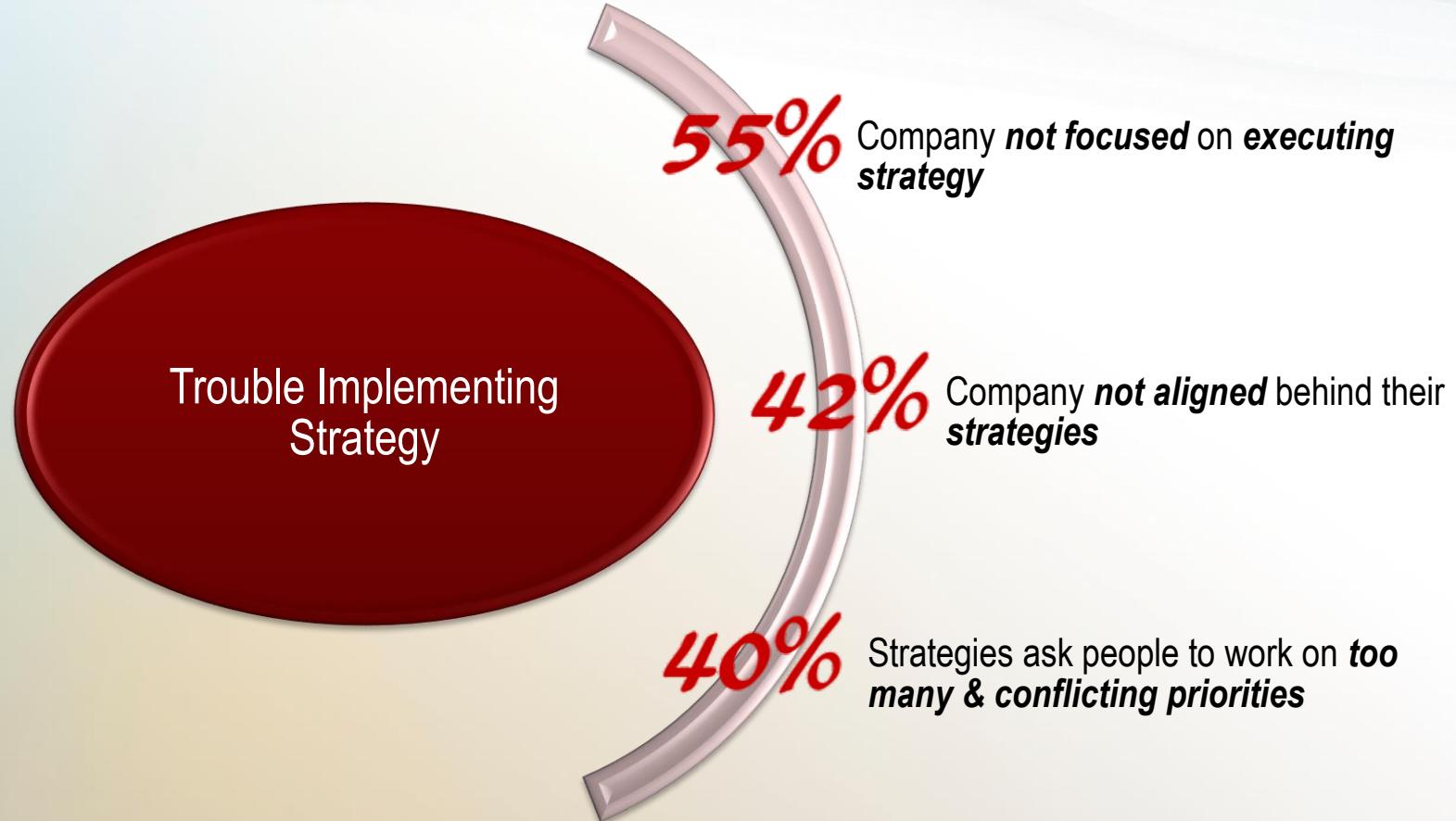


# A Framework for Aligning Strategy and Execution

Joe Czarnecki, VP Product and Sales Support  
IPS Learning

# What CEO's are Thinking



Strategy-Execution Gap, Strategy& (formerly Booz & Company, now part of the PwC network), May 2014

# Even Good Strategies Fail

## Lessons from the C-Suite...



The Economist Intelligence Unit, March 2013

# What are your strategic challenges?

- Alignment between strategy and execution unclear
- Impact of organizational dynamics are misunderstood or ignored
- Lack of aligned performance metrics
- Programs/projects extremely complex
- Inconsistent processes on how to manage projects and programs
- Lack of clear agreements around interfaces and interdependencies
- Failure to accurately predict results in scope creep
- Risks not well understood
- Lack of resources, people spread too thin
- Required skill sets don't match required needs
- Other organizational functions and members not on board
- Difficult to manage without authority over people who are on multiple projects, not functional reports



Global CEO's #1 quest is to  
seek better alignment  
between strategy, objectives  
and organizational  
capabilities

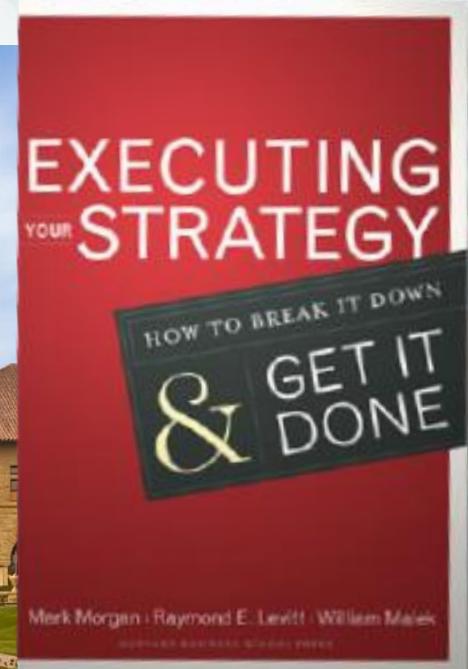
# Objectives for Today

- Outline a framework for improving organizational alignment of project-based work (PBW)
- Summarize the 6 critical business skills to enhance the PBW Leader's capabilities
- Take away actionable concepts to improve alignment strategy, execution, and capabilities

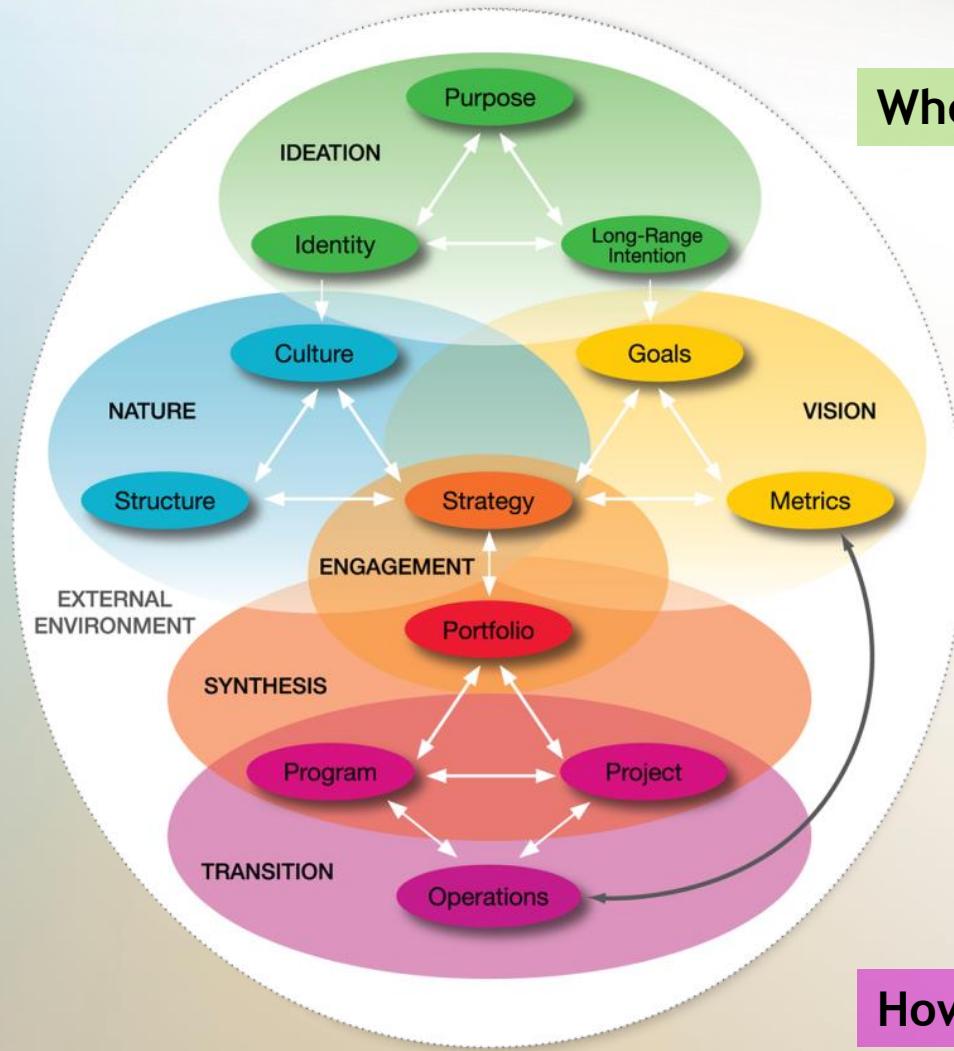
# Our Strategic Execution Journey

**Stanford**

Center for  
Professional Development



# The Strategic Execution Framework (SEF)



Who are you?

