

## A Book Report on

# *Six Disciplines Execution Revolution*

*(Solving the One Business Problem That Makes Solving All Other Problems Easier)*

**By Gary Harpst**

(Book Report by Gary Tomlinson)

## **Preface:**

With all of the pressures successful business leaders have today, none is more urgent or challenging than learning to execute strategy.

While larger businesses have always had the luxury of budgets and resources to meet this challenge, small and mid-sized businesses now have a tremendous opportunity to level the playing field and leapfrog past the expensive, outdated approaches of the past. Today, they can attack the challenge of execution in a revolutionary way.

Based on breakthrough research, field testing and proven best practices, the vision described by Gary Harpst in *Six Disciplines Execution Revolution* sets a new course for how small and mid-sized businesses can finally confront the never-ending challenge of planning and executing strategy.

## **Introduction:**

All revolutions are based on a core set of ideas. The ideas in this book emerged from my twenty-seven years of experience as CEO and founder of three businesses. Since that time, I've focused my attention on helping other businesses benefit from my many mistakes I made as a CEO, and the mistakes I see others make every day. This book describes the cumulative learning after investing \$20 million and over 100 man-years of research and field experience.

The first premise of this book is that what most business leaders think is their greatest challenge really *isn't*. All business leaders face new challenges each day and are tempted to think of their latest problem at hand as their "biggest." No matter what the problems are today, however, they'll be different tomorrow and they will be bigger. This leads to the next premise of this book.

There is one biggest problem that, if solved, makes solving all other problems *easier*. Knowing how to plan and execute, while overcoming "today's surprises," is the most foundational capability any organization can have.

The final premise of this book is that an opportunity exists for small and mid-sized businesses to leapfrog a whole generation of impractical, large-company approaches that have been used to attack this problem.

In this book, I'm suggesting that excellence is the enduring pursuit of balanced strategy and execution. Strategy requires choosing what promises to make to all stakeholders and a roadmap for delivering on those promises. Execution requires getting there, while overcoming unending surprises.

Planning and executing, while at the same time, managing the unknowns of the real world, is the biggest challenge in business. Overcoming this challenge is what we mean by solving the problem that will make solving all other problems easier. It's the beginning of a revolution, an *Execution Revolution*.

## Chapter 1 – Business Excellence:

The purpose of this chapter is to weave strategy and execution into a single model for understanding enduring business excellence.

**What is Excellence?** Whenever I meet business leaders, I take the opportunity to ask them two questions: (1) What does excellence mean to you? and (2) Do you think you've achieved it? Two truths emerge. First, no two people define excellence exactly the same way. Their definition evolves as they learn and as circumstances change. Second, nearly everyone agrees that excellence is a journey, not a destination. As a result, no one who's serious about excellence believes he or she is "there" yet.

After many years, I've finally come to see that excellence requires on-going balance between strategy and execution. Strategy requires choosing what promises to make to all stakeholders and a roadmap for delivering on those promises. Execution requires *getting there* while overcoming an unending number of surprises. Of the two, execution is far more difficult to achieve, but it is impossible without solid strategy.

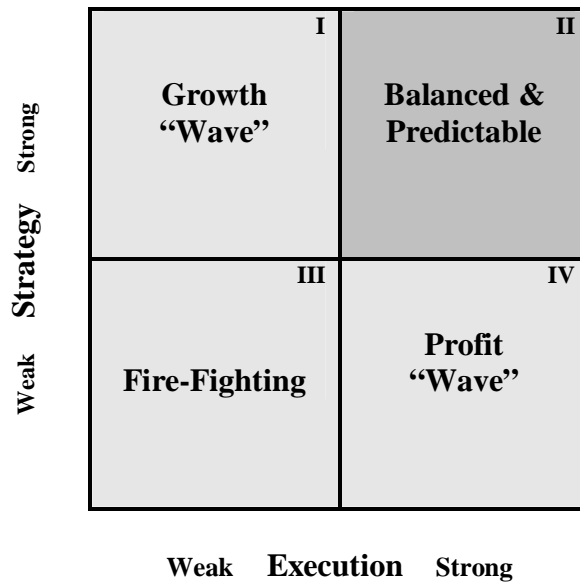
### Introducing the Business Excellent Model:

Simply put, the focus and capability of an organization can be understood in two dimensions: strategy (deciding what to do) and execution (getting it done). Leaders who build organizations with strong execution over long periods of time achieve *enduring excellence*.

