

Linking Strategy to Implementation By Jeff Bernard

Business owners often identify lack of implementation and follow-up as the primary reason a great strategy failed to generate the desired results. Strategies must link directly to implementation or, at best, they are doomed for mediocre success. An effective strategic plan must outline the actions required to complete the plan, assign responsibility or ownership for each action, identify a timeline for completion, and define how success is measured.

There are a number of ways to implement a strategy. Just go online and you are greeted with a variety of business books, articles and experts. You might also utilize your industry network and get advice from others in similar businesses that are successfully implementing strategies. The common ingredients that lead to successful implementation typically include the following.

- Pick a strategy implementation process and use it
- Use a facilitator (internal or external) to help you and your team work the process
- Stay disciplined to the process
- Know what success looks like for each action implemented
- Follow-up by monitoring implementation activities on a scheduled basis

A strategy implementation process is a series of steps used to develop and implement a plan. The steps should be simple and focused on action. It should also engage your management team and enlist their buy-in to the process.

Managers/owners who are the strategy meeting/discussion leaders may find it difficult to fully participate in the process. A facilitator keeps the process on track and leads strategy meetings/discussions in an objective manner so that everyone involved can participate including the owner or senior manager. The facilitator also captures the discussion for future reference. A facilitator may be a skilled individual from outside the company or someone inside the company who has the ability to objectively work with the process participants and ensure that the company maintains process discipline.

The following is an example of some process steps that illustrate how to identify actions and measures, and create a follow-up process. A hypothetical strategy “improve non-fuel profits” is used in the example.

Each strategy is defined by articulating a number of clear objectives. In this example, “increase c-store gross profit” is one objective that identifies where your team can focus to “improve non-fuel profits”.

The next step is to identify a series of actions that if implemented successfully achieve the objective. In our example objective, “increase c-store sales gross profit”, some of the actions might include:

Action	Who	When	Measures
Negotiate more favorable contracts with suppliers			
Identify new profit centers that complement current store floor plans			
Improve coffee program			
Implement competitive price survey process			
Implement centralized price book			

Why do we need this level of detail? The action items are also used as a communications and prioritization tool. Action plans must provide a high level of clarity so that everyone involved understands exactly what must happen to achieve results. Successful implementation relies on a number of independent actions, so it is better to “err on the side of detail.”

The next step in the process is to select action owners **who** take on the responsibility to develop action plans. Action plans include identifying, evaluating and selecting alternatives, gathering the necessary resources, setting the timetable to achieve the plan (**when**), and then implementing the plan. Selecting action owners also provides the opportunity to delegate responsibility, empower employees, create clear accountability, prioritize activities, and establish a means to objectively evaluate individual and team performance.

To ensure that the proper results are achieved, the action owners also identify appropriate **measures** so that everyone knows what success looks like for each action. In our example the action “improve coffee program” might be measured by “coffee sales”.

It is recommended that each action have only one owner to ensure clear accountability. The action owner may form a team or seek help from other resources to accomplish the action; but, the action owner has ultimate responsibility for success.

In addition to individual action measures, one or more overall measures for each objective are identified to assess the cumulative result of the successful implementation of the actions. In our example, one overall measure for this objective may be “same store gross profit \$’s”. Another overall measure may be “c-store gross margin %”.

The next step in the process is to set specific goals for the current business cycle (e.g. 10% improvement in same store gross profit \$’s). Measures and goals from all the strategies and objectives should be consistent with the budget process and may be incorporated into a scorecard to create an effective management tool.

A simple follow-up process to monitor the progress on each action is a critical key to success. A non-time consuming method is recommended so that the action owners focus on completing the plan instead of preparing complicated reports. For example, a two line update prepared by the action owner and broadcast via email to all the other action owners on a pre-set periodic basis (e.g. the first Tuesday of each month) lets everyone know what is occurring, where progress is delayed, and potentially where more resources may be required to complete the action. It also fosters peer pressure among action owners to provide the incentive to accomplish their goals.

Selecting a follow-up process owner is also recommended. The follow-up process owner ensures that the updates are broadcast and periodically summarizes the progress on all the actions. For example, each action, action owner and expected completion date is listed on a simple spreadsheet and categorized as “on schedule”, “lagging” or “complete”.

“It starts at the top” is a critical success factor in any strategy implementation process. The involvement and support of the owner and the senior managers is a common thread in companies who have consistent strategy implementation results. A good way to demonstrate support is for the owner or a key member of the management team to take on the action plan follow-up and reporting responsibility.

The process does not need to be complicated; however, that does not make the implementation easy. It takes leadership, dedication and hard work. Whatever implementation mechanics a company chooses, it is imperative that the owner/CEO and senior managers act as constant cheerleaders and champion the implementation process.

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