What is the context?

Where are you going?

What needs creating?

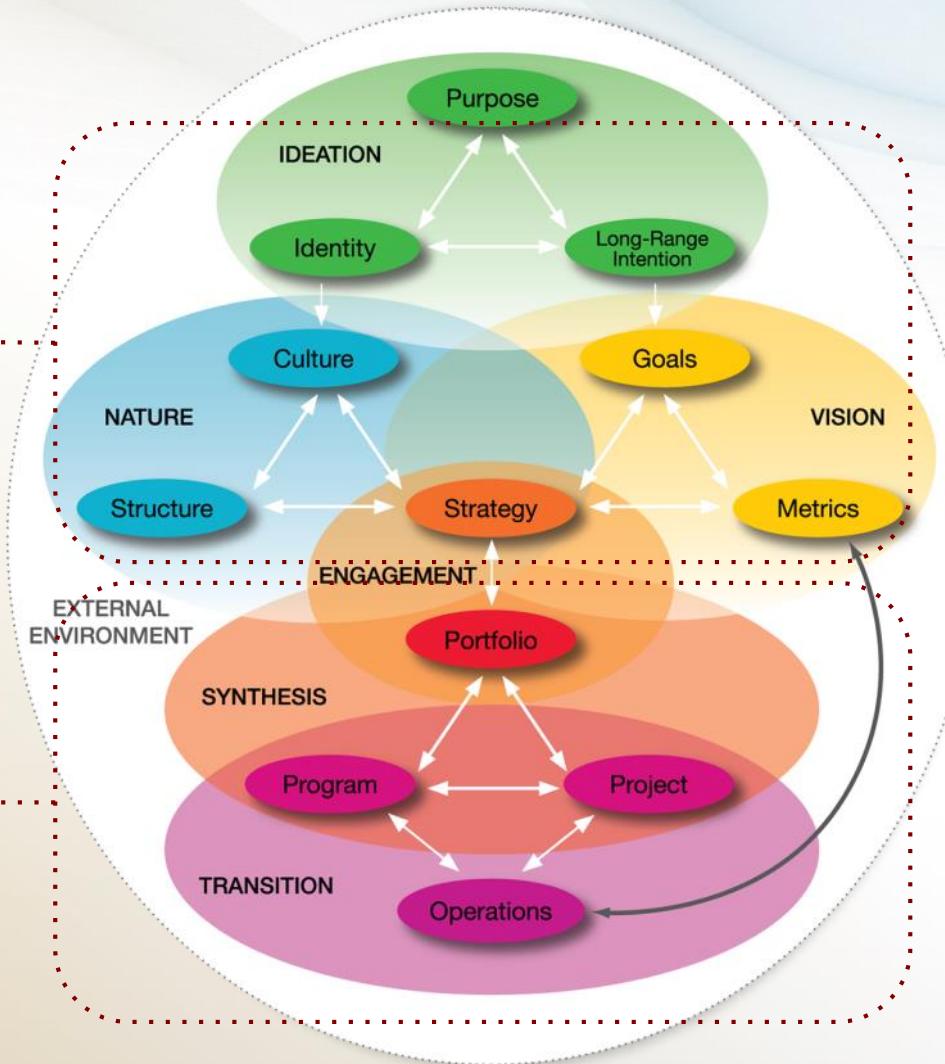
How will we build it?

How will you operate?

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# Unpacking the SEF

Strategy Making



Strategy Execution

Strategic Execution Framework (SEF)  
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knowledge working

# What's Your External Environment?

## Health Care

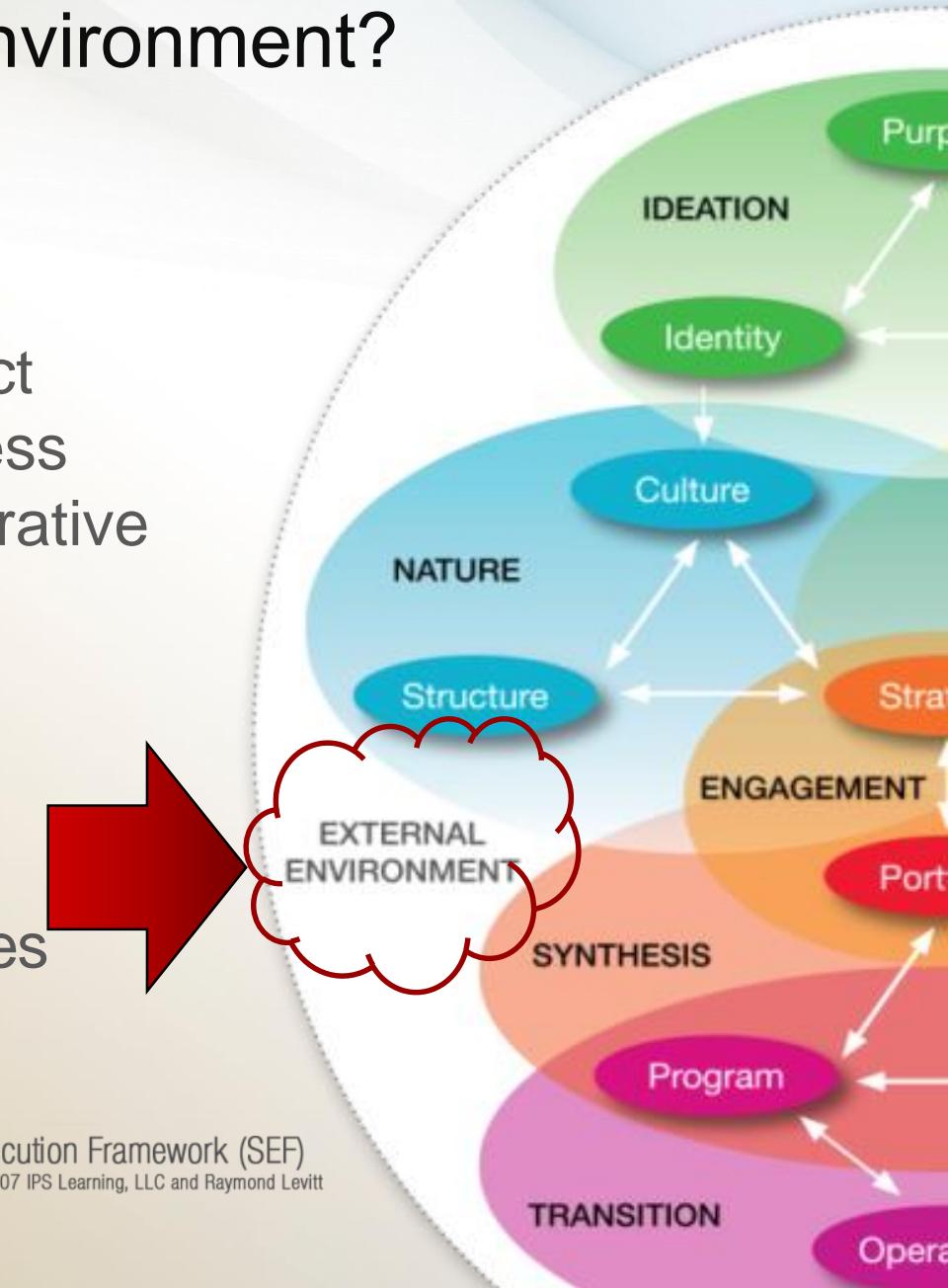
- Affordable Healthcare Act
- Improve care effectiveness and drive down administrative costs

## Financial Services

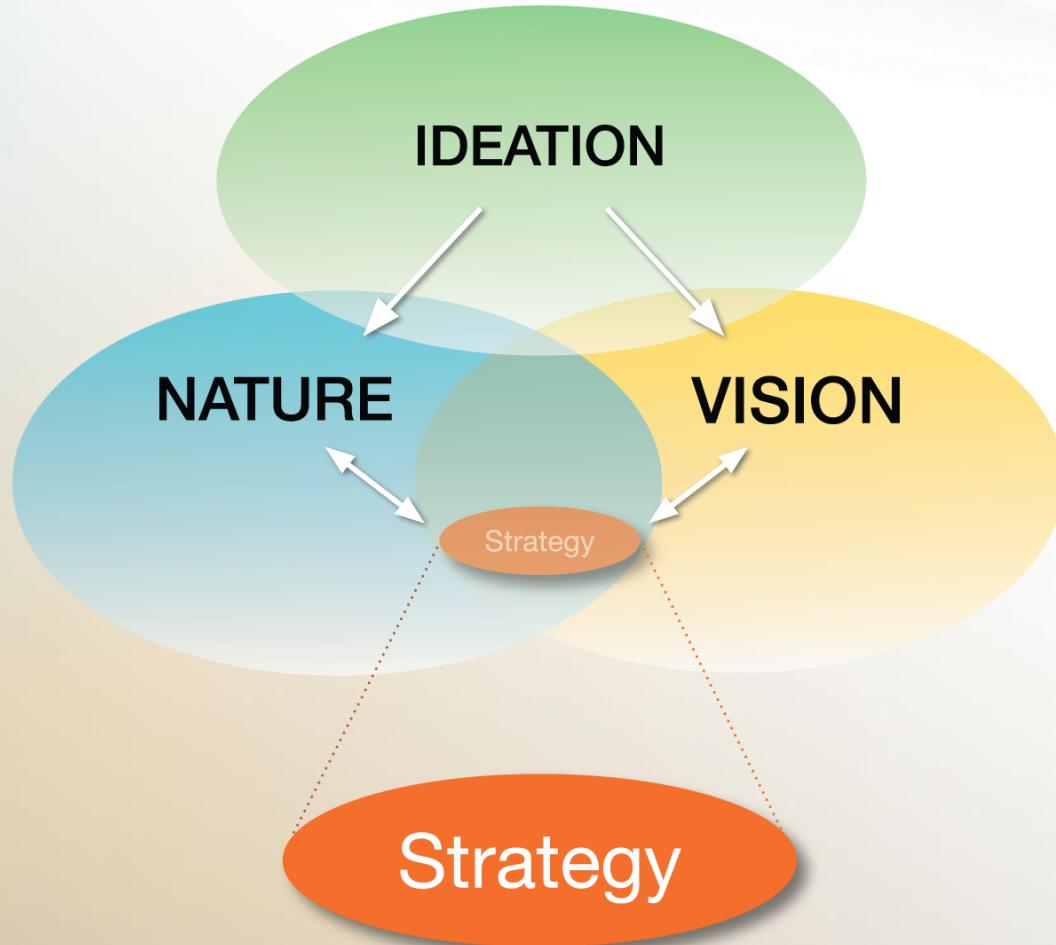
- Hyper competitive market
- New emerging technologies
- Faster time to market