The combination of strategy (the choices of what we do versus what not to do) and execution (how well the choices are carried out) becomes the field upon which the Execution Revolution occurs in any given company.

The figure below shows a **model** of these dimensions using four quadrants of performance:

## The Business Excellence Model



**Quadrant I: Strong Strategy/Weak Execution:** In this quadrant, a business has a strong strategy, which typically means a competitive advantage. This advantage can come from offering premium products or services, availability or price. It can be rooted in technology, distribution channels, manufacturing expertise or current customer base.

Regardless of whether a company is a start-up or a seasoned business, strong strategy usually leads to growth in sales. A key point to understand is that success and the results of growth start the journey – but this often leads an organization (and its leadership) into Quadrant IV.

**Quadrant IV: Strong Execution/Weak Strategy:** A company in Quadrant IV usually gets there because it is experiencing the pains of growth. Quite often, sales have outpaced capacity, so leadership becomes focused on strengthening internal operations to address quality, scheduling, hiring, training, customer service, order processing and other issues. In other words, the movement into Quadrant IV is a natural reaction to success in Quadrant I.

**Quadrant III: Weak Strategy/Weak Execution:** It’s easy for a company to operate in Quadrant III for quite a while before leadership really accepts they are there. The shift into this state of weakness results from gradual decline in growth and profitability, caused by decisions made (or not made) a year or two earlier. In Quadrant III businesses are usually overworked, confused and eventually have a feeling of hopelessness if the issues are not addressed. Typically, the best exit plan for moving out of Quadrant III is to aggressively reallocate resources from low-profitability areas to the growth areas. This

sounds easy, but most organizations don't have the framework, the will or the persistence to make the hard choices it requires.

**Quadrant II: Strong Strategy/Strong Execution:** Quadrant II is all about balancing growth with profitability and performing predictably. This requires a disciplined organization, one that's able to execute well enough to address the needs of today and build for tomorrow at the same time.

Admittedly, Quadrant II performance is difficult to sustain. Few companies are able to achieve this kind of performance for long periods of time. But this is what the Execution Revolution is all about: the process of changing the game with regard to enduring excellence by focusing on how to plan and execute strategy more effectively while successfully managing the surprises along the way.

In the real world, there's no clear line between these quadrants. Also, businesses don't usually stay in one quadrant but move between them on an on-going basis

**Where Are You Now?** The business excellence model we're describing is not about company size. Every successful company once started small. This model, however, is very useful in helping leaders of businesses of any size understand where they are now. It offers insights into some of the forces that got them there, and it helps the organization anticipate what could happen next.

We encourage business leaders to think of the business excellence model as a map that provides guidance about where to go next. Any company that's been around for awhile has traveled through all of the quadrants. The ultimate objective is to grow the capability of your organization to stay in Quadrant II for longer and longer periods of time.

## **Chapter 1 Summary:**

- No two people define excellence in exactly the same way and nearly everyone agrees that excellence is a journey – not a destination.
- A business excellence model can be used that plots how organizations operate relative to the two dimensions of strategy and execution.
- Organizations in Quadrant I exhibit strong strategy, which typically translates into a competitive advantage. They are characterized by periods or waves of growth and market share gains.
- Organizations in Quadrant IV exhibit strong operational execution, focused on doing things “better, faster, cheaper.” They are characterized by periods or waves of profitability.
- Organizations in Quadrant III are typically weak in both strategy and execution and frequently find themselves firefighting with daily issues.
- Organizations in Quadrant II exhibit an appropriate balance between strategy and execution and are characterized by predictable growth.

- Quadrant II performance is difficult to sustain. Very few companies are able to achieve this kind of performance for long periods of time, but the time is right for a new way to approach strategy and execution in order to do so.

