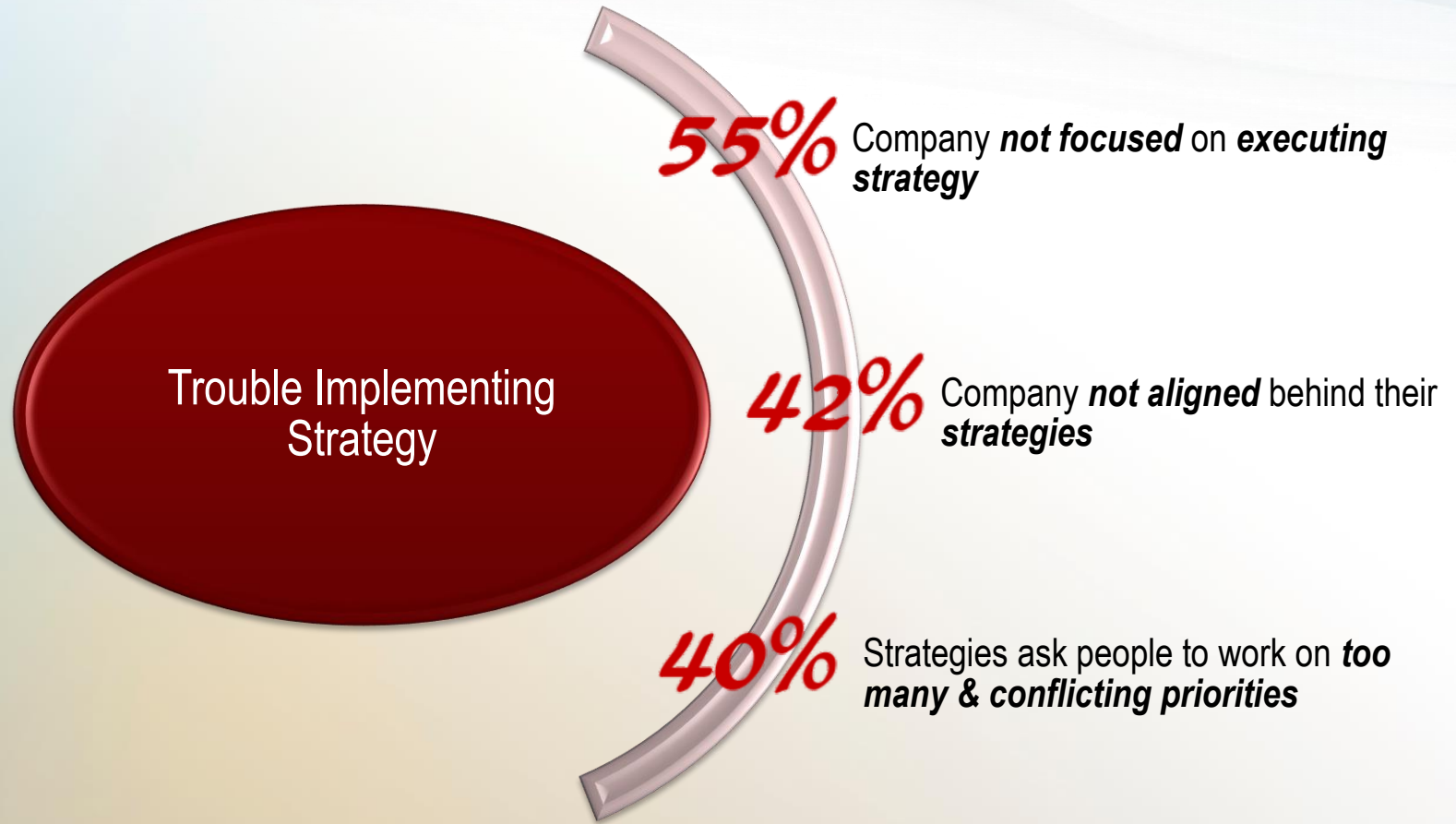


A Framework for Aligning Strategy and Execution

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...

56%

Strategic Initiatives have
been successful

9%

Excellent on successful
execution


61%

Struggle to bridge strategy-
execution gap

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

A photograph of the Golden Gate Bridge in San Francisco, taken from a low angle looking up the length of the bridge towards the towers. The bridge is illuminated with warm lights, and the sky is a deep blue with some clouds. The text is overlaid on the upper right portion of the image.

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

Objectives for Today

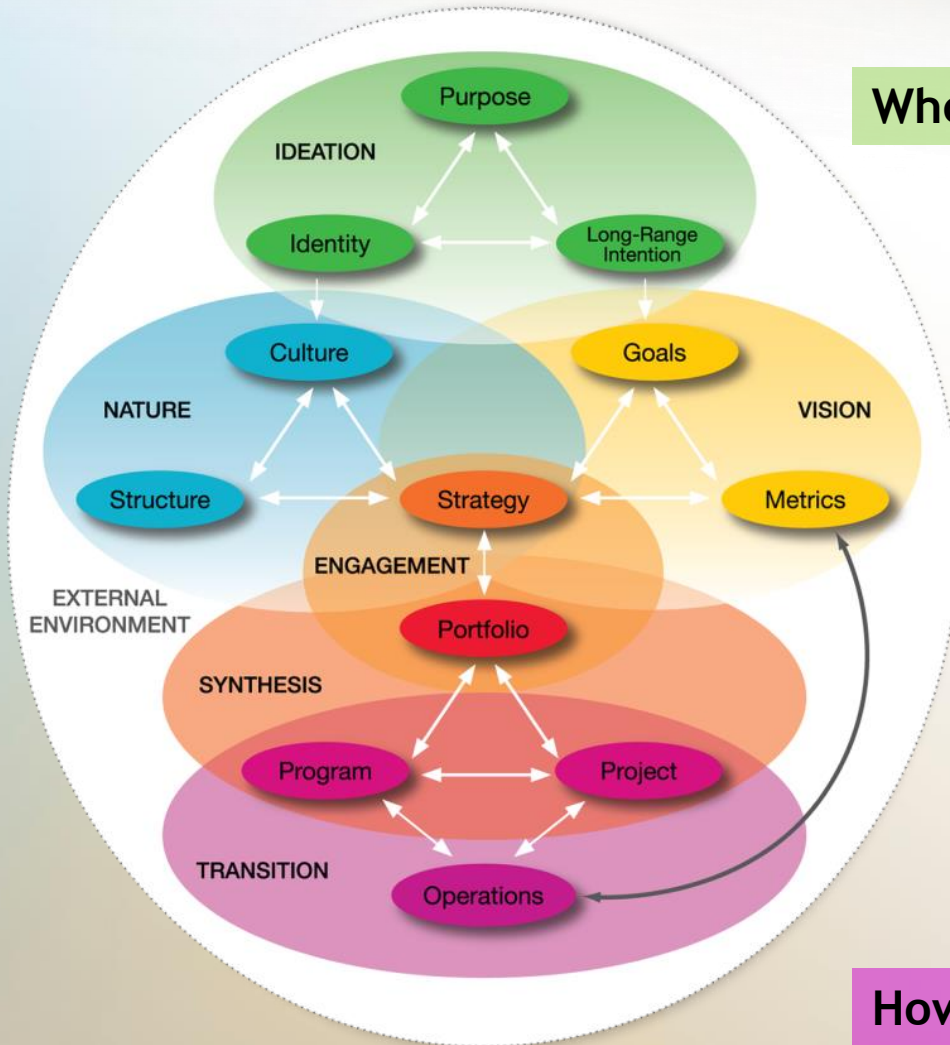
- Outline a framework for improving organizational alignment of project-based work (PBW)
- Summarize the 6 critical business skills to enhance the PBW Leader's capabilities
- Take away actionable concepts to improve alignment strategy, execution, and capabilities

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?