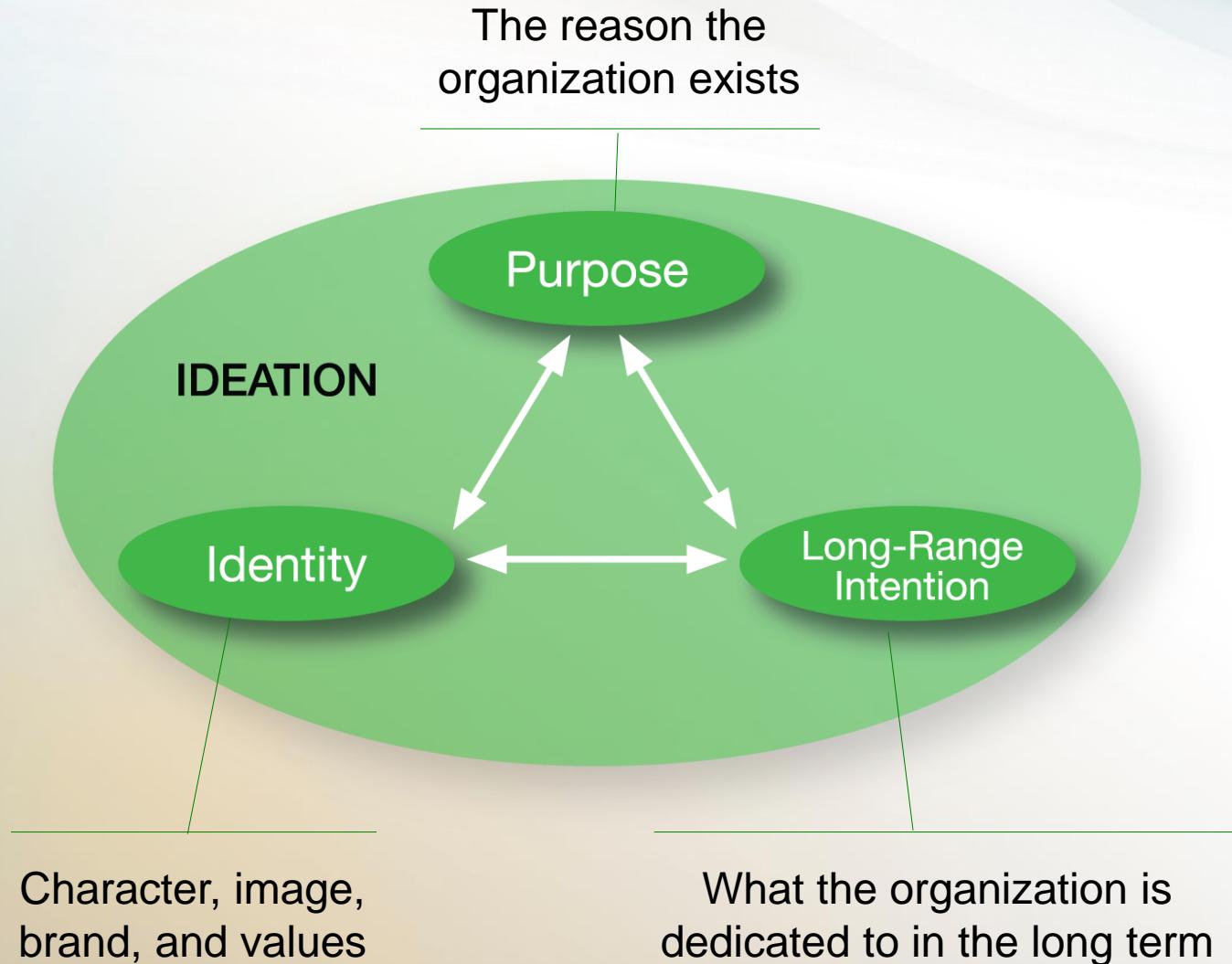
Strategic Execution Framework (SEF)  
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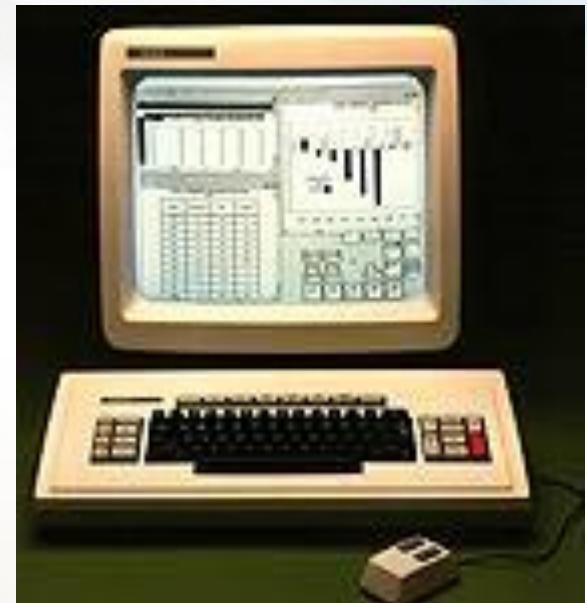
# Align the Strategy Making Domains Do the Right Projects



# The Ideation Domain



# Xerox's Ideation, 1981

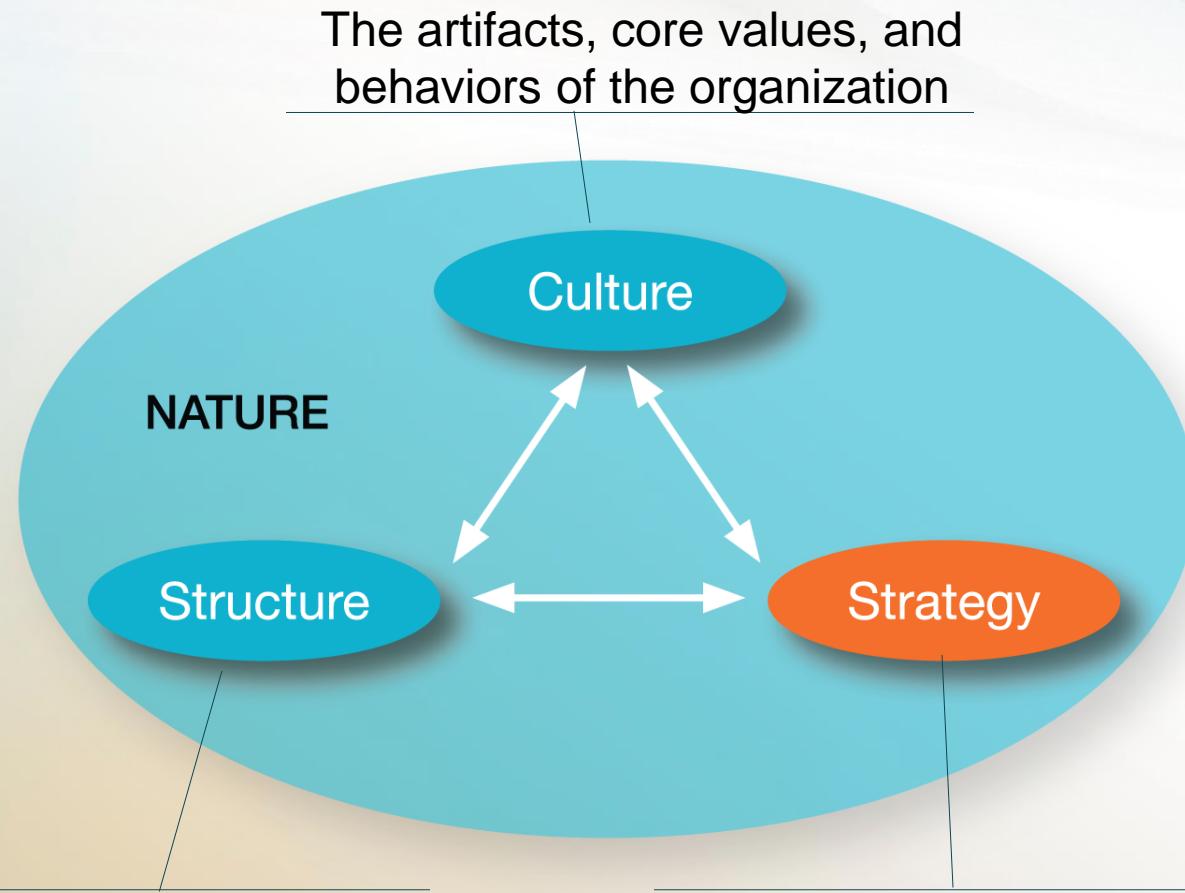


“Xerox perceived itself as only in the office copier business.”  
— Malcolm Gladwell