## Chapter 2 – The Biggest Problem in Business:

First, what most business leaders think their greatest challenge is, *isn't*. And whatever their problems are today, they'll be different tomorrow and they will be bigger too. Second, there is one business problem that if solved, will make solving all other problems easier. This foundational challenge is executing strategy. In other words, building an organization that has the ability to plan and execute, while at the same time, overcoming the inevitable surprises in business. *This is the biggest and toughest challenge in business.*

**A Change in Perspective:** Instead of always focusing on the issue at hand, I'd like to challenge you to change your perspective. The importance of perspective is illustrated by an old tale that's often repeated on the business speaking circuit.

*Back in 18<sup>th</sup> Century England, a thirteen-year-old boy watched two men working at opposite ends of a ship that was under construction; both were big strong men wielding axes. He approached the first man and asked him, "What are you doing?" The worker looked up surprised and said, "Are ya daft?! I'm hewing a log!" The boy then walked to the other end of the ship and asked the second man the same question, "What are you doing?" The second man stopped and looked out across the ocean to the horizon, and said, "I'm building a mighty seagoing schooner that will carry the treasures of the world back to England."*

Which of the two shipbuilders would you want to have working for you? While both answers are correct, they demonstrate different ways we have to think about what we're doing. In other words, "What's the challenge?" is another way to ask, "What's the opportunity?" How we formulate the question determines the way we think and the way we think changes everything.

To achieve a revolution in their execution, business leaders need to reframe their thinking from *cutting logs* to *building ships*. In other words, quit thinking only about solving the current problem, but, instead think about how to build an organization that's good at solving problems in general – building the capability that's certain to help overcome an uncertain future.

## Chapter 2 Summary:

- The biggest problem in business is not what most business leaders think it is.
- The biggest challenge is not the issue at hand. Planning and execution while at the same time dealing with the unknowns of the real world, is the biggest challenge in business.
- Focus on solving the problem that makes all the other problems soluble.

- Developing and executing a strategy that's balance in growth and profitability is extremely difficult and is therefore rare.
- Execution is considered by most business leaders and researchers as a universal challenge.

## **Chapter 3 – Why Is It So Difficult:**

Why do we know what to do, but don't always do it. Over the past three decades, this is the question I've asked myself more often than any other. The Wharton School, in conjunction with the Gartner research firm, studied this question as it related to larger companies. They asked 243 company leaders to rank items that represented obstacles to the strategy execution process. The results:

1. Inability to manage change effectively or to overcome internal resistance to change.
2. Trying to execute a strategy that conflicts with the existing power structure.
3. Poor or inadequate information sharing between individuals or business units responsible for strategy execution.
4. Unclear communication of responsibility and/or accountability for execution decisions or actions.
5. Poor or vague strategy.
6. Lack of feelings of "ownership" of a strategy or execution plans among key employees.
7. Not having guidelines or a matrix to guide strategy-execution efforts.
8. Lack of understanding of the role of organizational structure and design in the execution process.
9. Inability to generate "buy-in" or agreement on critical execution steps or actions.
10. Lack of incentives or inappropriate incentives to support execution objectives.
11. Insufficient financial resources to execute the strategy.
12. Lack of upper-management support of strategy execution.

Why is strategy execution so difficult? Just look at any item on this list. In addition to this list, every individual in your organization is growing and changing, too. Also the industry and your competitors are growing and changing – and you can't afford to be left behind.

### **We Don't Know How to Build an Organization that Executes Well:**

Organizations are complex systems that are living, breathing and always changing. Peter Senge, a prominent thought leader in systems thinking said, "Systems thinking is a discipline for seeing wholes. It is a framework for seeing interrelationships rather than things, for seeing patterns of change rather than static snapshots."

Most of us were never trained in the kind of systems thinking necessary to tackle complex systems problems. The majority of us just don't know how to put together all the key steps of strategy, planning, organizational alignment, execution management, innovation and measurement.