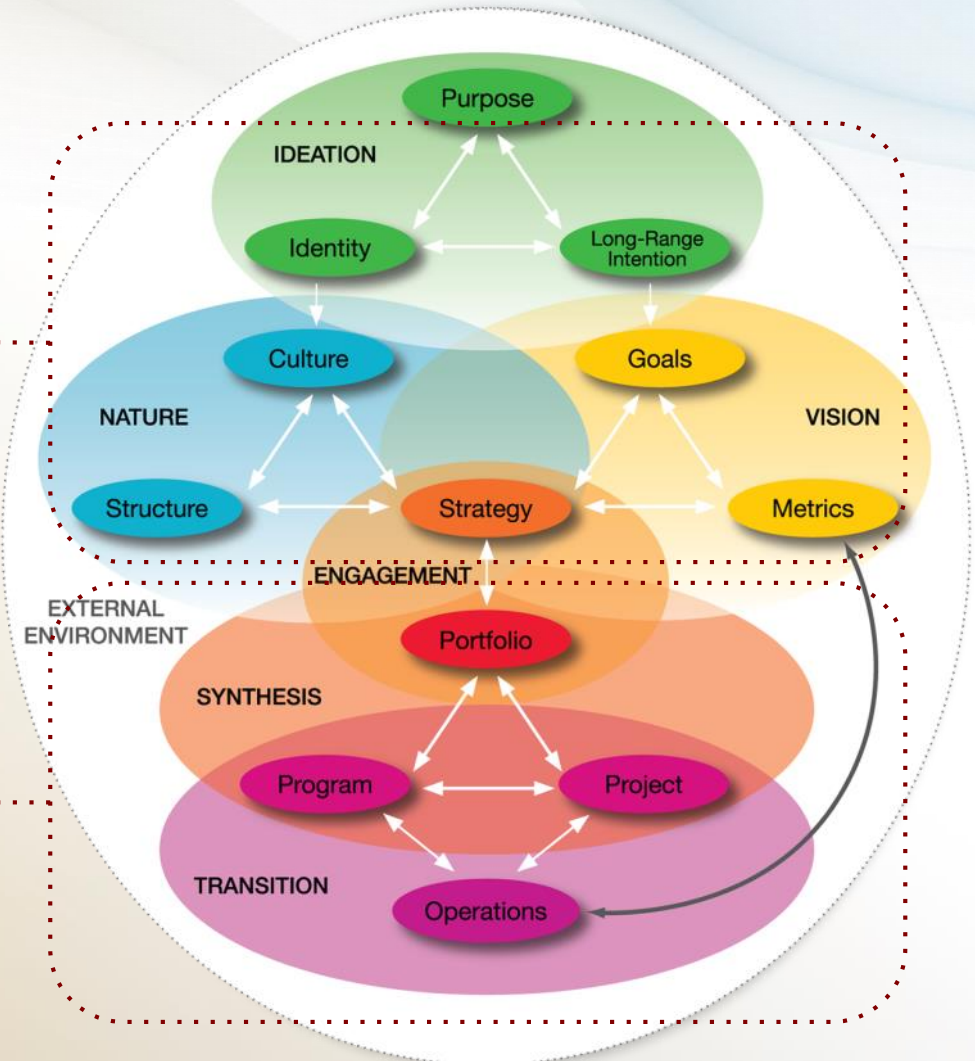
Strategic Execution Framework (SEF)

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Unpacking the SEF

Strategy Making

Strategy Execution



Strategic Execution Framework (SEF)
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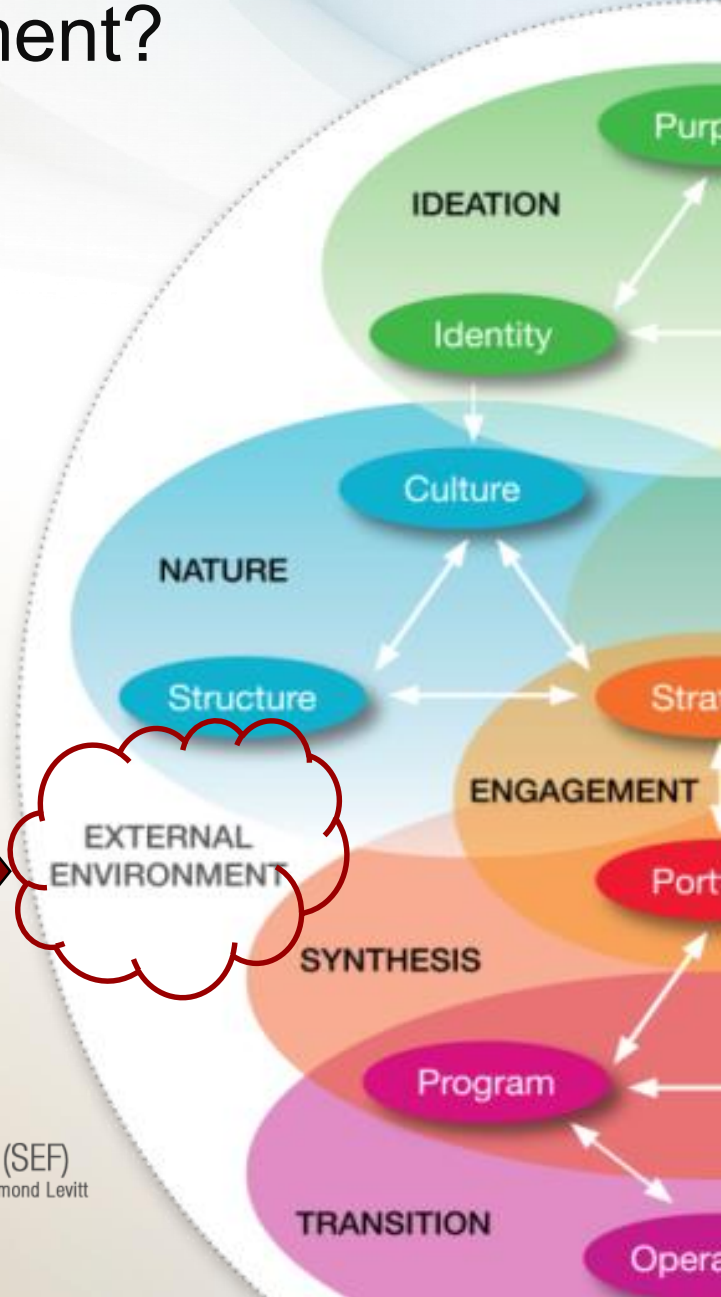
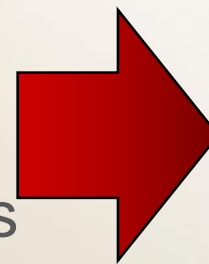
What's Your External Environment?