Google's mission is to organize the world's information and make it universally accessible and useful

# The Nature Domain



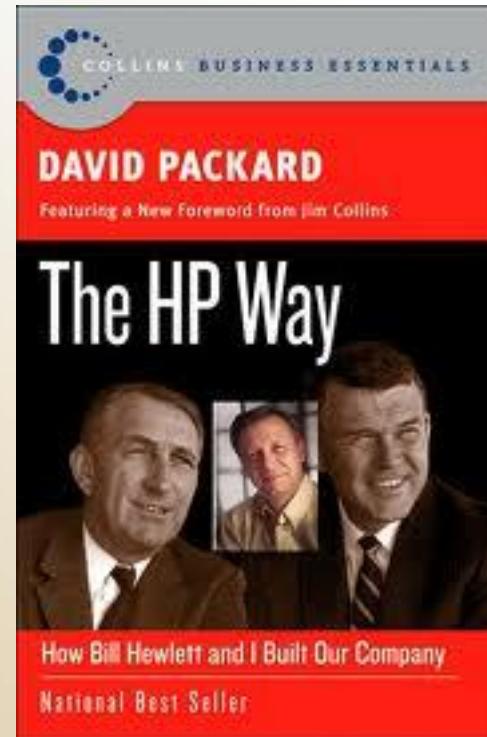
How an organization designs relationships between areas or functions

The path an organization designs to achieve its purpose and goals

# Misaligned Ideation, Culture and Strategy

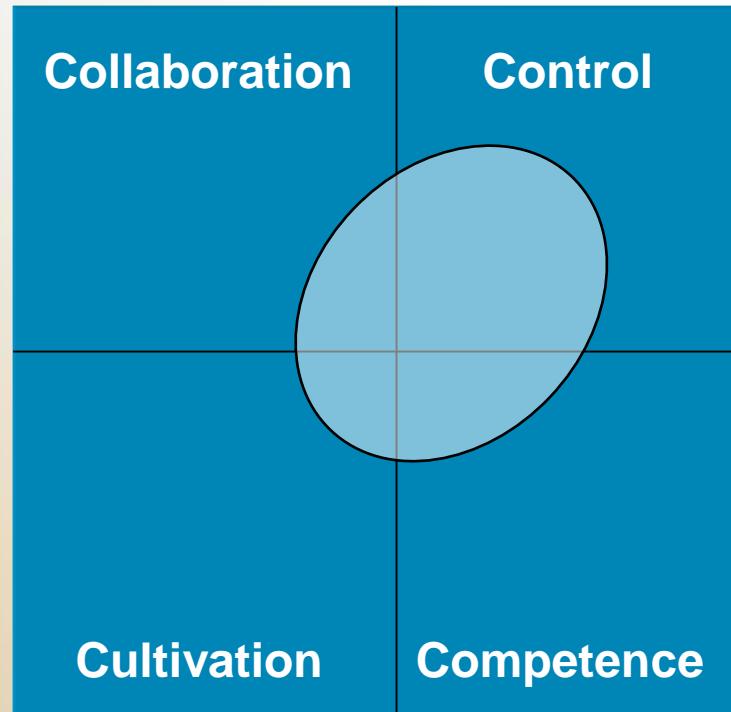


i n v e n t



# Four Core Cultures

Every organization has a predominant culture and usually has subordinate cultures.

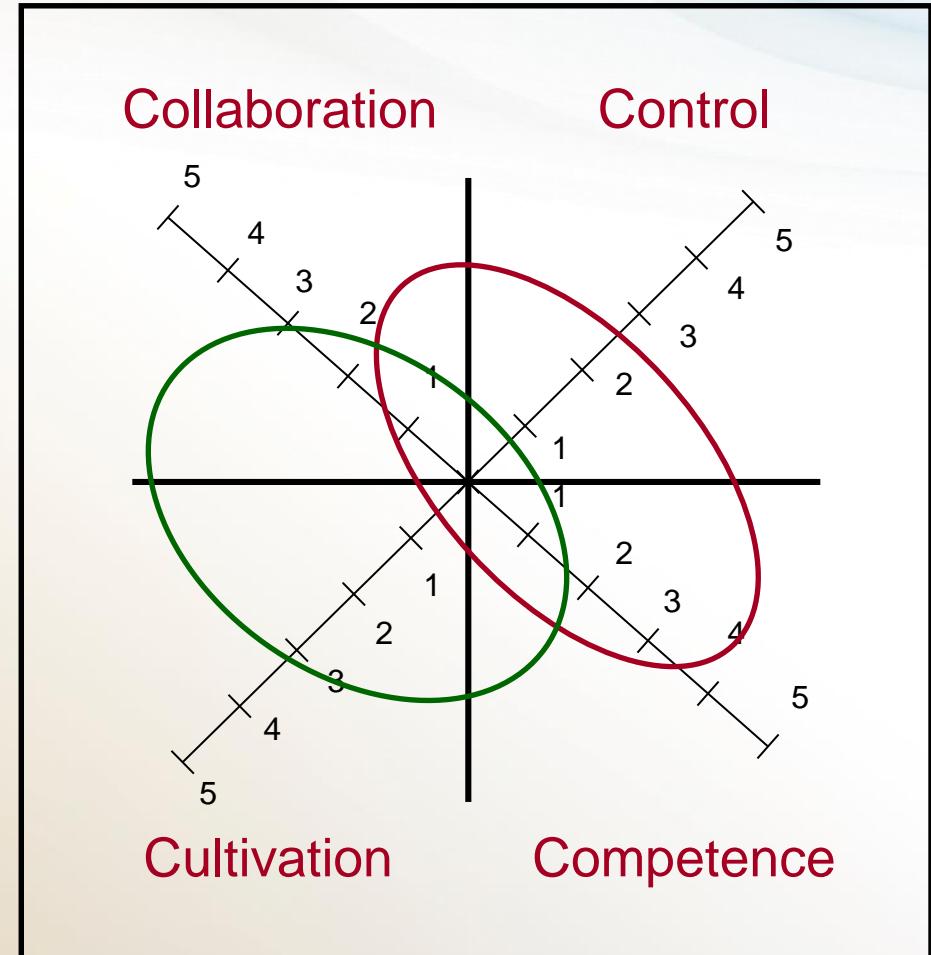


Source: Schneider, William E. *The Reengineering Alternative: A Plan for Making Your Current Culture Work*. Burr Ridge, IL: Irwin Professional Pub., 1994.

# Your Culture Maps

Draw a culture map for:

- Your Organization (red)
- Your Team (green)



# The Vision Domain



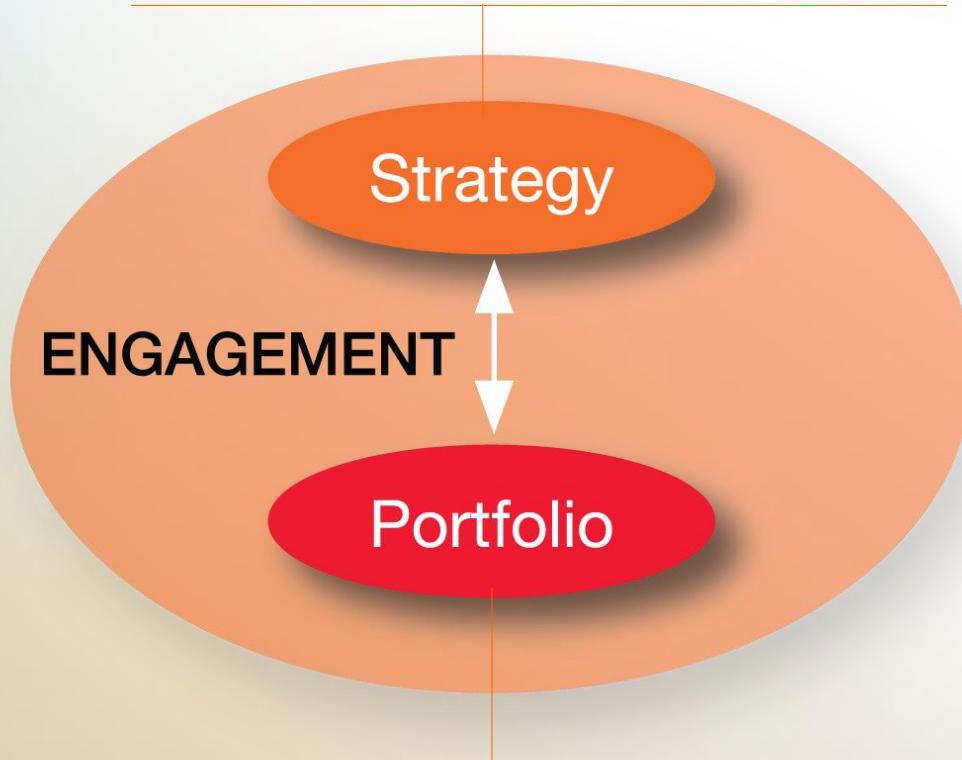
# The Measurement Conundrum

Tell me how you measure me and I will tell you how I behave.  
— Eliyahu Goldratt



