2008/06/the-secrets-to-successful-strategy-execution>

6 http://www.pmi.org/-/media/PDF/Publications/WhyGoodStrategiesFail_Report_EIU_PMI.ashx

7 http://www.mckinsey.com/insights/leading_in_the_21st_century/changing_change_management

Overview of Bridges' 2016 Results

According to survey results over 15 years, the most common corporate-wide initiatives to be implemented are:

1. Vision, mission and values
2. Crafting a new corporate strategy
3. Digital mindset

Interestingly, respondents have less belief that their organization is good at developing strategy than they did in 2012 (result is down from 80% to 68%) while their belief that their organization is good at implementing strategy has been virtually identical over the four years (46% “yes” and 54% “no”). Potentially contributing to this is almost half of the organizations (49%) spend less than 10 hours a month discussing the strategy as opposed to operations and day-to-day challenges. The marginally good news is that this marks an improvement from the 70% in 2012.

Almost half (48%) of the respondents see implementation equal in importance to strategy in their organization, while 34% view implementation as more important than strategy and only 18% view strategy as more important than implementation. Two-thirds (68%) say the organization has the leadership talent required to successfully implement the strategy, yet almost one third (32%) of respondents rate their organization as “poor” or “very poor” in its ability to implement.

The top three reasons for implementation failing has changed from 2012. Currently, they are:

1. Poor communication
2. Lack of leadership
3. Using the wrong measures

In 2012, the results were:

1. Not ensuring people are taking the right actions
2. Aligning implementation to the culture
3. Gaining people's support

Early Praises for

EXCELLENCE *in* EXECUTION

“Given the increasing uncertainty and complexity in world markets today, the ongoing dynamic interplay between strategy and execution becomes critical. *Excellence in Execution* provides a wealth of practical and actionable resources to ensure that your organization’s evolving strategy can be effectively and efficiently executed. Robin Speculand has always been ahead of the curve when it comes to strategy execution, and his new book could not be more timely. Ignore it at your own peril.”

— **Dr. Tony O’Driscoll**, Global Head of Strategic Leadership Solutions, Duke CE

“Growing a business such as YCH Group requires more than just strategic thinking. It requires executives to have a shared understanding of the strategy and to then translate and execute it within their respective focus areas. This book is an indispensable companion for any business, regardless of size and structure, to systematically implement their strategy in an orchestrated manner.”

— **Dr. Robert Yap**, Executive Chairman, YCH Group

“You will enjoy discovering the tale, the inside story of the case studies, along with the thoughts of Robin Speculand, a pioneer and expert in how to implement strategy. You will be introduced to highly practical toolkits, checklists and templates of tremendous interest if you want to be excellent in efficient execution of your strategy. Let yourself be charmed by the ideas, practical techniques and in-depth stories proposed by Robin Speculand.”

— **Yves Pigneur**, Professor, University of Lausanne,
Co-author, international bestseller *Business Model Generation*

“Going from strategy to performance is hard: Most companies don’t spend nearly as much time on how to get there as on crafting their strategies. *Excellence in Execution* maps out a step-by-step approach for how *not* to get stuck with a perfect plan that is imperfectly executed. Full of toolkits and checklists, this

book is a definitive, comprehensive guide of how to deal with the Achilles heel of strategy: strategy execution.”

— **Serguei Netessine**, Timken Chaired Professor of Global Technology and Innovation, INSEAD, Author, *The Risk-Driven Business Model*

“Overseeing Asia Pacific, I am constantly challenged with ensuring the multiple business units in the region are implementing specific corporate strategies, with consistent set of performance goals, customer engagement, and operating models. From the point when IDC engaged Robin on a consulting project, we are reminded that strategy is of little value unless it can be acted upon. I was delighted to read the depth of new thinking, material and tools in this book. It is very much a ‘how to’ that is missing in business today. Robin has filled this much needed space.”

— **Eva Au**, Managing Director, IDC Asia/Pacific

“Robin Speculand has devoted his global career to helping leaders convert strategy into valuable business results. The key to their success—and yours—is execution. In this new book, Robin details HOW to execute strategy with a wealth of resources. This is the ideal guide for any leader who is committed to successful strategy execution.”

— **Ron Kaufman**, Author, New York Times bestseller *Uplifting Service*

“Essential reading for anyone embarking on the strategy execution journey—Robin at his best.”

— **Mel Carvill**, Director, Home Credit BV

“As expected from a pioneer and expert in the field of strategy implementation, it’s chock-full of practical templates and tips that bring your strategy down to where it belongs—to your managers and employees who should execute it every day—and away from the consultants and board members who guide the organization. An easy read, not in the least because of Robin’s quintessential use of humor and stories.”