Health Care

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

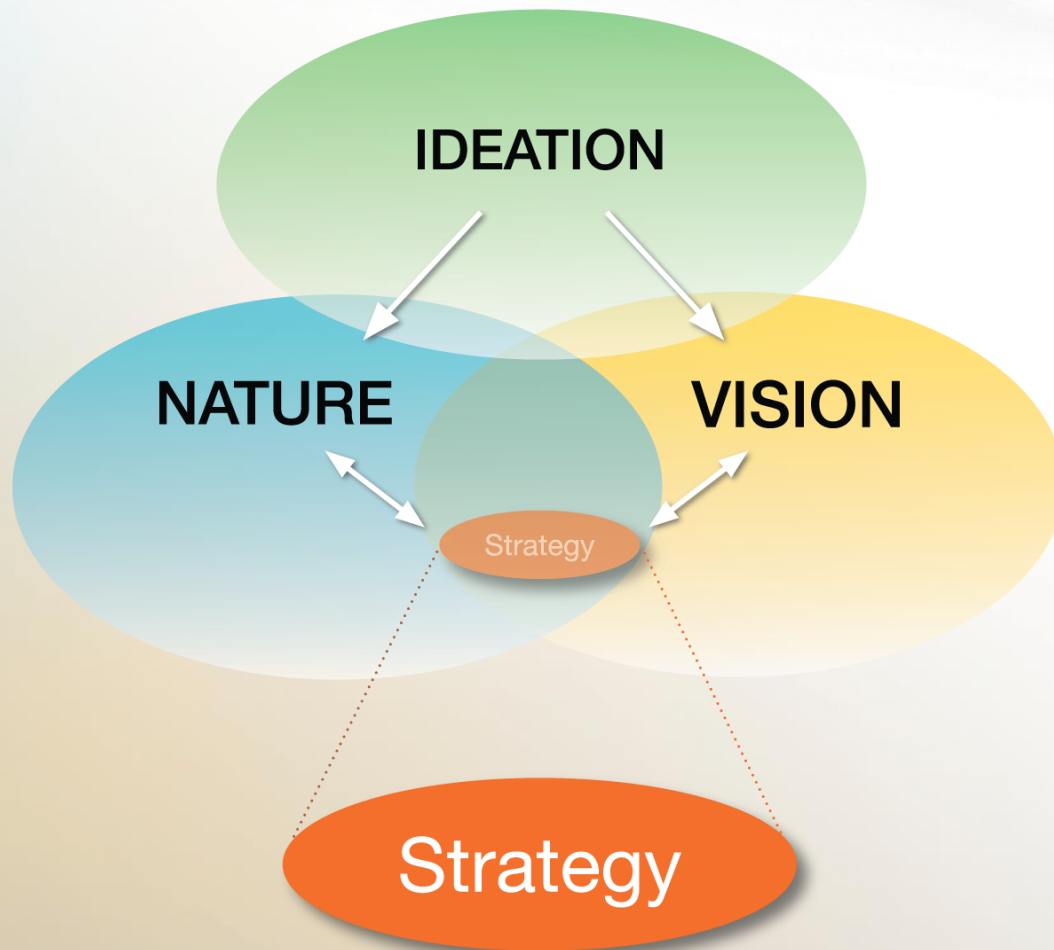
Financial Services

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

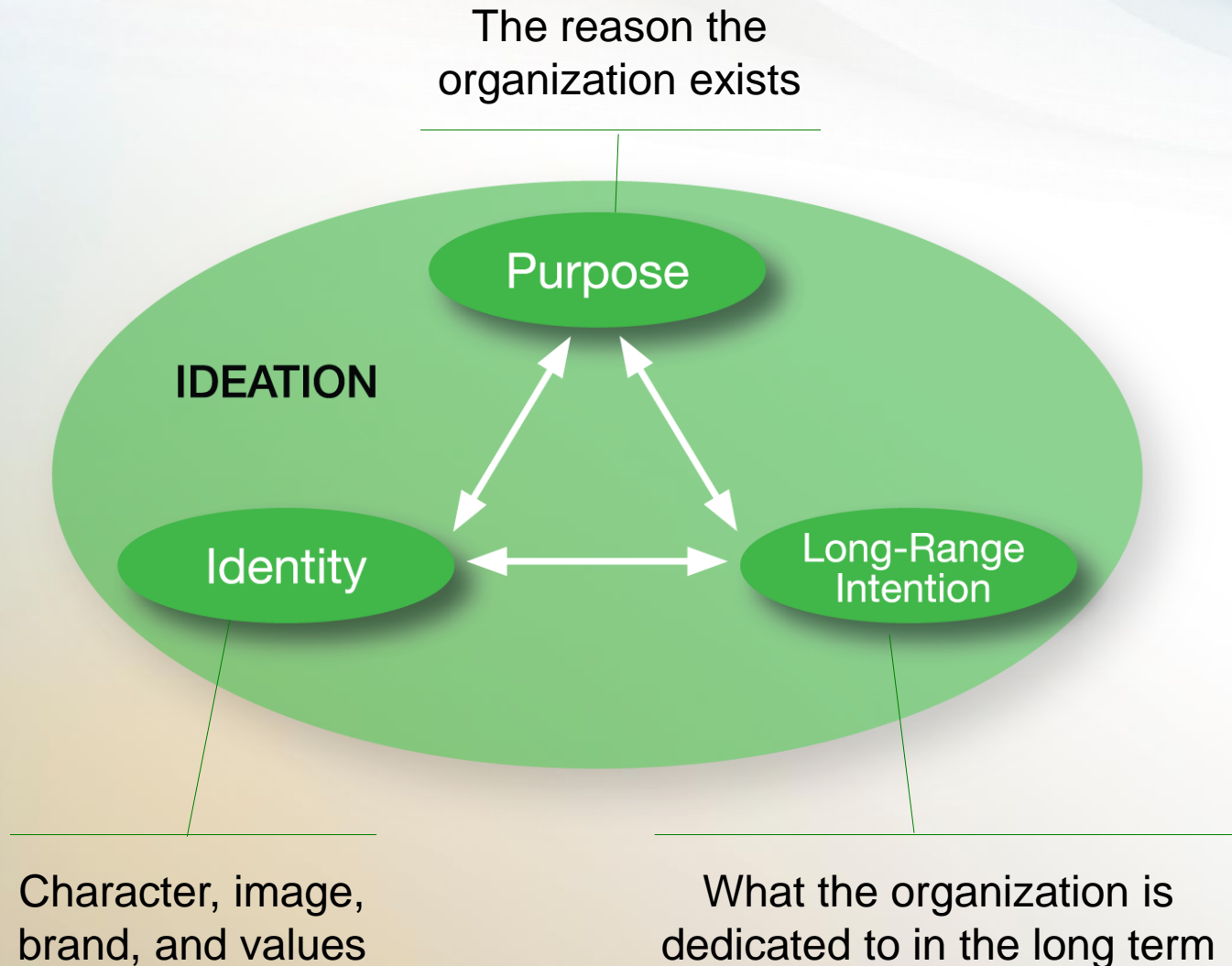


Strategic Execution Framework (SEF)
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Align the Strategy Making Domains Do the Right Projects



The Ideation Domain



Xerox's Ideation, 1981



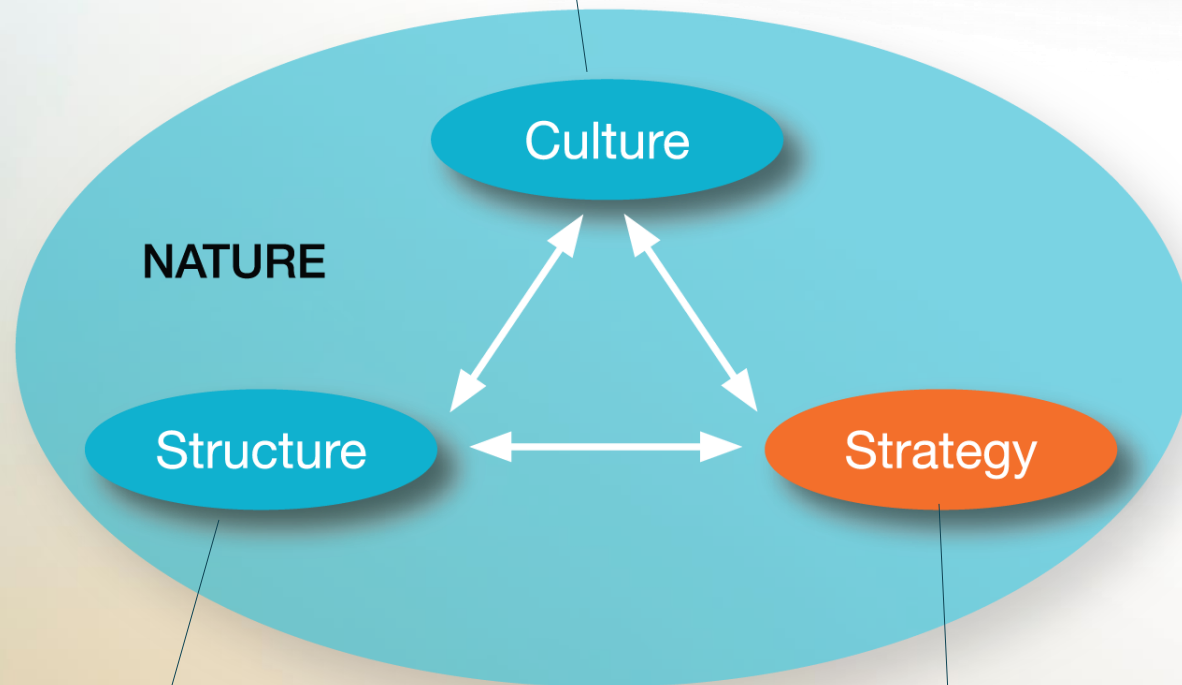
“Xerox perceived itself as only in the office copier business.”
— Malcolm Gladwell



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

The Nature Domain

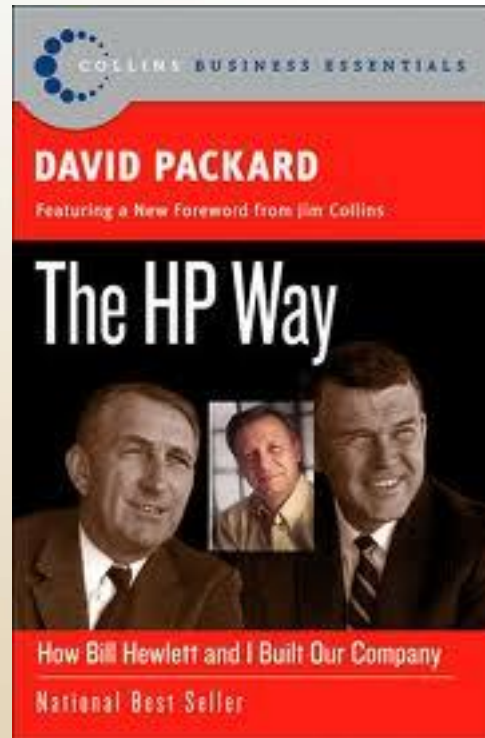
The artifacts, core values, and behaviors of the organization



