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Who is Responsible for Executing Strategy?



Making the Case for a Chief Strategy Officer

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The Challenge:

As we have observed with many of our clients, even the most compelling strategy is useless if it isn't implemented. The constant refrain from the C suite is "We just need to do better in execution." But in many companies, no one is driving execution. The question, "Who is accountable for the execution of strategy in your company?" is often implied and goes unanswered. And when pressed for an answer, it usually varies from "no one" to "everyone."

With all the changes that have occurred in the business landscape recently it is ever more difficult for CEOs, COOs, and CFOs to be on top of everything especially strategy execution. To deal with this challenge of executive accountability, firms such as Oracle, Panasonic, Accenture and Cognos are now adding Chief Strategy Officers (CSOs) to their management teams.



"Strategy without superb execution is just happy talk."
...KappaEast



"If you do not execute properly, you will be executed."
...KappaEast Client



"A good plan violently executed now is better than a perfect plan next week."
...General Patton



"Strategy without tactics is the longest path to victory. Tactics without strategy is the noise before defeat."
...Yum Woon Sen

In an article entitled *The Chief Strategy Officer*, published by the Harvard Business Review highlights three critical strategy execution tasks that a CSO must handle:

- Articulate a clear definition of your company's strategy.
- Explain how each person's work relates to it.
- Facilitate the immediate change initiatives required to execute the strategy.
- Ensure that strategic decisions do not get watered down or ignored as they are translated throughout the company.

Carrying out these tasks is not simple. Without some form of centralized support or enabling capabilities even a smart CSO is set up for failure.

What Works:

One potential solution is to establish a Strategy Execution Office (SEO).

An SEO is similar to what developed when the quality movement began years ago. Many companies established a TQM center of excellence that provided the key organizational know how, processes and tools and quality planning facilitators to help other senior managers begin to build their own capabilities. Eventually these capabilities matured so that each business unit manager was capable of applying the practices successfully without a centralized support team.

Just Try It:

At a minimum the Strategy Executive Office should initially establish and maintain the following capabilities:

1. **A Strategy Execution Radar Screen.** This one page template would be developed with the executive team to surface explicit and expected outcomes and identify what initiatives, resources and capabilities must be in place to drive the desired results. The Radar Screen highlights what matters most to the company and to every employee so they know how their jobs have a purpose linked to the bigger picture.
2. **Execution Planning Facilitator.** This senior level facilitator works cross-functionally to ensure a standard approach for the foundational planning process of every major initiative, program or project portfolio. The strategic facilitator integrates the necessary project planning and execution disciplines with the appropriate level of change management process required. This integrated planning will substantially reduce the amount of time the company spends in the implementation planning phase by surfacing the key obstacles to execution and change leadership. Depending on how much change the company strategy demands, this facilitation could easily be the most important function of the SEO (and the senior management team) in reducing the risks to execution.
3. **A Day-to-Day Strategic Decision Framework.** Given the level of uncertainty we are experiencing in today's

economic climate, the ability to understand the components of good decision-making is more important than ever. The SEO would help create the decision process guidelines and the decision roles of management and staff in the strategy execution phases. The goal is to ensure all management teams can debate issues and opportunities of both execution and operations by following a set of issue resolution principles and strategic prioritization criteria. One of the most important outcomes is enabling project and management teams to make good decisions quickly. The investment in improving decision-making competency is one of highest-return activities an organization can undertake, because it creates value at minimal cost.

What's Next:

While a CSO can add value in a company, the multi-faceted skills and discipline required to execute an enterprise or business unit strategy go beyond what one person can master. Therefore, start a small Strategy Execution Office and build the ability to better execute your current strategy, as well as building competency across the management team so your enterprise does not become dependent on any single person for its success.

Just make sure there is someone in the execution driver's seat to keep your strategy on course.

If you have any questions, you can reach us at kappainfo@kappaeast.com.

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