

Common sense as an uncommon practice.

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ABLE 360

Idea in Brief

70% of all plans and initiatives fail, and that failure is driven by a lack of alignment and execution. The path to better execution is simple, just remember the acronym ABLE.

ABLE – Align, Build, Lead, Execute

Step 1: Align

Align the team to the reality of today
Align the decisions to the data
Align the plan to the strategy
Align the team to the plan

Step 2: Build

Build up your leading indicators (your infrastructure, people and process), so they can create the target customer and financial outcomes.

Step 3: Lead

Keep your finger on the pulse and see how your activities are affecting your desired outcomes (goals, objectives). Change course and recalibrate as needed.

Step 4: Execute

When you effectively Align, Build and Lead, the result is your ability to Execute. Leverage technology to create visibility in your organization and allow you to better facilitate the execution of your plan.

4 Steps to Ensure Execution

Overcoming the frustrations and wasted opportunities that come from a failure to execute

The topic of execution is not new. In fact, it is one of the most heavily discussed business topics. It is so important because of the value it can provide to an organization, and the frustration and lost opportunities it can cause when a good plan or strategy is wasted.

Most business owners want to grow. And while they have an idea of where they want to go; the fact is that 70% of all change programs, plans and initiatives fail¹. That failure is driven by lack of alignment - i.e. people resistance, management not supporting change, and inadequate resources.

Whether the business is working on the wrong items at the wrong time, or is not aligned on the right ones, there is a tremendous amount of frustration and lost opportunity that comes from a failure to execute.

“The problem of alignment is so persistent that a body of research has emerged to describe it. For example, a recent MIT Sloan School survey of more than 4,000 managers found that only 28% could correctly list three of their firms’ top strategic priorities.

Many companies are caught in a vicious cycle that often results in a strategy-execution gap. “Our world is changing, and our strategy must change too,” leaders exhort. Advisers are hired, data is gathered, numbers are crunched, and decisions are made. But the seeming consensus doesn’t translate into action. So the process repeats, but the apparent alignment isn’t deep enough to drive real change.”ⁱⁱ



“What if we don’t change at all ... and something magical just happens?”

WHY DOES EXECUTION FAIL? Firefighting instead of strategy

The reason for the failure to execute is supported by a 2017 study from Harvardⁱⁱⁱ, which illustrated that the teams that are lower performing, they spend 84% more time fighting fires and dealing with issues on a tactical level. That is in direct contrast with the teams that are higher performing, which spend 54% first setting direction, and then making a series of decisions to support it.

To accomplish your goals, you need to make the best decision on what to do to and then you must orchestrate a way to do it that is aligned throughout the organization. Not just top down, but also leverages key performance information from the front lines that cascades up.

The bottom line, to be an organization that consistently executes, you need to become **ABLE** (see figure 1).

ABLE = ALIGN | BUILD | LEAD | EXECUTE

Step 1: ALIGN

Align - The team to the today

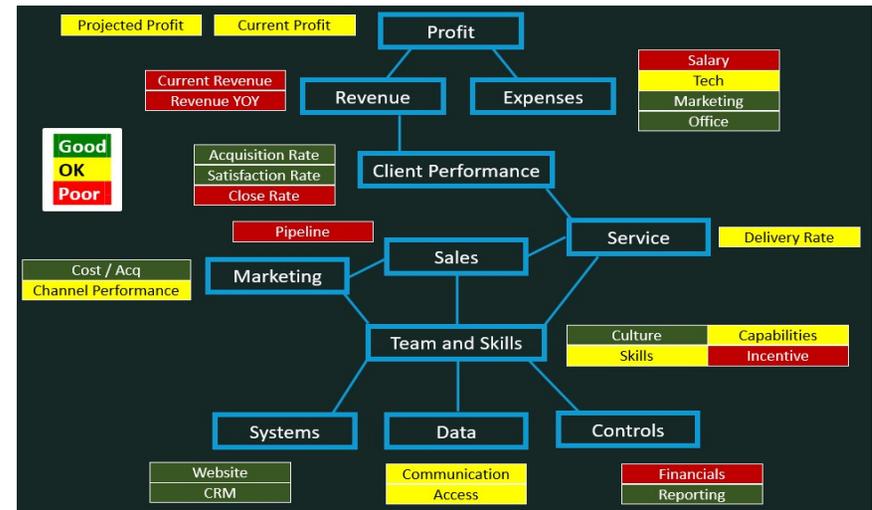
To make the best decisions going forward, you need a clear understanding of today. That is not a concept that is new, and models like SWOT analysis have been used for decades. A key addition to that process is to visualize it within how the Company currently creates value (figure 2). All organizations are unique in how they create value; which is based on the cause and effect relationship of how infrastructure, people and process (leading indicators) drive client performance and financial results (lagging indicators).