How an organization designs relationships between areas or functions

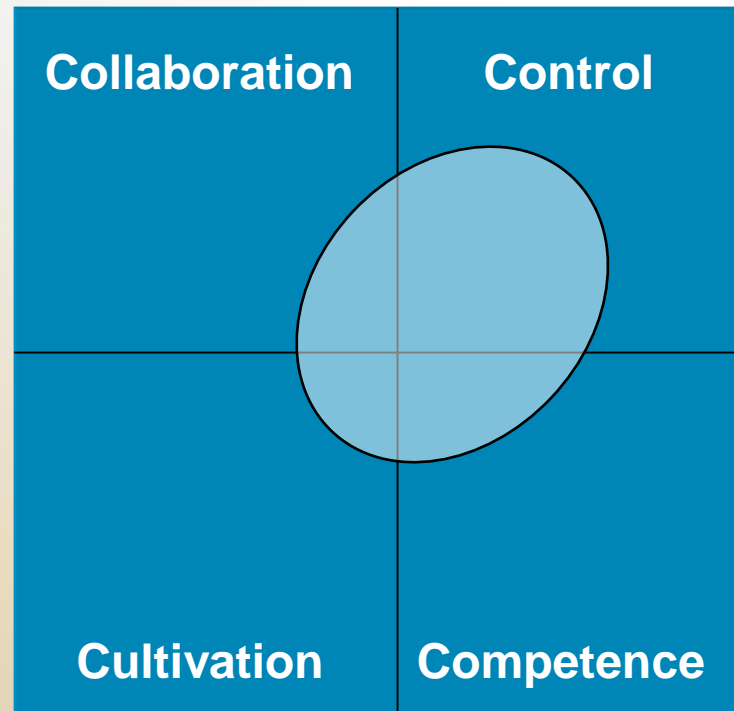
The path an organization designs to achieve its purpose and goals

Misaligned Ideation, Culture and Strategy



Four Core Cultures

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

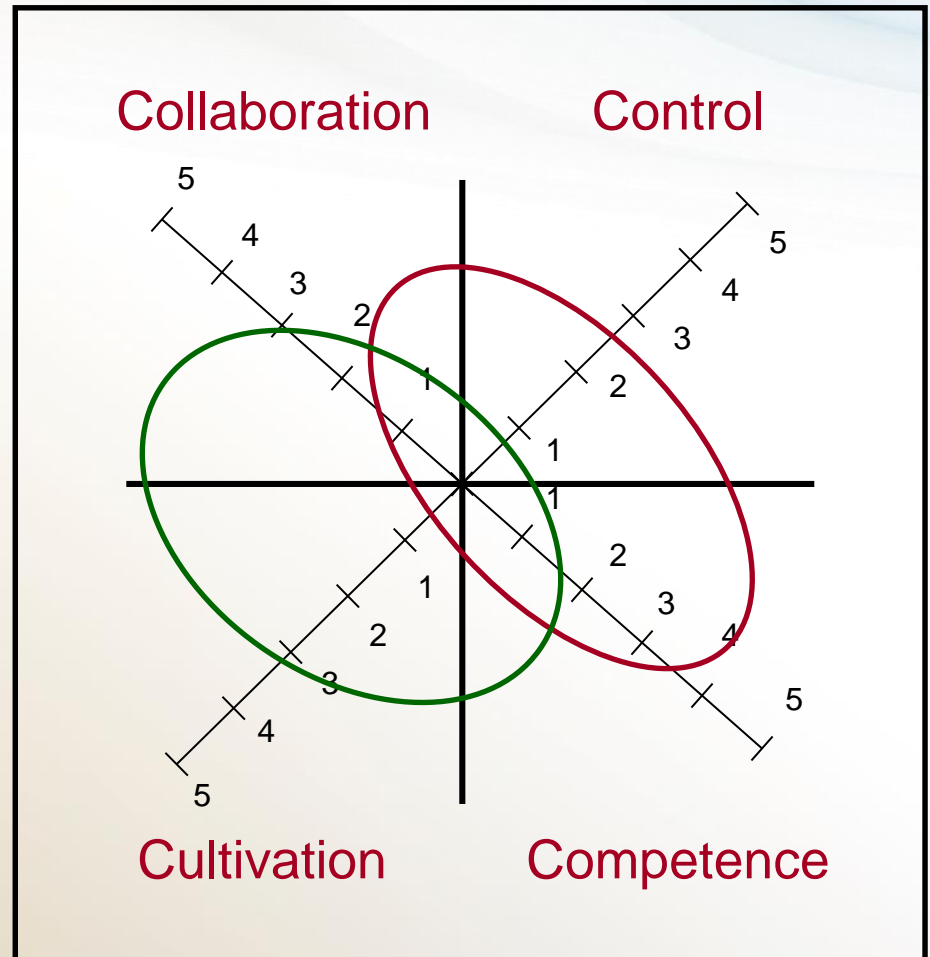


Source: Schneider, William E. *The Reengineering Alternative: A Plan for Making Your Current Culture Work*. Burr Ridge, IL: Irwin Professional Pub., 1994.

Your Culture Maps

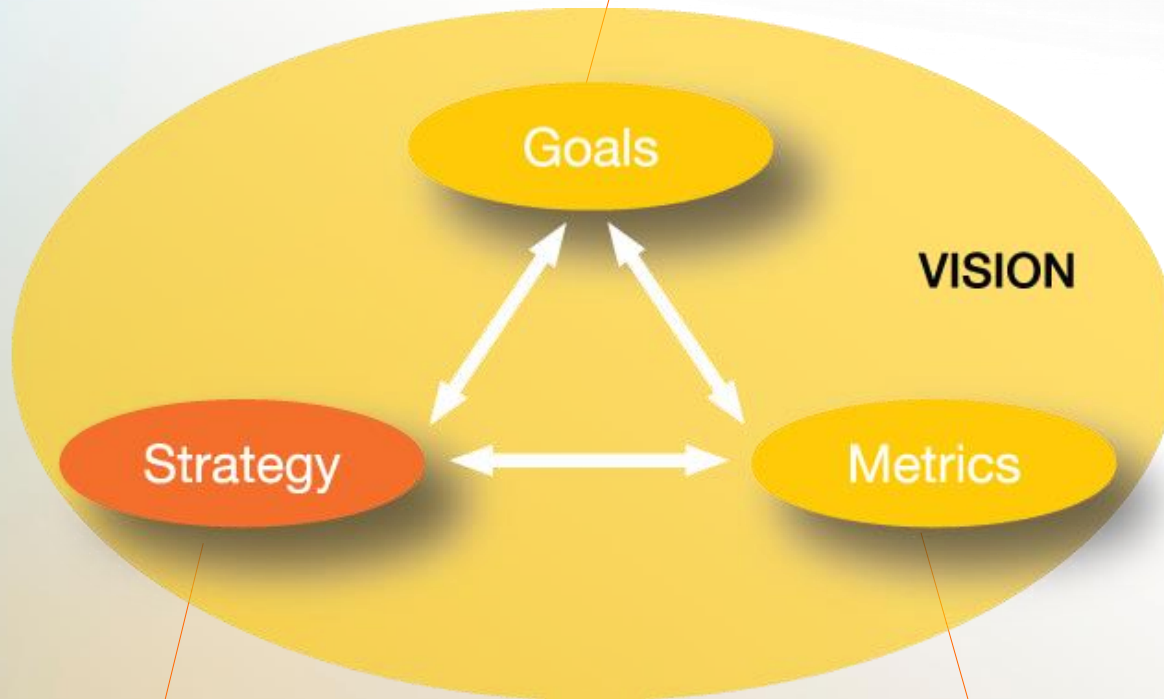
Draw a culture map for:

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



The Vision Domain

The determination of
specific desired results



The path an organization
designs to achieve its
purpose and goals

The vehicle to evaluate
progress to the achievement
of strategic goals

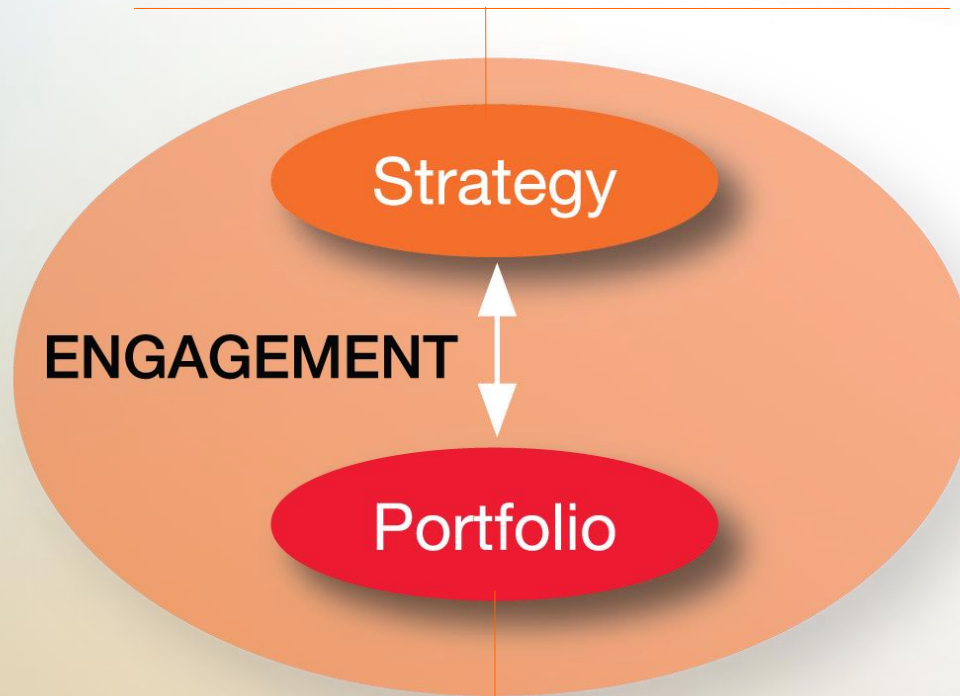
The Measurement Conundrum

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



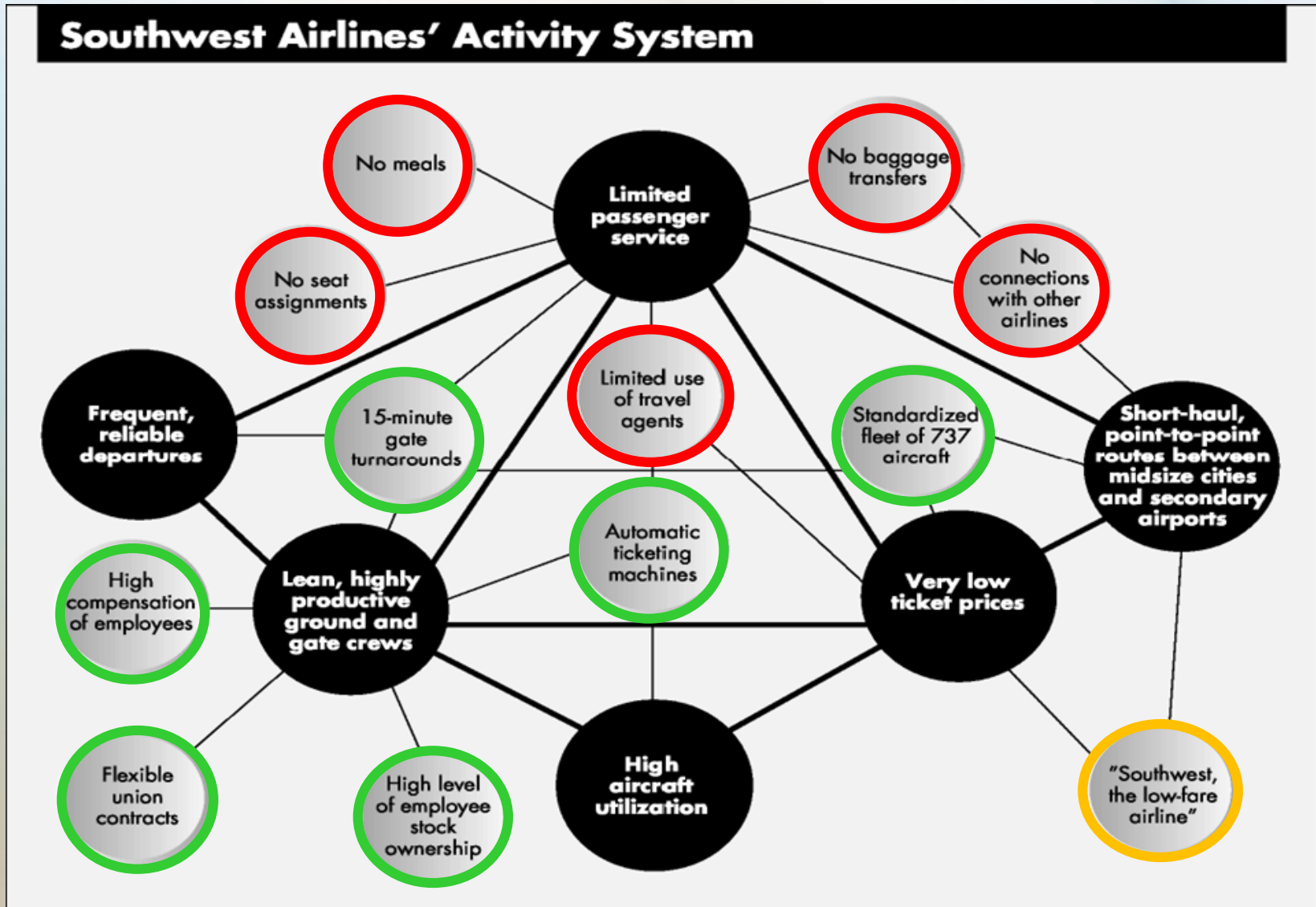
The Engagement Domain

The path an organization designs to achieve its purpose and goals



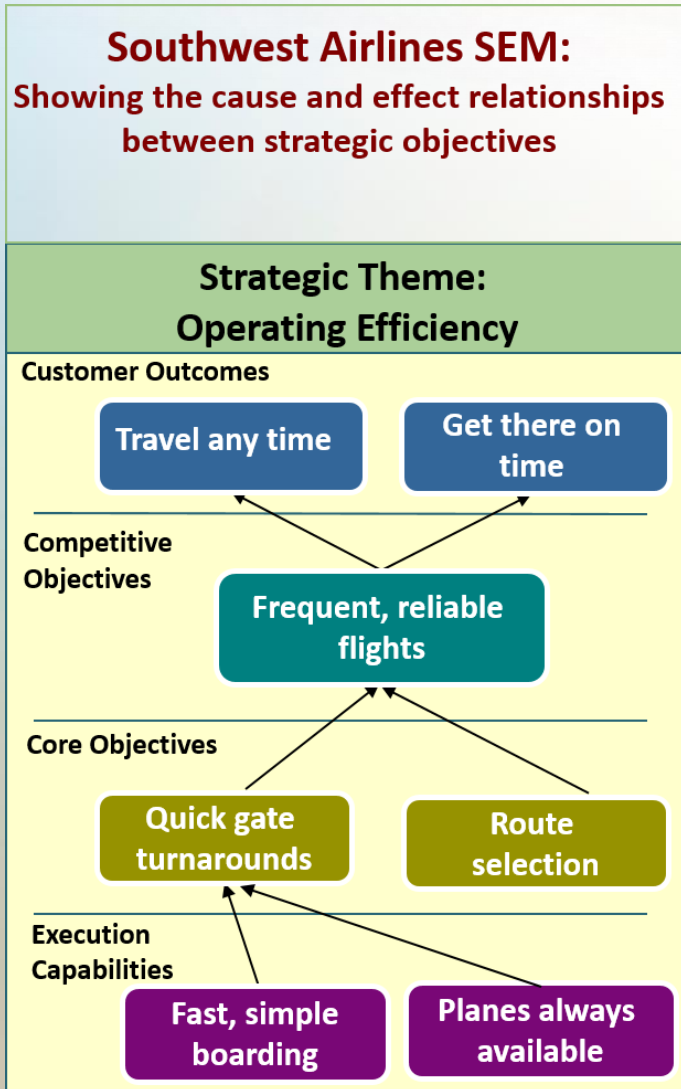
Strategy based, prioritized set of projects and programs, reconciled to the resources required to accomplish them