# The Engagement Domain

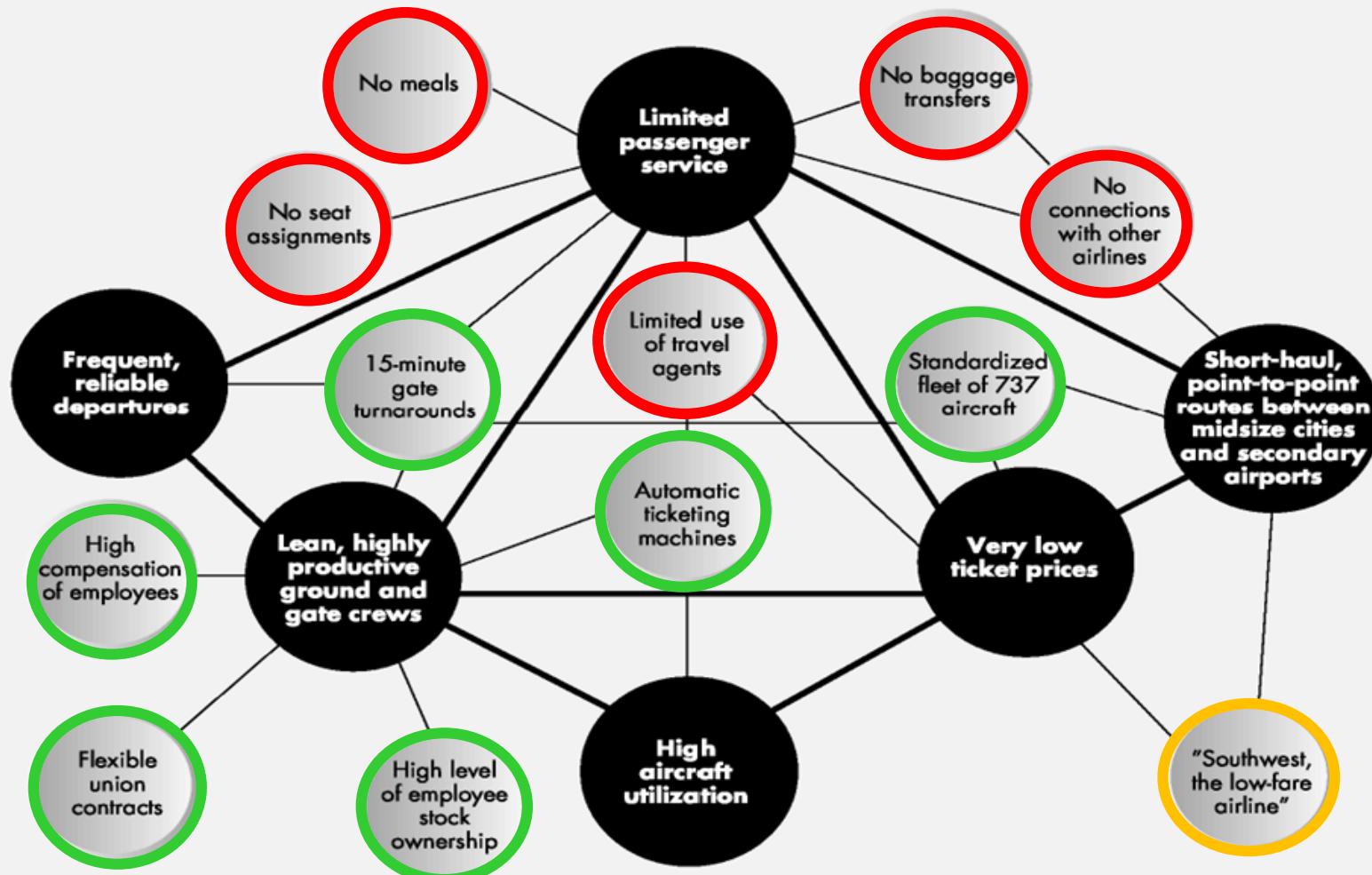
The path an organization designs to achieve its purpose and goals



Strategy based, prioritized set of projects and programs, reconciled to the resources required to accomplish them

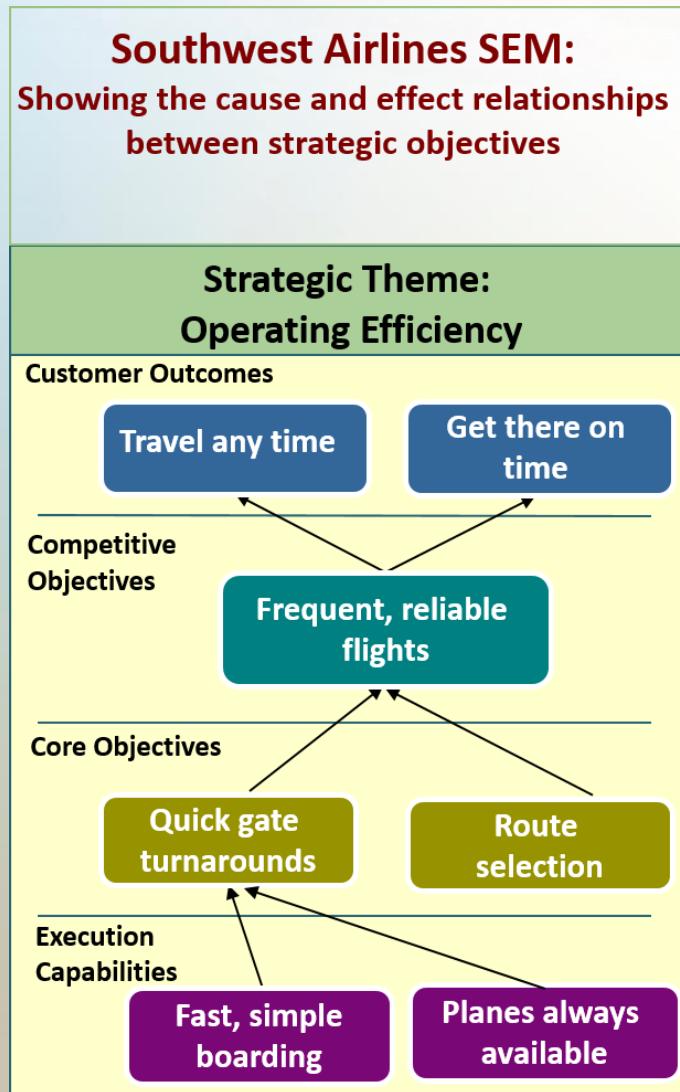
# Clear Strategic Vision: SW Airlines

## Southwest Airlines' Activity System



Source: Porter, Michael. "What is Strategy?" *Harvard Business Review* OnPoint Enhanced Edition, Product Number: 4134 (February 1, 2000).

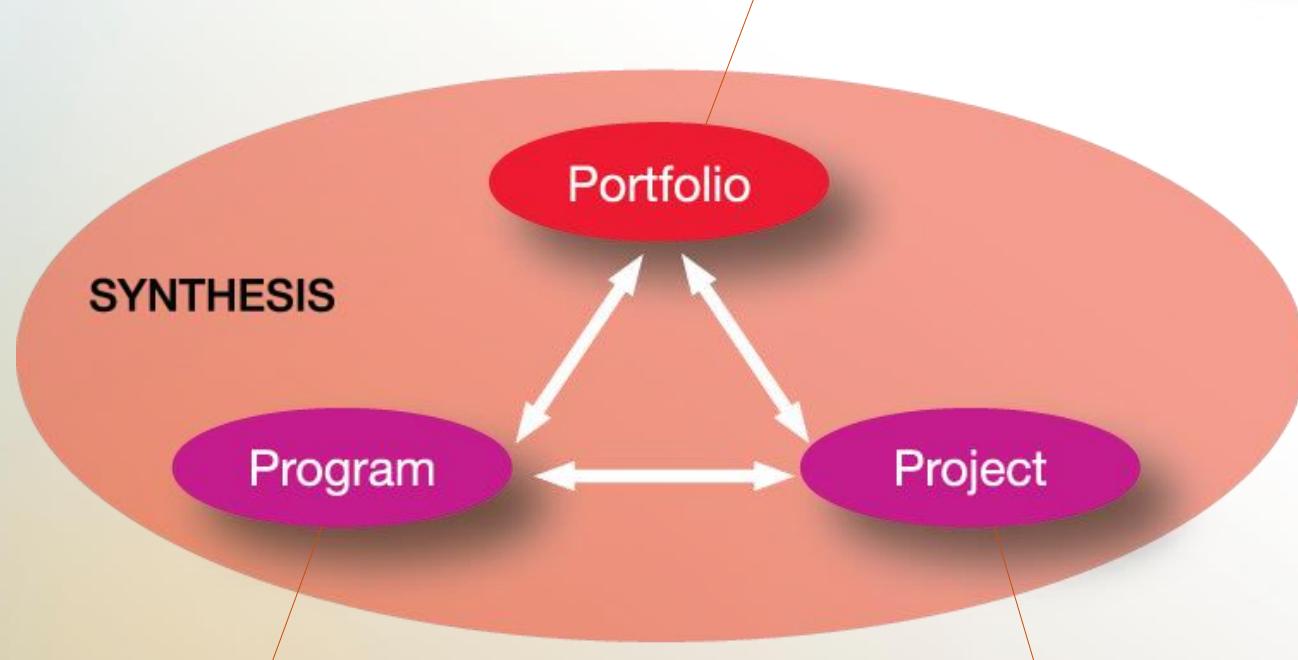
# Strategy Execution Mapping



Statement of what strategy must achieve and what's critical to its success	How success in achieving the strategy will be measured and tracked	The level of performance or rate of improvement needed
<ul style="list-style-type: none"> <li>Quick gate turnarounds</li> <li>Route selection</li> </ul>	<ul style="list-style-type: none"> <li>At gate time</li> <li>Number of round trips</li> </ul>	<ul style="list-style-type: none"> <li>15 minutes</li> <li>5 round trips</li> </ul>