**Usually, It's Easier *Not* To Do What We Know We *Should*:** Doing what we know we should requires someone who will keep us on track, to teach, direct and encourage us to do the things we know we should do – the difficult things that we rarely, if ever, follow through to the finish, if left to our own devices.

### **Chapter 3 Summary:**

- Strategy execution is hard for a variety of reasons, but it's not rocket science.
- The majority of us don't know how to put together all the key steps of strategy, planning, organizational alignment, execution management, innovation and measurement.
- Often, we fall into the trap of outside-in thinking, and need to focus on internal things rather than worrying about issues outside of our control.
- We need to keep in mind the control factor: regardless of how well we perform as a business, there are many factors to success we cannot control.
- Sometimes, it's easier *not* to do what we know we *should* do.
- As ironic as it may seem, there is a growth paradox, the organization that's good at solving today's challenges will create a new and bigger set of challenges for itself tomorrow.
- It's critical that organizations continually work on increasing their capacity to execute.

### **Chapter 4 – The Leapfrog Opportunity:**

Occasionally, circumstance and progress in seemingly unrelated areas combine to create an opportunity for solving old problems in new and exciting ways. One of those breakthrough periods is upon us now, with regard to strategy execution. This inflection point has developed primarily because large corporations have made huge investments developing best practices for effective management, strong leadership and strategy execution.

Build on the results of these efforts, we believe the coming Execution Revolution will result in an order-of-magnitude change in cost that will allow small to mid-sized businesses not only to catch up, but to actually leapfrog, larger organizations in their execution management capabilities.

This is what the Execution Revolution is all about. Leaders of small and mid-sized businesses now have an opportunity to go from almost no system to a new category in the excellence industry – a complete strategy execution program that puts everything needed for a balanced strategy execution together in one affordable combination.

We founded Six Disciplines specifically to accelerate the Execution Revolution. Our mission is to study the challenges, understand the barriers and create and deliver a holistic program that is optimized for strategy execution. The business excellence methodology component of this

program is detailed in my first book, *Six Disciplines for Excellence: Building Small Businesses That Learn, Lead and Last*. (Check out Gary's book report on *Six Disciplines for Excellence* at [www.gary-tomlinson.com](http://www.gary-tomlinson.com)).

## Chapter 4 Summary:

- Conditions are currently right to approach strategy execution in a radical new way.
- Seven key areas of business improvement advancements are fueling the Execution Revolution:
  1. Quality Programs
  2. Business Process Best Practices
  3. Personal Productivity Tools
  4. Business Intelligence
  5. Strategy Formulation
  6. Virtual Community Development
  7. Business Coaching

## Chapter 5 – Requirements for a Next-Generation Program:

In researching how to build a sustainable strategy execution program, we've uncovered three major barriers that have to be overcome if the program is to be successful. They are insufficient expertise, prohibitive economics and simple human nature. We've determined that these three barriers are actually the major design requirements any truly effective strategy execution program must be able to address.

**The Expertise Hurdle:** To produce lasting results, any complete strategy execution program has to somehow help the organizations that use it to cope with the wide range of expertise required to employ the appropriate best practices that are available. It must also help these organizations recognize that this body of knowledge will keep growing and changing.

**The Economics Hurdle:** Clearly, any strategy execution program developed for small and midsized businesses must consider how to deliver the expertise and technology required at an economic level that these organizations can afford. The only way this can be achieved is by integrating these essential components of the program – in a complete solution – and deliver them using an innovative model.

**The Human Nature Hurdle:** Now, for the toughest hurdle of all: people. One of the most persistent challenges we face as humans is to narrow the gap between *knowing* what needs to be done, and actually *doing* what needs to be done. Another dimension of human nature that needs to be considered is resistance to change. Most of us resist change, unless it's our own idea. Or, as Leo Tolstoy put it: "Everyone thinks of changing the world, but no one thinks of changing himself."

For an organization to achieve its potential, its workforce must understand the purpose of the organization, where it's headed and have an appreciation for the role everyone has in helping it get there. If our workforces operate with passion and conviction, they'll propel our organizations toward their goals and increase their ability to sustain the balance between strategy and execution.