Clear Strategic Vision: SW Airlines



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

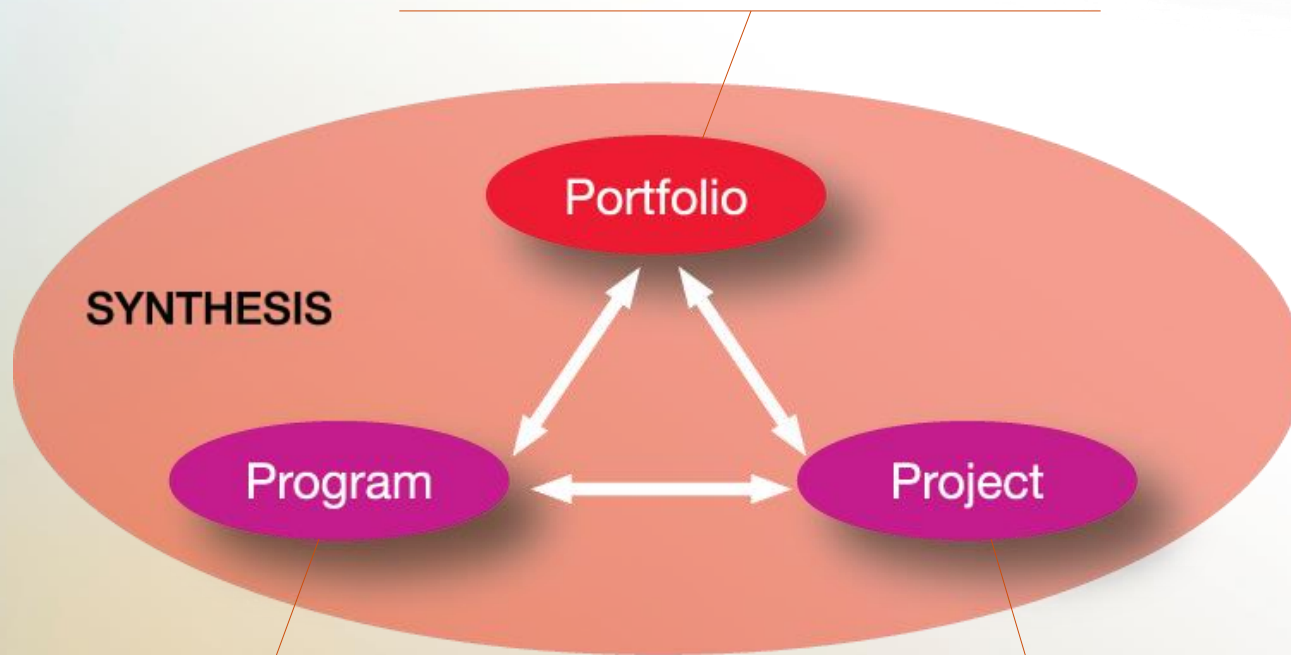
Strategy Execution Mapping



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
↓	↓	↓
Core Objectives	Goals	Metrics
<ul style="list-style-type: none"> Quick gate turnarounds Route selection 	<ul style="list-style-type: none"> At gate time Number of round trips 	<ul style="list-style-type: none"> 15 minutes 5 round trips

The Synthesis Domain

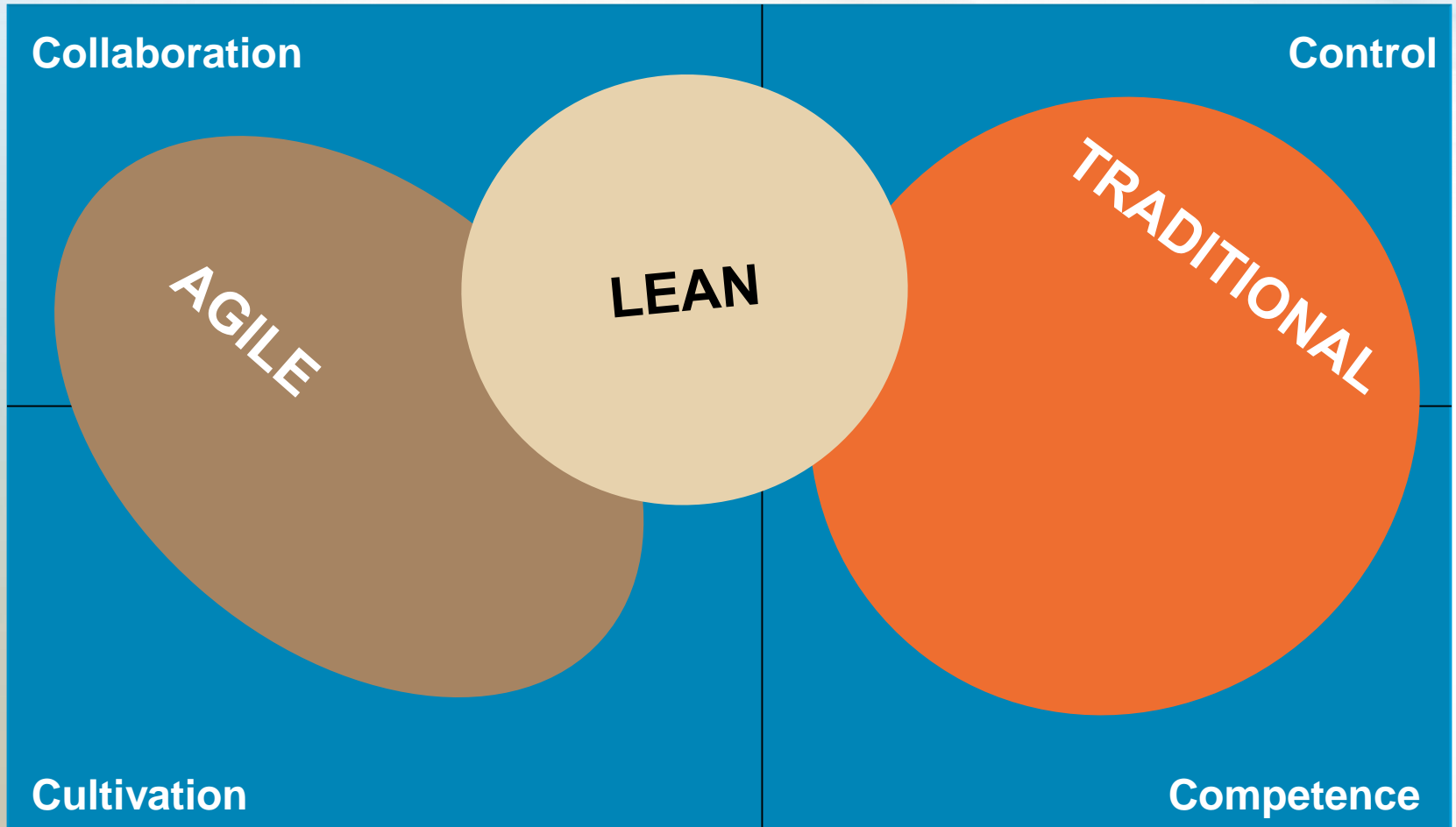
Strategy-based, prioritized set of projects and programs, reconciled to the resources required to accomplish them