— **Bert van der Feltz**, CEO, East West Seed Group

In addition, 78% of respondents say their immediate boss shows recognition for their implementation contribution, and 43% say their organization has an effective measurement system such as the Balanced Scorecard for tracking measures.

A new question in the 2016 survey was, “How often do you review the implementation for the whole organization?” Results showed 43% review it only once or twice a year while 20% review it monthly.

The key takeaways from Bridges’ latest research are:

- The failure rate is still too high and a new approach and way of thinking is required.
- Businesses are improving their ability to execute.
- Leaders spend less than 10 hours a month discussing the strategy, which is not enough.
- The reasons execution is failing constantly fluctuate depending on organizational circumstances.
- Fewer leaders believe their organization is good at developing strategy in 2016 compared with 2012.
- One third of leaders rate their organization “poor” or “very poor” in its ability to implement.
- One in every two leaders rates execution equal in emphasis to strategy.
- Two thirds of leaders believe their organization has the talent to achieve Excellence in Execution, but one third rate their organization “poor” or “very poor” at it.
- Only one in five organizations reviews its execution monthly.

Challenging Conventional Thinking

Leaders have a responsibility to craft and execute a winning strategy—one that ensures the organization’s future. Success, though, often requires leaders to challenge conventional thinking. Consider these points:

- It’s better to have Excellence in Execution than a winning strategy because you then *know* how good or bad the strategy is. From there, you can make adjustments as required during the execution phase.
- Good execution can mitigate poor strategy but not vice versa.
- It’s better to take the wrong action than no action at all to generate meaningful traction. *Note: This is the answer to the video question at the start of this chapter.*

When an organization is taking the wrong actions, it is at least in motion and not stagnant. Then when it corrects itself, it becomes easier to take the right actions as it is already in the habit of taking action.

The Tremendous Payoff

When you challenge conventional thinking and achieve Excellence in Execution, the financial rewards await you. When you don’t, your organization can pay a heavy price through decreasing cash flow and profits. Consider these facts:

- On average, companies deliver only 63% of the financial performance their strategies promise, based on research by Michael C. Mankins and Richard Steele.⁸
- Failing at strategy implementation can cost up to 50% of an organization’s potential cumulative cash flow, according to CEB, a best practice insight and technology company.⁹
- Poor performance results in organizations losing \$109 million for every \$1 billion invested in projects and programs and only 9% of organizations rate themselves excellent in execution, according to Project Management Institute (PMI) research.¹⁰

8 <https://hbr.org/2005/07/turning-great-strategy-into-great-performance>

9 <http://www.multivu.com/players/English/7082252-ceb-executive-guidance-for-2015-closing-strategy-to-execution-gaps/>

10 https://www.pmi.org/-/media/PDF/Business-Solutions/PMI_Pulse_2014.ashx

By comparison, consider these results:

- When senior leaders are aligned—a benefit of being Excellent in Execution—CEB estimates a 39% better return on growth investments.¹¹
- Organizations with high employee engagement—a benefit of being Excellent in Execution—had a 19% increase in operating income and a 28% growth in earnings per share, according to research by Towers Watson¹² of 50 organizations over a one-year period.
- “Every company ‘leaks’ value at various stages of the implementation process,” stated McKinsey & Company researchers. They also said, that “good-implementer respondents say their companies sustained twice the value from their prioritized opportunities two years after the change efforts ended, compared with those at poor implementers.”¹³
- Mankins and Steele¹⁴ also state that if leaders were to realize the full potential of the organization’s current strategy, the increase in value could be as much as 60% to 100%!

Achieving Excellence in Execution often requires a shift in the leaders’ and organization’s philosophy.

The Excellence in Execution Philosophy

Donald Sull, Rebecca Homkes and Charles Sull in their article “Why Strategy Execution Unravels—and What to Do About It” in *Harvard Business Review*, March 2015, made this observation: “If common beliefs about execution are incomplete at best and dangerous at worst, what should take their place? The starting point is a fundamental redefinition of execution as the ability to seize

11 <http://www.executiveboard.com/exbd-resources/pdf/executive-guidance/eg2015-annual-final.pdf?cn=pdf>

12 <http://chiefexecutive.net/how-employee-engagement-drives-business-success/>

13 http://www.mckinsey.com/insights/operations/why_implementation_matters

14 <https://hbr.org/2005/07/turning-great-strategy-into-great-performance>

opportunities aligned with the strategy while coordinating with other parts of the organization on an ongoing basis.”¹⁵

Achieving Excellence in Execution requires a different philosophy than many leaders currently have. The Excellence in Execution philosophy from an organization’s perspective and compiled since 2000 is summarized in Figure 2.2. Figure 2.3 summarizes it from a leader’s perspective.