If the team and key decision makers are not aligned with both how the organization operates, as well as how it is performing in those key areas, they will be making decisions on disparate sets of information.

Figure 1 – the path to becoming ABLE



Figure 2 – Visualize how the organization creates value and how it is performing



Align - The decisions to the data

(not just the data, but the real story behind the data)

When decisions are made, they should utilize available data to create options of projected outcomes. More simply put, answer the questions of, "Will option A provide us the best outcome or will option B?" If an organization understands how it creates value, it should be able to predict which option will deliver the best value.

Align - The plan to the strategy

Once you know how your company works today, and the best opportunity to create value, you need to work backwards to what you need to achieve. Consider both how your objectives affect your goals, but also how they improve the organizational performance. As you make your plan, make sure you look at your value chain - so you can leverage what you do well, and address what needs improvement - to achieve your best results.

If done in a step by step fashion, you should know the following:

1. How your organization creates value
2. The goals you want to achieve
3. The objectives to accomplish the goals and improve how the organization creates value
4. The tactics to complete the objectives (what will be done, who will do it, when will it be completed)

Never try to just complete a goal – you need to work backwards to outline the micro steps. If your goal is to have 2x the profit, work backwards to determine sales, acquisition rate, expense reduction, etc. which will deliver that result. The outline objectives and tactics to make the necessary adjustment.

Align - The team to the plan

People are a powerful force in any organization. And when they are not aligned to the plan, they are the largest factor that stops execution. 30% of execution fails because of people resistance, and 27% due to management not supporting change. And even when management does support change, they often can't articulate what the change is that the organization is trying to accomplish as illustrated in the aforementioned study from MIT.

Three big components to team alignment are: 1) buy in, 2) communication and 3) visibility.

BUY IN: When a strategy is rolled out, it is best if it has buy-in from those executing it. This becomes easier when the team has provided the key data or recommendations that are used to base the decisions (see step X); and even easier when they are involved in creating the solution. If they have ownership in the decision, they will take pride in delivering the result.

COMMUNICATION: Second to buy-in is communication and visibility. A key goal is to communicate strategy throughout the entire organization, and it is even more powerful if people can see how their activity affects the outcome. People operate better when they know they are a contributing factor.

VISIBILITY: Almost as important is visibility. Not everyone will be on the same page with the plan, but if you make clear the steps that need to be completed (both what, who and when), and visible who is responsible and how it is going, the work has a higher likelihood of getting completed.

When the team is working within the strategic plan, the organization jumps into the higher quadrant of performance.

Step 2: BUILD

Build: Process – People – Infrastructure

Another large piece of the puzzle as to why execution fails is a lack of resources. Resources can include the 1) systems and infrastructure that the organization needs, 2) the people and their capabilities, capacities and incentives, or 3) the process and know how to get the work done.

Typically, each one requires the one before it for an organization to operate most effectively (cause and effect).

- If the goal of an organization is financial results (revenue, profit, growth), it will typically need strong customer performance to deliver those financials
- To deliver strong customer performance (i.e. acquisition rate, satisfaction, close rate, etc.), the organization will need to have a strong process or value chain to deliver those results (marketing, sales, supply chain, service, etc.).
- Most processes are implemented by people, so to have a strong internal process, your team needs to have the right culture, capacity, capabilities and incentives.
- Team members need to leverage infrastructure to do their work, so for the team to be most effective they need effective systems, data, information and controls.

Financial and customer results are “lagging indicators”, once you have seen the result it is already too late. To make a change, you need to improve and build out your leading indicators (process, people and infrastructure) so their improvements can cascade throughout your organization into better overall performance and value.

When you take the time to map out and visualize how your organization creates value, and in addition break down how it is performing in those areas, it becomes much easier to isolate bottlenecks that will derail the execution of a strategy, no matter how good the intent or alignment.

For example, if your key sales performance indicators are all underperforming, they will need to be addressed before there is any chance to complete a goal like “grow revenue”.

Step 3: LEAD

Lead: Connect your strategy to your ongoing actions

Once you know how you work today, where you want to go, how you will get there and who will get it done, it is time to get to work. When you lead effectively, no matter your style, you are influencing to the completion of a specific outcome or goal.

To have the best chance to deliver that goal, not only do you need to ensure the plan is aligned to your goals and the team is aligned to the plan, you also need to make sure the organization is navigating the waters and continually adjusting course.