# The Synthesis Domain

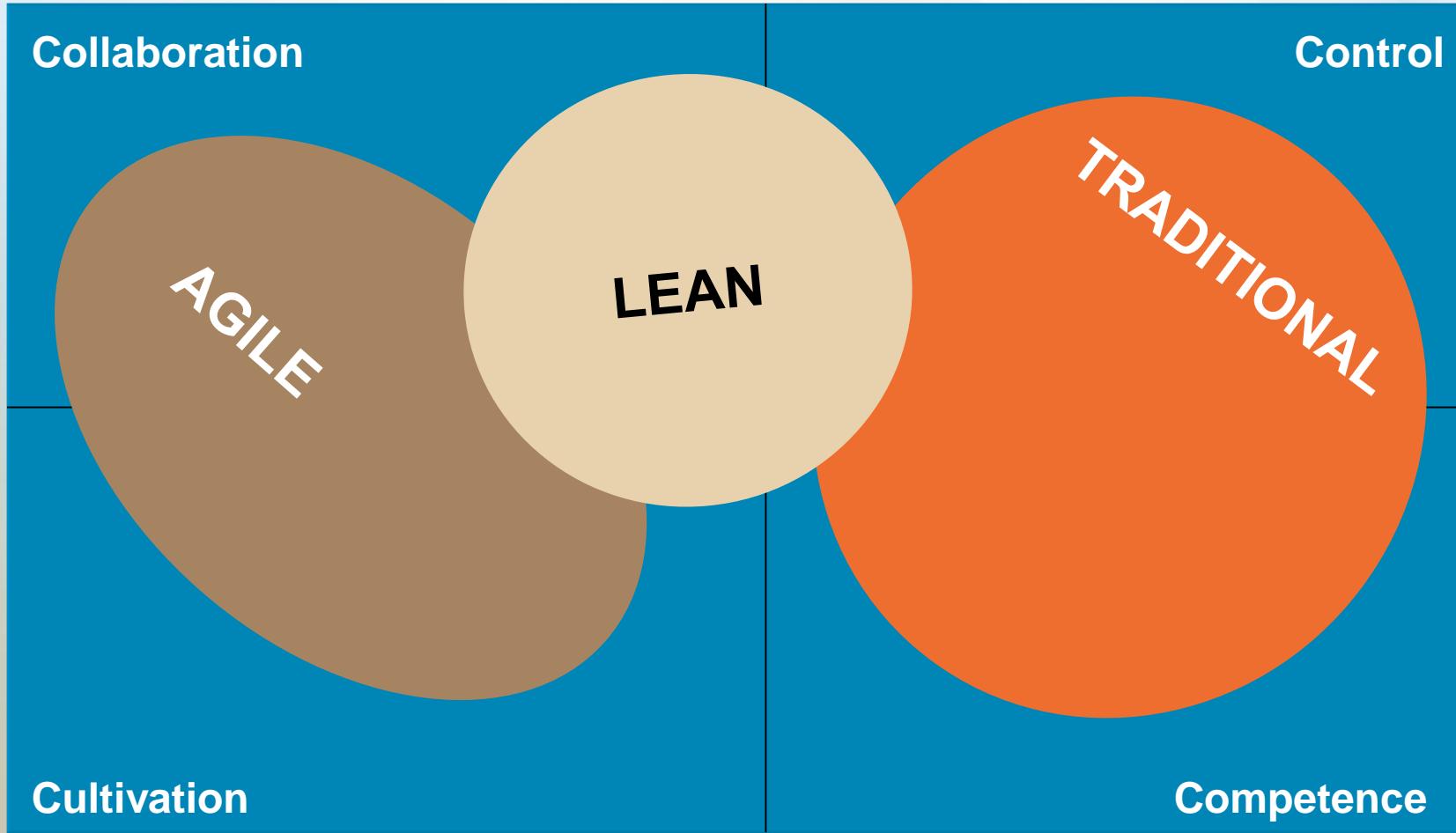
Strategy-based, prioritized set of projects and programs, reconciled to the resources required to accomplish them



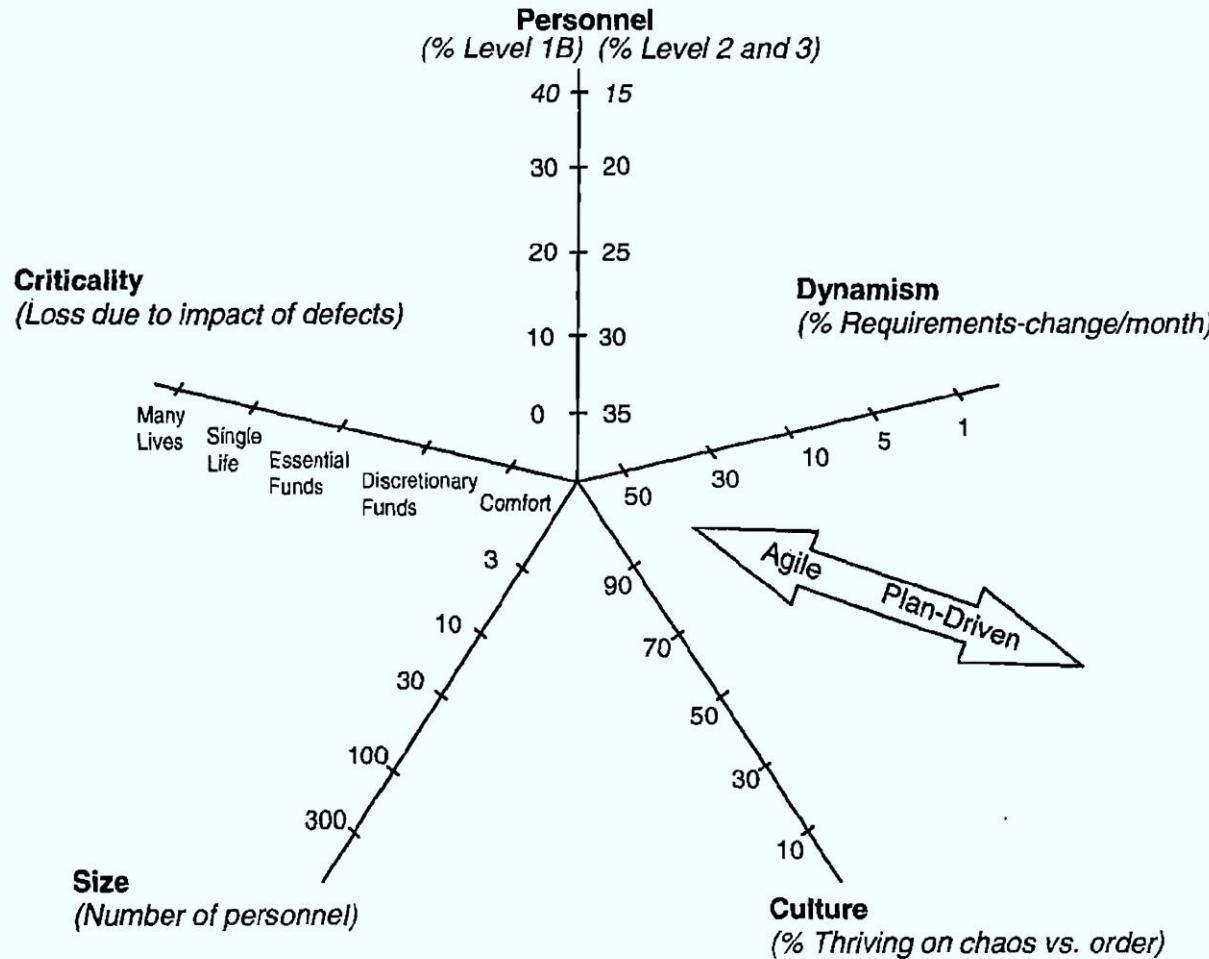
Multiple interdependent projects managed as a single unit