Organization’s Perspective Figure 2.2

<i>Current Philosophy</i>	<i>Excellence in Execution Philosophy</i>
<p>1. Past mistakes The organization doesn’t learn from past mistakes and, even worse, leaders keep repeating them. If there’s any improvement, it’s typically incremental.</p>	<p>Become a learning organization The organization asks, “What went wrong in past executions?” before starting the next and ensures it learns from the error of its ways. Along with quantum leaps in improvement, this is what’s needed to be Excellent in Execution.</p>
<p>2. Poor execution planning Most of the planning time is spent crafting the strategy and only a little on preparing the execution. Naturally, leaders think their new strategy is good, but the only way to know if it’s good or bad is by executing it.</p>	<p>Execution is part of the strategy Planning the execution has the same importance as crafting a winning strategy. The execution plan is in place before launching the strategy. The time taken to prepare for strategy execution is not taken from crafting the strategy; it’s added on to the timeline. This is time well invested.</p>
<p>3. Strategy a mile wide and an inch deep The launch of a new strategy causes confusion in any organization. This is added to when individual leaders perceive the strategy differently. Leaders understand the impact of the strategy across the business (a mile wide) but not the implications on the vertical business (a mile deep). They also see the strategy from their own perspective and communicate it to their people from that perspective. This leads to inconsistent messages and even greater confusion.</p>	<p>Strategy a mile wide and a mile deep Before launching the strategy to the whole organization, ensure the leaders know the expected result on their business lines and have an overview of the strategy’s impact across the organization. This creates greater alignment in communications, reduces confusion and drives the right actions.</p>

15 <https://hbr.org/2015/03/why-strategy-execution-unravelsand-what-to-do-about-it>

Current Philosophy**4. Wrong measures are used**

Leaders plan their new strategy and then launch it but fail to change the organization's measures. They are trying to execute the new strategy while measuring old ones. As a result, they fail because people do what leaders *measure*, more than what they *say*.

5. Strategy requires a long-term

perspective, yet leaders run the business with a short-term view

When leaders are held accountable for short-term performance, they deliver short-term results, even when that approach is detrimental to the strategy. Being driven by quarterly performance often conflicts with the required long-term strategic actions.

6. Execution never goes according to plan

Whatever was planned in the boardroom will change in the execution. Although few absolutes exist in business, this is one. As people take action to execute the strategy, variables fluctuate, such as customers' expectations, markets and people. Yet leaders often fail to adjust the execution plan accordingly.

7. No follow up occurs

In organizations, a key reason people don't follow through on their intentions is because they're not held accountable for their actions.

Excellence in Execution Philosophy**Change your strategy, change your measures**

"What gets measured gets done" is as true today as it was when it was first said. At a time when analytics are growing exponentially, it is more critical than ever to ensure you have the right measures in place to drive the right actions. Identify the measures that track your strategy objectives.

Managing the strategic juxtaposition

Leaders have to focus on both short-term and long-term business performance.

For this to happen, they work in an environment that not only encourages this balance but supports it through the systems and structure. For example, they set up rewards for both quarterly and long-term results.

Agility in execution

It is essential to regularly review the execution and adjust it as required to overcome changing circumstances. Leaders have to reflect on what's happening and become agile around the execution to make the necessary changes.

Take the right actions

If you want to become fit, you have to train. If you want a degree, you have to study. If you want to be promoted, you have to excel. All these require one constant: the right actions. To execute a goal, you must believe in it, commit to it and act on it. These three components are consistently required and especially when executing strategy. People must also know their immediate boss will check on their performance by tracking and measuring it.

Current Philosophy**8. Culture does not support the execution**

The culture of an organization is dictated by many things such as behaviors, expectations, stories and heroes. When there is misalignment between the culture of the organization and the essence of the strategy, then it fails to be executed.

Excellence in Execution Philosophy**Culture drives the way you implement**

Every organization's culture is different; therefore, every execution is unique. That's why leaders need to identify how the culture drives the execution and make the execution their own.

Leader's Perspective Figure 2.3**Current Philosophy****1. Top-heavy strategy**

Time is spent thinking through the impact of the strategy at the top of the organization. Corporate-wide objectives and goals are identified from the top down, as is communication. After leaders spend months (and sometimes years) discussing a new strategy, they then take a short time to explain it to the rest of the organization. Within a brief time, people are expected to understand why there is a new strategy and how to execute it. And they're expected to feel inspired to do so.

2. Not clear on how to implement

Even when people are willing to participate in the rollout of the new strategy and are inspired to do so, they struggle. Why? Leaders don't identify the right actions to take. Strategy is viewed from 50,000 feet up, but its execution happens at the ground level. The people on the ground toil to translate the lofty strategy into their day-to-day work.

