

## NANO TOOLS FOR LEADERS®

### STRATEGY ACCELERATORS: PRACTICES THAT WORK

**Nano Tools for Leaders®** are fast, effective leadership tools that you can learn and start using in less than 15 minutes—with the potential to significantly impact your success as a leader and the engagement and productivity of the people you lead.

**Contributor:** Joseph Ryan, Senior Fellow, Wharton Executive Education; Founder and President of True North Advisory Group.

#### THE GOAL:

Drive sustainable and repeatable success in managing strategic initiatives. Identify capability gaps that need to be addressed and accelerators that you can leverage for better results.



#### NANO TOOL:

Strategy execution at all levels — corporate, business unit, key initiatives — requires clarity, discipline, honesty, and agility. While balanced scorecards are useful for providing discipline and clarity, they're not sufficient because execution rarely goes exactly as planned. Leaders need real-time diagnostics (as opposed to slow and costly studies) to honestly assess what's working and what's not. Next, they need to identify solution levers, what we call accelerators, that let them manage the execution process more explicitly.

The Accelerator Checklist includes six success factors for effective strategy execution, translated into 12 straightforward diagnostic statements. Red flags in any of these areas can and ultimately will derail a strategy.

You can use this tool alone or in your strategy team to reveal the implementation gaps that need to be addressed, and the strengths that can act as accelerators, driving successful execution. In other words, by using the checklist you can learn where execution is stuck and identify the solutions to get unstuck — in real time.

#### HOW COMPANIES USE IT:

- Executives at an international bank that was performing well knew they had underlying issues that were preventing them from doing even better. A majority of the executives said that their value proposition, their aspirations, and their targets, were on track (a "green light"). More than half also indicated that their performance scorecards and systems were strengths, another green light. However, even with good performance, a majority believed that organizational issues were a serious concern. They saw themselves unable to drive and sustain high performance in their de-centralized, matrix structure. The strength of product lines and the autonomy of the local units often resulted in corporate strategic initiatives receiving less priority and attention. The executive team concluded they often left money on the table because these initiatives were not getting implemented. By working through the strategy accelerator checklist, they decided they needed to create a new position to address these problems. A COO would drive operations and resolve these red flag issues. Performing this diagnosis both identified (and solved) a problem and it uncovered three accelerators (aspiration, targets, performance information) they could better leverage in advancing their strategy and driving change.

- Leaders of a high-profile technology company in the smart phone market used the accelerator checklist and concluded that their macro-organizational processes were a “double red,” a clear and dangerous strategy derailer. Macro-organization processes include both the structure of the organization and mechanisms like talent and business reviews used to allocate resources (both dollars and people). Their decision cycles were too long, creating a huge barrier to developing and executing an agile business strategy. Additionally, their product development and apps development processes were not driven enough by their customers. In short, they were slow in a fast-moving world and were rapidly losing market share. The accelerator checklist helped them have an honest discussion of difficult and complex strategy issues and, importantly, it facilitated urgent action in pursuing an alliance partner and in re-structuring their organization
- A global auto manufacturer’s senior executives used the accelerator tool to assess their effectiveness in the China market, where they had made large capital investments over a five-year period. In a work session in an executive education program, the leader of the China business was able to pinpoint gaps in their capabilities. In this case, the gaps were in how they worked with their joint venture partner. There was lack of clarity in roles and responsibilities and weak service-level agreements between the joint venture partner and the firm. This executive left the program with greater clarity and knew in concrete terms the short list of leadership actions that he and others on his team needed to work on.
- See the **Additional Resources** below to learn more about Strategy Accelerators

## **ACTION STEPS:**

For each item in the Accelerator Checklist, answer using the scale of Green (no problem), Yellow-Green (some problems, but moving in the right direction), Yellow-Red (moving in the wrong direction), and Red (serious problem). This thinking process and your judgment calls will give you a solid foundation for honest discussions about capabilities and the basis for developing resilient action plans. Consider how you might strengthen Accelerators determined to be Red and Yellow-Red and how to better leverage those ranked as Green or Yellow-Green.

## **THE SIX ACCELERATORS**

### **Aspirations**

1. We have a clear and concise view of the strategic direction of the business and the logic of the key initiatives.
2. Each organization (or division) can articulate the aspiration(s) and initiatives in terms specific to their business.
3. The aspirations create energy, a passion to win, in the organization.

### **Targets and goals (translating aspirations into calls to action)**

4. There is a clear link between our targets and goals and our stated aspiration(s).
5. We have a robust process to allocate and re-allocate resources.

### **Organizational structure (macro)**

6. Decisions are made quickly by a few responsible owners and not bogged down by hierarchy and structure.
7. Strategy and business reviews are action-driven processes used for both tracking progress and solving problems quickly.

## Organization processes (micro)

8. The right people are in the right jobs (A-players in A-jobs).
9. Individual goals are clearly understood by owners, and have effective rewards and penalties.

## Performance information

10. We have the necessary business information, performance scorecards, and metrics to execute our strategy and assess progress.
11. We do both internal and external benchmarking to avoid complacency.

## Consequence management

12. We have a visible and quick process for identifying success or failure..

## SHARE YOUR BEST PRACTICES:

Do you have a best practice for managing strategic initiatives? If so, please share it on our blog at Wharton's Center for Leadership and Change Management. <http://whartonleadership.wordpress.com/>

## ADDITIONAL RESOURCES:

- **"How to Have an Honest Conversation About Your Strategy,"** Michael Beer and Russell Eisenstat. Harvard Business Review, Feb. 2004. Addresses organizational barriers that undermine the ability to develop clear and actionable strategies. Outlines processes and steps that can be used to design more effective strategy reviews.
- ***Beyond Performance: How Great Organizations Build Ultimate Competitive Advantage.*** Scott Keller and Colin Price (Harvard Business Press, 2011). Summarizes key learnings from McKinsey's work on transformational change and what they call "organizational health."
- ***Fully Charged: How Great Leaders Boost Their Organization's Energy and Ignite Higher Performance.*** Heike Bruch and Bernd Vogel (Harvard Business Press, 2011). Explains the "accelerator trap" organizations fall into when they have too many initiatives. Outlines perspectives and practices leaders can use to drive high performance. Includes excellent global case examples.
- Joe Ryan teaches in [Making Strategy Work: Leading Effective Execution](#), [The CFO: Becoming a Strategic Partner](#), and many custom programs.

## ABOUT NANO TOOLS:

Nano Tools for Leaders® was conceived and developed by Deb Giffen, MCC, Director of Innovative Learning Solutions at Wharton Executive Education. It is jointly sponsored by Wharton Executive Education and Wharton's Center for Leadership and Change Management, Wharton Professor of Management Michael Useem, Director. Nano Tools Academic Director, Professor Adam Grant.

# Wharton@Work