



TenStep Supplemental Paper

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Putting Strategy to Work

New techniques, changing contexts, novel managerial perspectives and aspirations have all resulted in the evolution of the design of strategic planning systems. It is widely known that the fate of many strategic plans is overly entombed in an impressively-produced document that is promptly shelved and periodically displayed to visitors who need to be impressed by the managerial acumen of the organization, but otherwise serves little or no useful purpose.

Strategic planning has gone through enormous changes since its emergence. However, the challenge of effective implementation has always been and still remains a difficult hurdle faced by many organizations.

Two recent studies, one by **the International Benchmarking Clearing-house**, a service of the **American Productivity & Quality Centre (APQC)** and another by the **Asian Benchmarking Clearinghouse, a unit of the Hong Kong Productivity Council**, examined the issue of "**turning strategy into action**. APQC's state-of-the-art benchmarking methodology was used in both studies to identify and understand the "best practices" in strategy implementation. These parallel studies employed the same methodology and employed almost identical data-gathering instruments. Together they gathered information on twenty-six companies, seven of which were systematically identified as employing best practices in the area of strategy implementation.

The findings of both studies, one focusing primarily on U.S. - based companies and the other looking at Hong Kong organizations, were that very similar guidelines were used to ensure that strategic plans were effectively implemented. The findings of the studies suggested that implementation guidelines apply to the following four areas:

Linking Strategy to Performance: In order for an organization to meet its financial and performance goals, the actions of all groups, departments, functional levels, and individuals must support strategic plans. This area relates to the various approaches that leading organizations use to bring about consistency between organizational strategy and managerial decisions and actions throughout the organization. It also includes the strategic control processes that check the continued relevance and validity of the current plans.

Communication and Incentives: To ensure success in strategy implementation, the process must engage and involve employees at all levels of the organization. This area focuses on ways to effectively communicate with and motivate all employees to accept and support implementation strategies and initiatives.

Organizational Structure: A key enabler for effective strategy implementation is the ability to align organizational structure with strategic goals and objectives. The structure and strategy of the organization must be complementary. This area looks at the various methods by which companies manage their organizational structures to support strategy implementation.



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Tools and Techniques: This area relates to the trends in management techniques that are employed to effect the transition from strategy to action.

Various management consultancies have evolved models to map the elements of their concept of the "management system". These models and their elements capture and illuminate the logic of the various practices and prescribe guidelines for effective implementation of strategic plans.