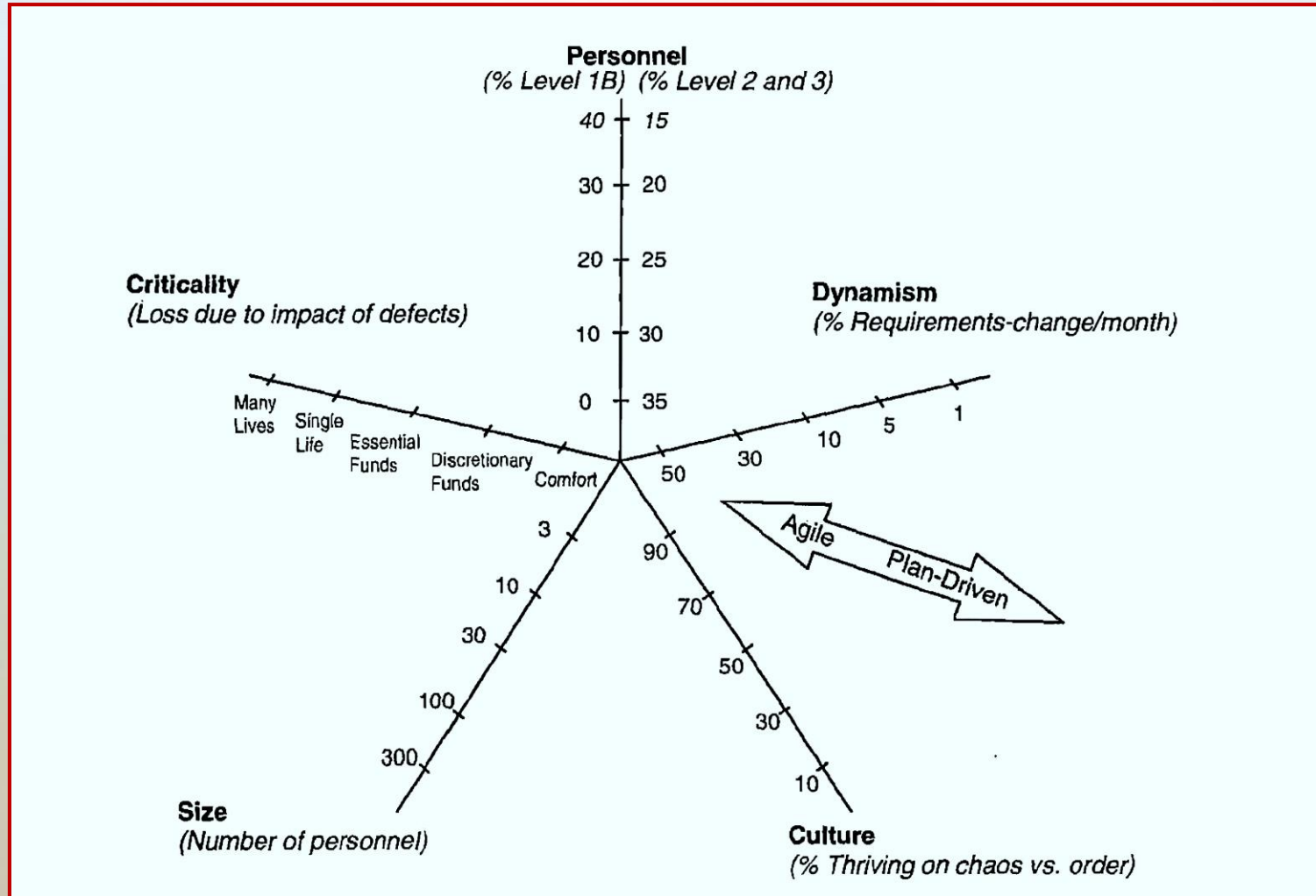
Multiple interdependent projects managed as a single unit

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

Culture and Today's Work Approaches



Balancing Plan-Driven & Agile Approaches



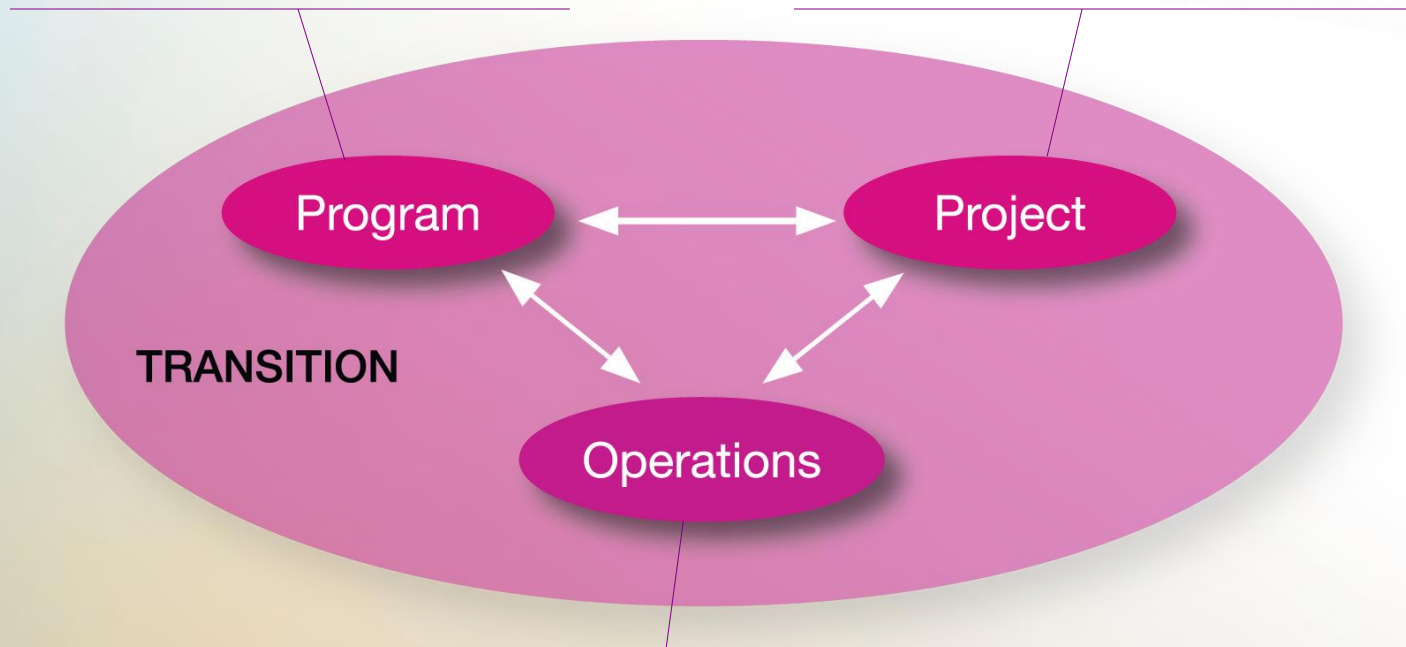
Source: Barry Boehm and Richard Turner. *Balancing Agility and Discipline: A Guide for the Perplexed*. Addison Wesley. 2004.



The Transition Domain

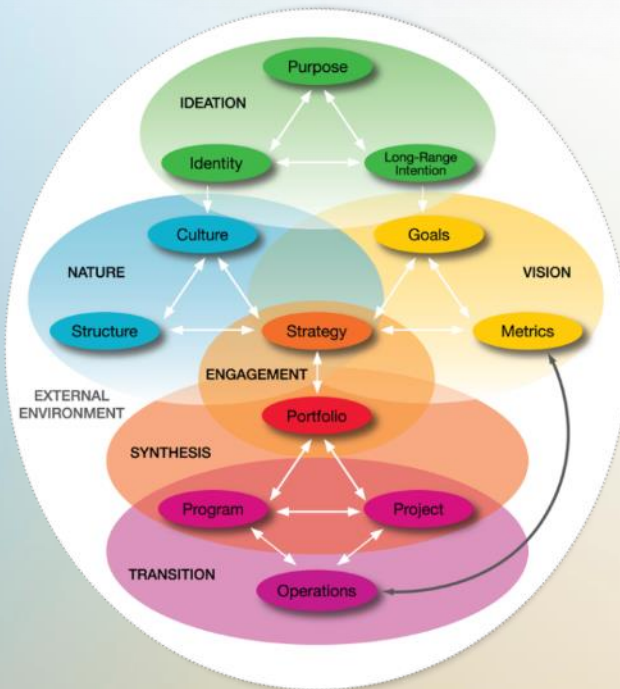
Multiple interdependent projects managed as a single unit