Excellence in Execution Philosophy**Balanced approach**

During the execution, leaders need to devote at least the same time and energy they spent crafting the plan on driving and guiding the execution. They become the "Voice of the Strategy," leveraging every opportunity to talk about it, share it and explain it. Beyond the town-hall meeting, they address their people at team meetings, off-sites, one-on-ones, workshops, etc. They also give their people time to understand why a new strategy is essential to the business and what it means to them. They also answer question on how they can participate.

Guide your people to take the right actions

Leaders are responsible for translating the "big picture" into people's everyday work so they can identify and take the right actions. They create the context and environment that inspires employees to want to participate in the execution and guides them to know what to do.

“Robin Speculand is one of the few world thought leaders who understands the importance of project management to implement strategy successfully. His latest book, *Excellent in Execution*, is a masterpiece and a ‘must have’ for any executive.”

— **Antonio Nieto-Rodriguez**, Duke CE Professor,
World Champion in Project Management

“Robin continues to build effective tools leaders need to successfully implement organizational change and execute strategy. Our community should welcome these for impacting results.

“A great strategy is no guarantee of success. We need to also have that greater strategy for implementation and engagement. A solid plan of action and a sense of ownership and alignment to the new goals helps the new reality set in. With Robin’s clarity of thinking and the resources provided in the book, we can get there from here.”

— **Scott Simmerman**, PhD, CPF, CPT,
Managing Partner, Performance Management Company

“In *Excellence in Execution*, Speculand brilliantly lays out a step-by-step guide to successfully execute on strategy. The checklists, toolkits and questions are a treasure trove for leaders. The DBS Bank case study brings the lessons to life. Highly recommended for leaders who want to leave their competitors in the dust.”

— **Gina Carr**, Author, *Klout Matters*

“With the incredible speed at which every industry is moving in today’s world, the potential to get distracted and derailed from implementation has never been greater. Leaders have a disproportionate impact on how teams get to action, so giving leaders a tool kit that will practically and rapidly help with implementation is not only helpful—it’s vital.”

— **Jean Kerr**, Change and Leadership “Geek,” IT Industry

“Robin Speculand has done a marvelous job with his work, *Excellence in Execution*. I read this book in its entirety and was taking notes feverishly throughout. Speculand shows how the concept of strategy is not just about putting together nice ideas and resting. He shows how we need to see the implementation through to finish.

Even though it is not billed as a motivational book, I was strongly motivated to get moving in my own business. As I read what Speculand advised, I got ideas on how I could implement specific actions in my work. This book can inform and empower your team. Get it. Read it. Take action on it. Do this now before your competition gets their hands on it.”

— **Terry Brock**, Author, Professional Speaker, Marketing Coach

“*Excellence in Execution* is built on a solid framework and tools for implementing strategy. This book is perfect for anyone responsible for or working on strategy implementation as it provides powerful execution guides that can be applied easily.”

— **Professor Jochen Wirtz**, Vice-Dean Graduate Studies Director,
UCLA, NUS Executive MBA, National University of Singapore

“It’s a delight to read a practical book with personal examples from a seasoned implementer. *Excellence in Execution* systematically walks you through a well-thought-out blend of practical case studies, models, key tips, pointers and inspirational stories. It goes beyond what most books offer by explaining HOW to implement.”

— **Andrew and Gaia Grant**, Directors of Tirian, Authors, *The Innovation Race*

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Robin Speculand



NEW YORK

NASHVILLE • MELBOURNE • VANCOUVER

EXCELLENCE *in* EXECUTION

HOW to Implement Your Strategy

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ISBN 978-1-68350-143-5 paperback

ISBN 978-1-68350-144-2 eBook

Library of Congress Control Number: 2016946878

This book is dedicated to GraceKelly
who came into my life and swept my heart away.



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Only when a strategy is successfully executed do you know if it was a good strategy.

Only when it's well executed do customers notice the difference.

Only when the execution succeeds does it positively impact shareholder value.

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Foreword

by Piyush Gupta

Robin continues his excellent work on strategy execution through his new book, *Excellence in Execution*. DBS is honored that he chose to use our own strategy execution journey as a case study in this book.

Robin's key point over the years has always resonated with me: creating the strategy is only half the battle, effective execution is the other half. In my own industry, I would argue that it is 20:80 ... what one needs to do is less impactful than actually getting it done!

DBS's journey during my tenure as CEO has had two distinct phases: Phase 1 (2010 – 2013) was about creating a world class multinational, Phase 2 (2014 to date) has been about creating a 20,000 people start-up. The strategic choices have evolved somewhat over the two phases. In the second period, we chose to double down on the strategies that brought us success, while course correcting in areas where we came up short. Perhaps most important, we have committed DBS unequivocally to a digital future and everything that entails: reimagining the customer journey, eliminating paper and designing for “no operations”.