Unique, temporary efforts defined by deliverables, schedule, and resources

# Culture and Today's Work Approaches



# Balancing Plan-Driven & Agile Approaches



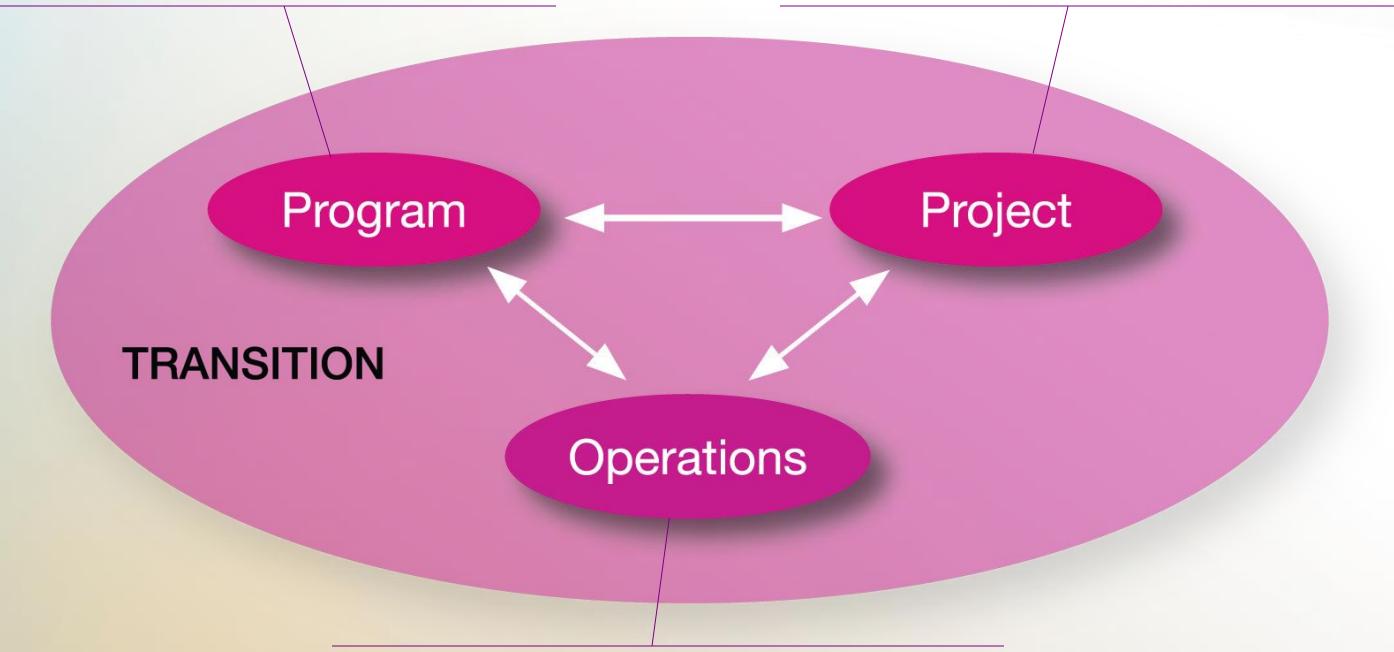
Source: Barry Boehm and Richard Turner. Balancing Agility and Discipline: A Guide for the Perplexed. Addison Wesley. 2004.



# The Transition Domain

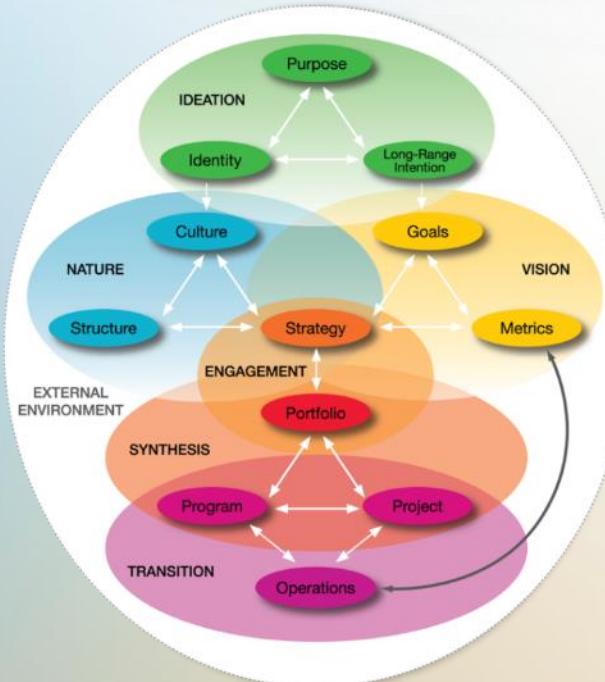
Multiple interdependent projects managed as a single unit

Unique, temporary efforts defined by deliverables, schedule, and resources



The ongoing processes of the enterprise that deliver value to the customer

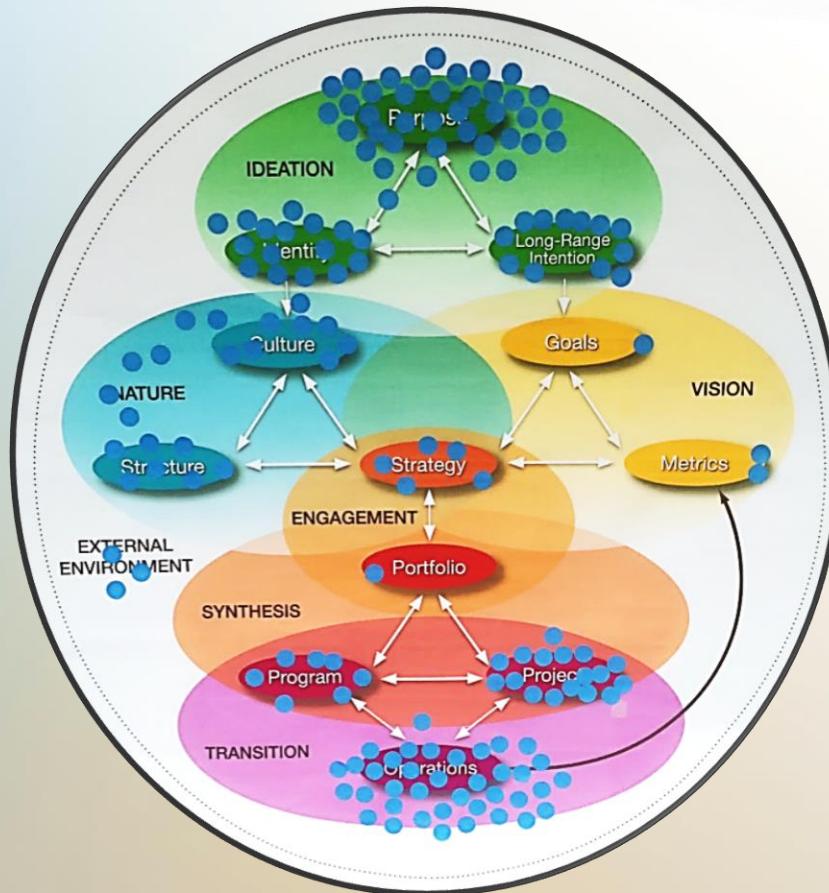
# IKEA in China



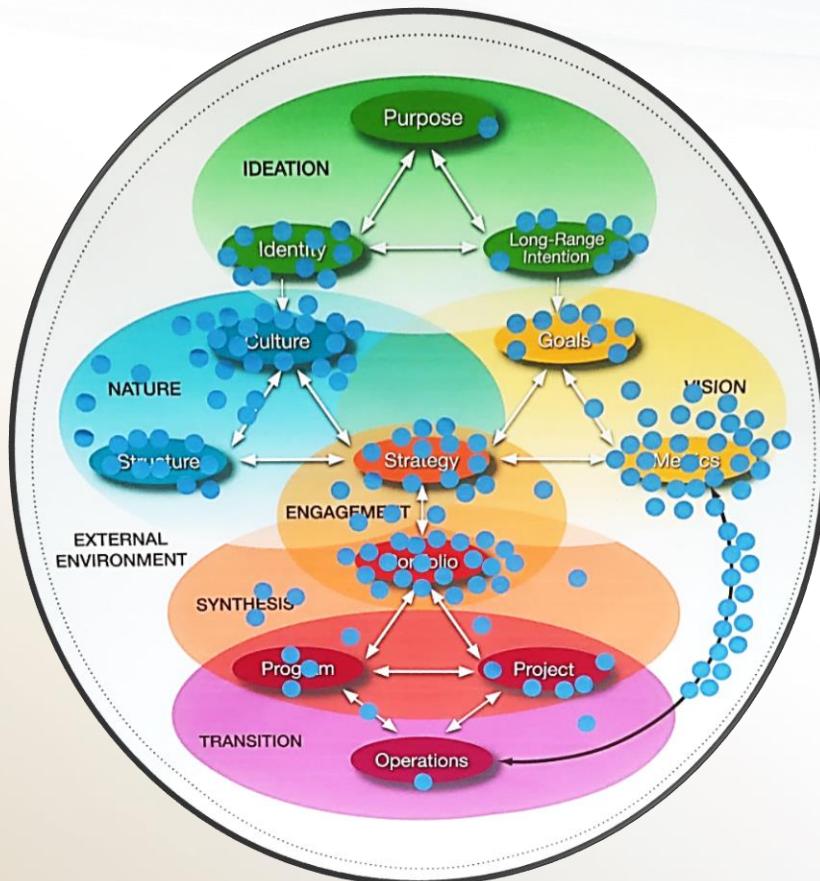
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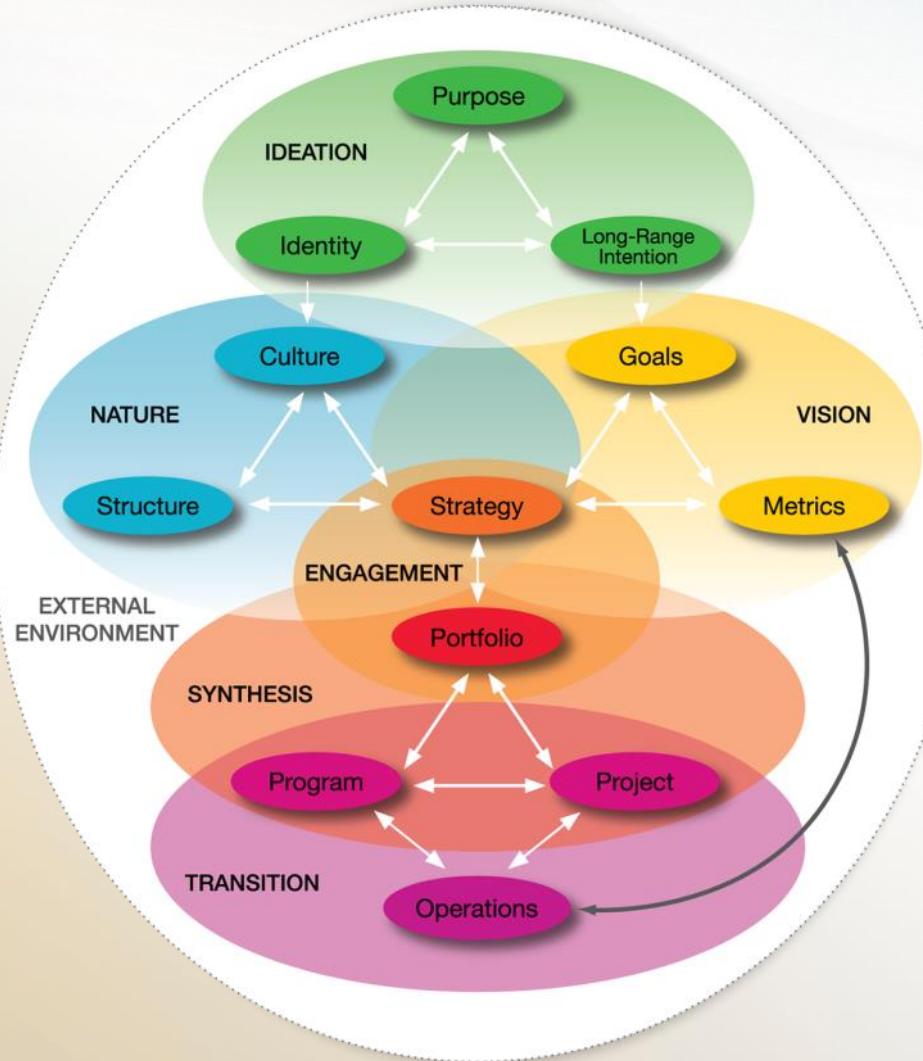
# What Works Well