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



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

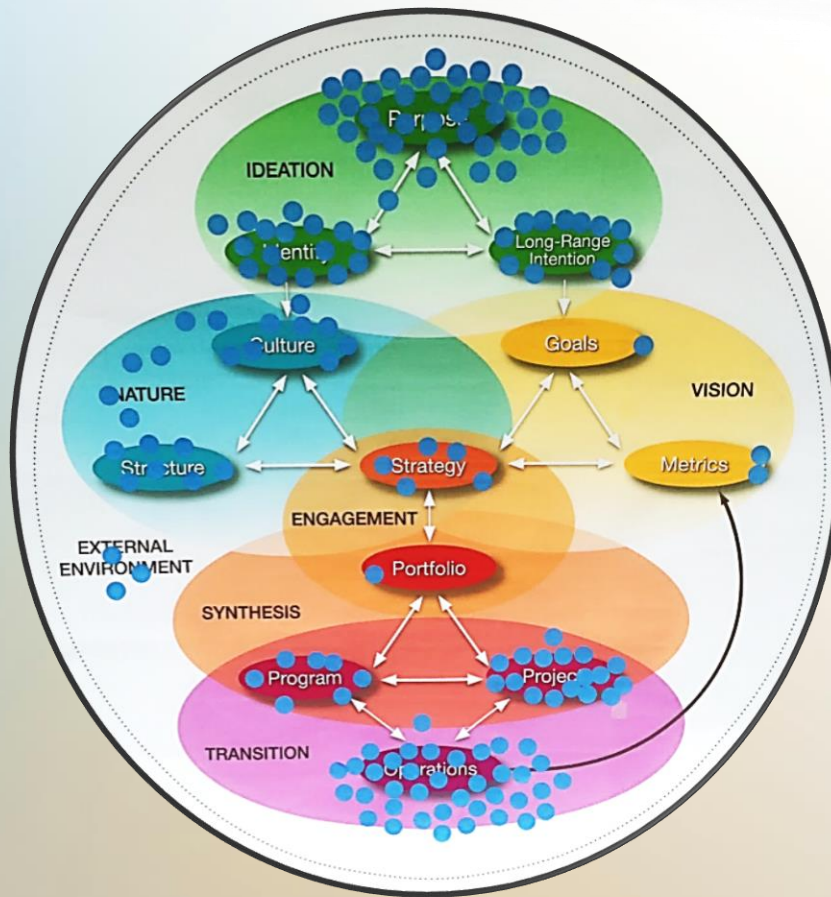
IKEA in China



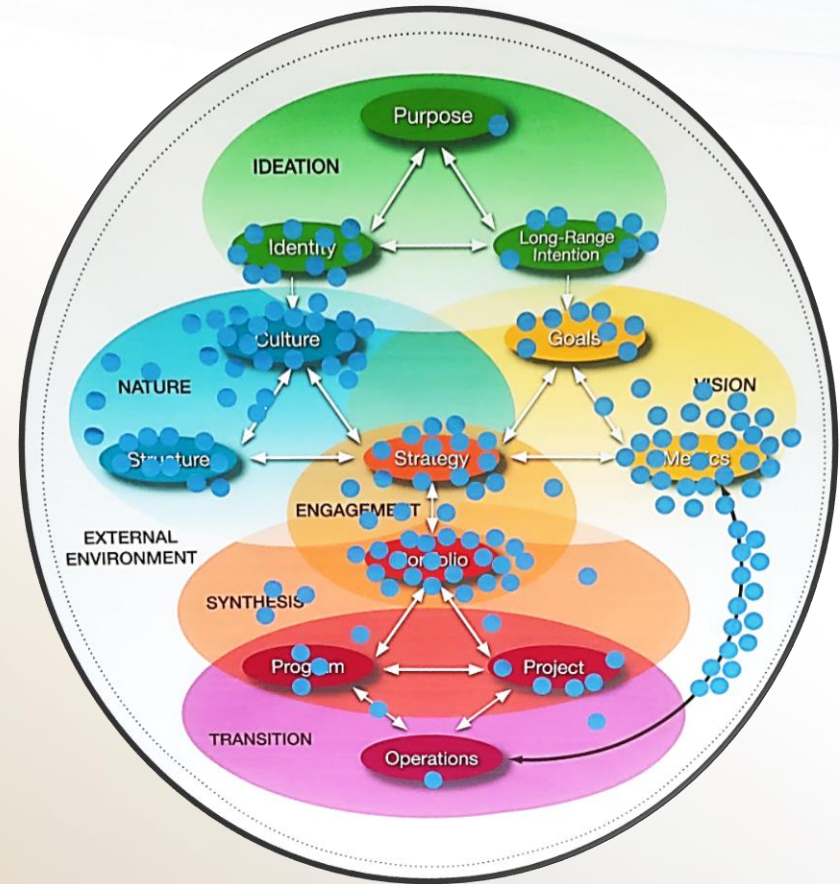
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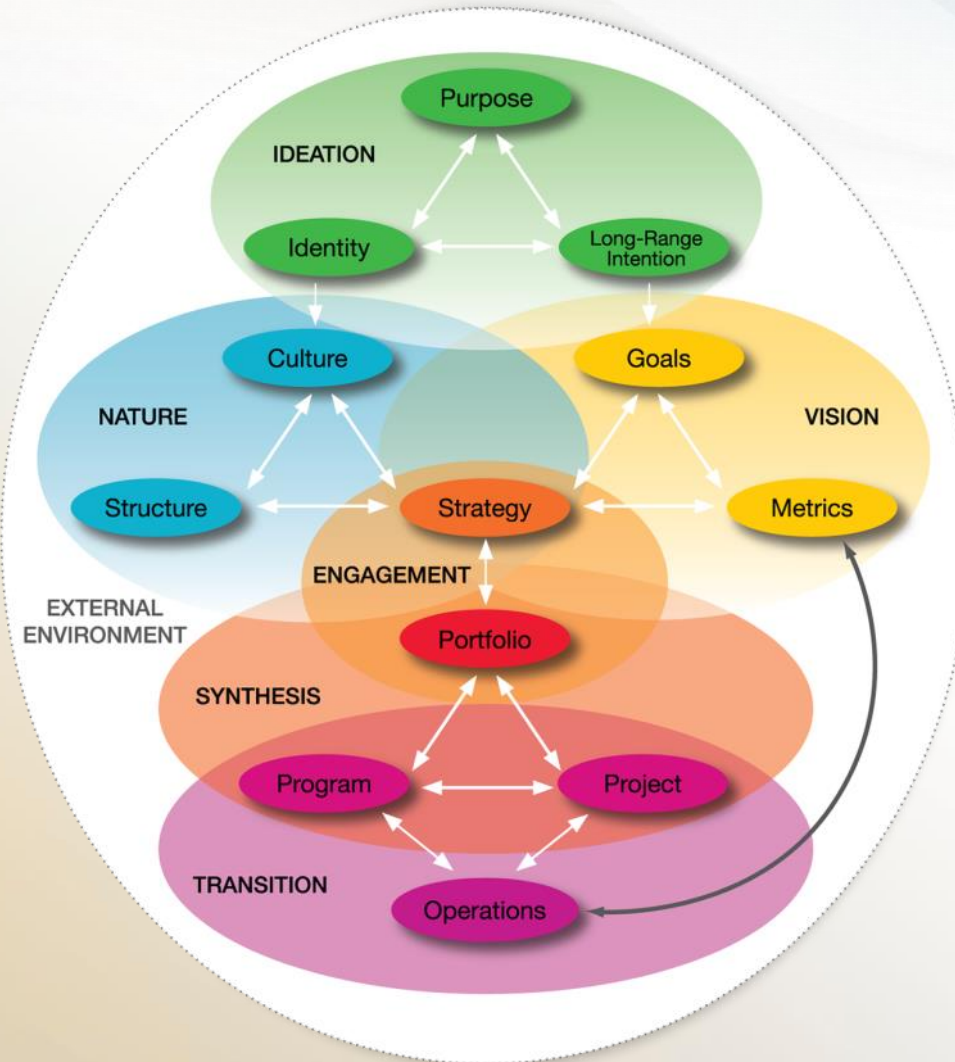
What Works Well



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

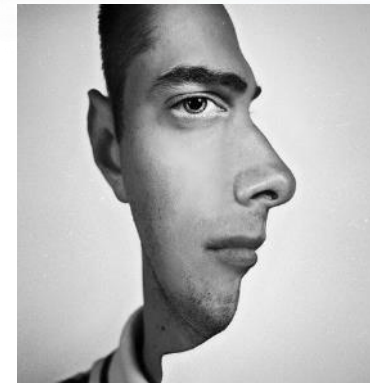
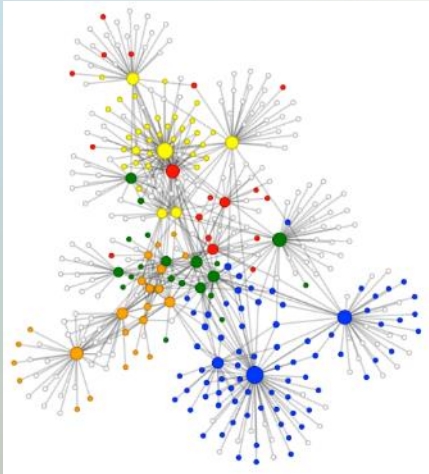
Transition your projects' benefits into operations, and **reinvest** the project resources

The Stanford Research Shows...

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



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!

- **Joe Czarnecki**

- ipslearning.com
- esi-intl.com
- apm.stanford.edu
- **Email:** jczarnecki@ipslearning.com
- **Twitter:** @ipslearning
- **Connect with me on LinkedIn!**