It is key for a leader to have at their finger tips the information to show how the organization is progressing towards its goals, the timeline of the objectives and the status the tactics. All of these items cannot be looked at in a vacuum, rather they need to be looked at how they are affecting the organization as a whole.

As items are progressing, it can give a leader the confidence that a particular plan is working, and they can stay the course or double down. If work is not getting done or is getting done in a way that is driving an unsatisfactory result, the leader needs that immediate visibility and feedback to recalibrate.

Step 4: EXECUTE

Execute – the right tactics at the right time

When you Align, Build and Lead, the Result is Execution.

An easier path to manage the ABLE process is the ABLE360 online platform. ABLE 360 brings your strategy to life and a way that simplifies decision making and drives execution, allowing you to visualize how your organization creates value and is performing against expectations.

ABLE 360 connects who you are today with what you want to become tomorrow - and maps out in a simple online dashboard how the goals, objectives and tactics are going to affect each outcome.

Defining strategy can be a large task and our team at ABLE 360 recognize that. A part of our service is our Co-Pilot program, in which we work with you to help through setup and implementation.

In addition, your co-pilot stays with you through execution and recalibration, ensuring you are getting the most out of the platform and leveraging its full power to achieve your results and full potential.

Key Benefits of ABLE 360

- Visualize how the organization creates value
- Define your vision and plan
- Layout your goals and objectives
- Assign the tactics to complete the objectives
- Drill down on the fly – see the leading indicators
- Simplify communication, top down and bottom up
- Align the plan to the goals and the team to the plan
- Report on key variables and how they are contributing to the overall performance

The screenshot displays the ABLE 360 dashboard interface. At the top, it shows the 'Company Mission' and navigation options like 'Executive', 'Goals', 'Objectives', and 'Leader'. The main content is organized into several sections:

- GOALS:** Includes '3X Growth by 2021', 'Product A a household name', 'Improve Brand', and 'Position for Purchase'.
- FINANCIAL RESULTS:** Divided into Profit (Current year profit, 5 Year Forecast), Growth (Channel 1, 2, 3), Revenue (Current Revenue, Return on Inv Assets, Average Transaction), and Expenses (Payroll, Professional Services, Tech, Marketing).
- CLIENT PERFORMANCE:** Includes Client Metrics (Acquisition Rate, Satisfaction Rate, Average Customer Value, Retention Rate), Pipeline (Suspect to Prospect, Prospect to Best Few, Best Few To Client), and Close Rate (Dont Close - No Need, Dont Close - Competition, Dont Close - Price).
- TEAM & ORGANIZATIONAL HEALTH:** Includes Culture (EE Satisfaction, Communication, Innovation, test calculation), Capacity and Skills (Sales Skills, Marketing Skills, Fulfillment and Service Skills), and HR Structure (Incentives, Reviews and MBOs).
- VALUE CHAIN:** Includes Marketing (Social, PPC, eblast, Networking), Fulfillment (Fulfillment Rate, Time to Fulfill), Service (Service Satisfaction Rate, Service Capacity), and Sales (Sales Capacity, calculation example, Sales Channels).
- SYSTEMS & INFRASTRUCTURE:** Includes Financial Controls (Financial Forecast, Quickbooks), Systems (Website backend, CRM), and Knowledge and Data (Reporting, Information Sharing).

On the right side, there are two columns: 'OBJECTIVES' and 'TACTICS'. The 'OBJECTIVES' column lists actions like 'Add 3 Rev Channels', 'Remove underperforming channel', 'Cut expenses by 10%', 'Bring satisfaction rate to 89%', 'Align people to vision', 'Improve marketing efficiency', and 'Implement marketing system'. The 'TACTICS' column is a table with columns for Status, AssignedTo, and Due, listing various tasks such as 'First new channel Q2 2019', 'Channel review meeting Mar 12 2019', 'Reduce tech expenses 7%, PS 15%', 'Data analysis on channel share drivers', 'Q1 client satisfaction survey', 'Meetings - top 10 key accounts', 'Competitor / value chain review', '2019 town hall (regional)', 'HR review of capacities and MBO attainment', 'Roll out 2019 incentive plan - q1 19', 'Interview 3 branding companies', 'Hire 2 regional sales managers', 'Launch salesforce with integrated mkt', and 'Data API to salesforce and XYZ system'.

¹ 2011, Scott Keller, "Beyond Performance"

¹¹ 2018, Harvard Business Review, "Unite Your Senior Team", Bernard C. Kümmerli, Scott D. Anthony, Markus Messerer

¹¹¹ 2017 Harvard, "How the Most Successful Teams Bridge the Strategy-Execution Gap", Nathan Wiita and Orla Leonard