# Not Perfect Yet



# Where are your Strengths and Opportunities?



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# Imperatives of Strategic Execution

I      N      V      E      S      T

# Imperatives of Strategic Execution

Ideation

Know **who** you are, **why** you exist and **where** you are going

Nature

Align your strategy, structure and culture

Vision

Continually **rearticulate** and quantify your desired outcomes

Engagement

Continually **reinvest** in the right portfolio of strategic projects to achieve current strategic outcomes

Synthesis

**Execute** your strategic projects balancing appropriate levels of **PM 1.0** (discipline) vs. **PM 2.0** (agility)

Transition

**Transition** your projects' benefits into operations, and **reinvest** the project resources

# The Stanford Research Shows...

As a PBW Leader – you will be called to...

STRATEGY & EXECUTION

TACTICS

ORGANIZATIONAL

Convert Strategy  
into Action

Lead Change  
from the Middle

Lead  
for Strategic  
Execution

PORTFOLIO

Master the Project  
Portfolio

PROGRAM &  
PROJECTS

Manage without  
Authority

Execute Complex  
Programs

Innovate through  
Design Thinking

Lead Effective  
Teams

Master the  
Finances on  
Projects

Leverage  
the Customer  
Relationship

MECHANICS/  
EXECUTION

Exhibit Project  
Management  
Mastery

AFTER MASTERING  
THE FUNDAMENTALS

Integration

Scope

Time

Cost

Quality

HR

Communications

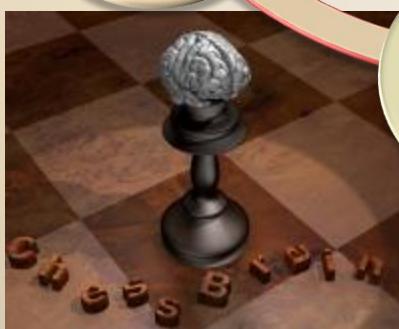
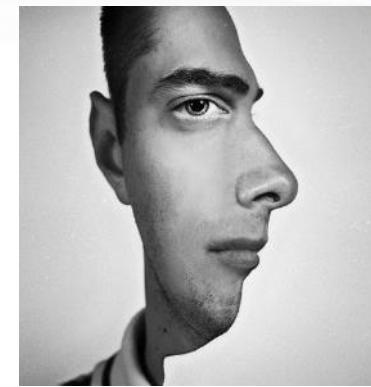
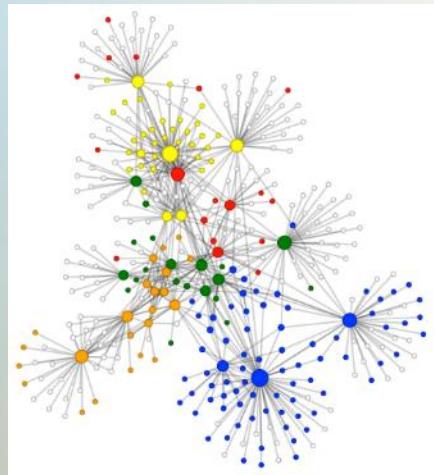
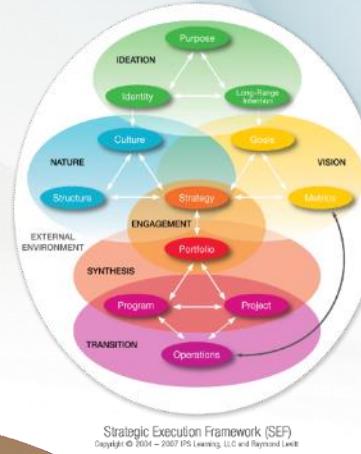
Risk

Procurement

Stakeholders

Strategic Execution Mastery

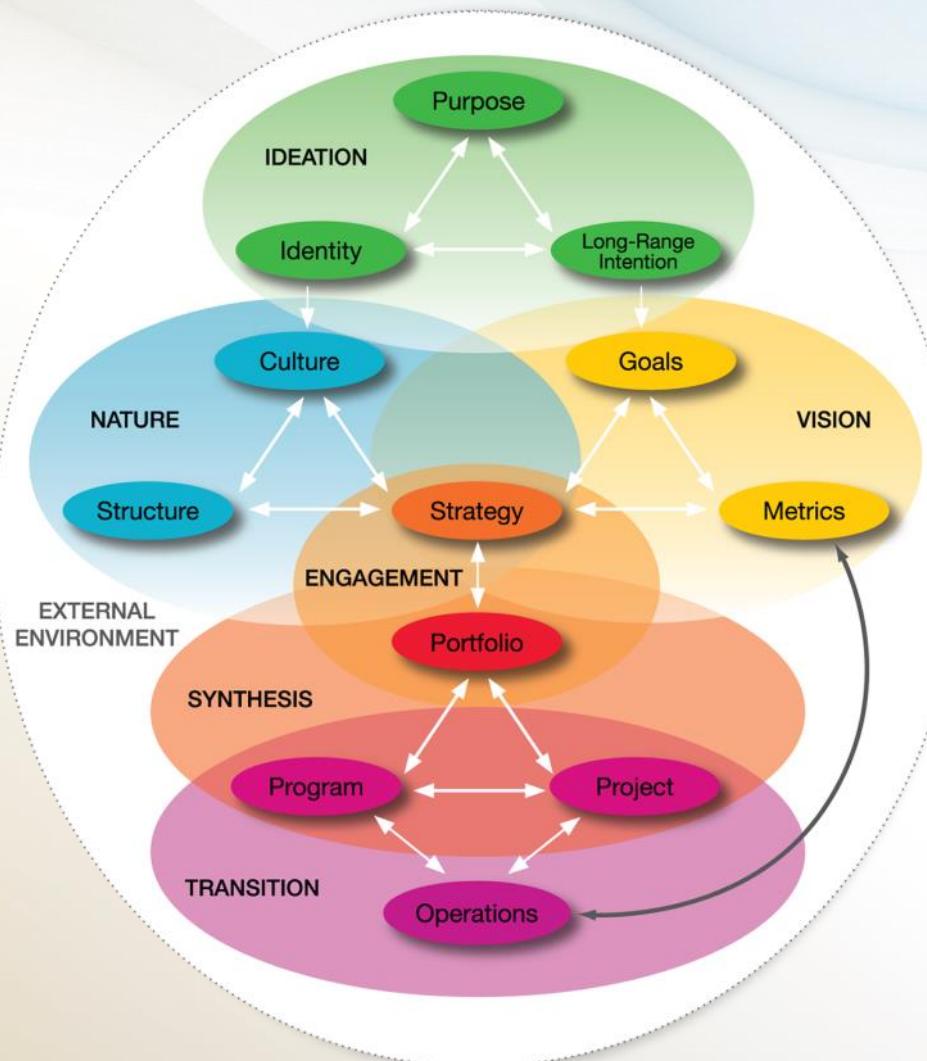
# The 6 Critical Meta-Skills





Given the SEF and the six Meta-Skills we can address the Global CEO's #1 quest to seek better alignment between strategy, objectives and organizational capabilities.

# Questions and Additional Discussion



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# Thank you!

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