## Chapter 5 Summary:

- In order to build a sustainable strategy execution program in small and mid-sized businesses, three major barriers or hurdles need to be overcome: insufficient *expertise*, prohibitive *economics* and simple *human nature*.
- While larger companies have knowledgeable people with the necessary expertise in business improvement disciplines, small and mid-sized organizations don't have equal access to such a wide array of expertise.
- Developing mastery in even just one business improvement discipline requires a substantial investment. None of this comes cheap, and there are no shortcuts.
- Any strategy execution program developed for small and mid-sized businesses must consider how to deliver the expertise and technology required in a way that makes sense economically for these enterprises. The only way this kind of change in economics can be achieved is by integrating the essential components of such a program into a complete solution and delivering them using an innovative distribution model.
- One of the most persistent challenges we face as humans is to narrow the gap between *knowing* what needs to be done and actually *doing* what needs to be done.
- Other human nature hurdles to overcome include our resistance to change, our unique differences, our need to communicate effectively and our need for purpose in our lives, including meaningful work.

## Chapter 6 – The First Complete Strategy Execution Program:

The critical question for every business leader is, “How do I build an organization that consistently executes its strategy?” Or to rephrase the question using the business excellence model, “How can we spend the maximum amount of time in Quadrant II, balancing the right directional choices with the ability to *get there*.”

The answer: it takes a *complete program*. The reasons other approaches do not last is that they are missing key elements. Technology alone is not enough. Training, by itself, is not adequate. Simply reading best-selling books won't do it. New leadership by itself is not the answer. Retaining better people won't make the critical difference. Hiring an executive coach by itself will not overcome this challenge. No, the answer lies in taking a more profoundly holistic approach.

Our field research has shown us that singular piece-meal approaches just don't last. Sustainability, *the capacity of an organization to maintain the necessary balance between*

*strategy and execution*, and doing so while overcoming the hurdles, requires a complete program consisting of four tightly-integrated elements:

- *A Repeatable Methodology* to drive organizational learning and understanding.
- *Accountability Coaching* to nurture and nudge to stay the course.
- *An Execution System* to engage everyone, everyday in real-time alignment.
- *Community Learning* to share and reinforce best practices and accelerate learning.

**A Repeatable Methodology:** The methodology must include the basic processes every organization needs to go through in order to continue in business: strategy, planning, organizing, execution, innovation and learning. The purpose of such a methodology is to accelerate the learning of proven best practices for building any business. This learning never stops. Without such a step-by-step approach, learning becomes nothing more than an endless process of missteps, trial and error and firefighting.

But be forewarned: *a methodology by itself is not enough!*

**Accountability Coaching:** The second key ingredient for an enduring approach to business excellence is *accountability coaching*. The accountability factor is a requirement because someone needs to be off the field rather than in the game: someone who's objective about what's going on. Coaching is vital because, just as the need for practice never stops, the need for coaching never stops.

One clarification: *An accountability coach is specially trained and certified in the repeatable methodology and he or she guides an organization in its use of that methodology.*

**An Execution System:** The whole process of marrying company plans with individual management of daily activities is what we refer to as an *execution system*. Everyone needs to be involved in the planning (to an appropriate degree) and everyone needs to connect his or her own activities to the plans of the company.

**Community Learning:** This component helps address the breadth of expertise and the economic barriers required for successful program implementation. Community learning derives its synergy from the other elements of the program. The rate of learning is accelerated by a group of people sharing a common repeatable methodology, where they all use the same terminology and techniques.

## **Chapter 6 Summary:**

- Spending the maximum amount of time in Quadrant II of The Business Excellence Model takes a complete strategy execution program. Piece-meal approaches simply don't last.
- Sustainability, the capacity of an organization to maintain the necessary balance between strategy and execution and doing so while overcoming the hurdles requires a complete program consisting of four tightly-integrated elements: a repeatable methodology, accountability coaching, an execution system and community learning.

- The Repeatable Methodology is a blueprint of which best-practices are to be adopted in the organization. The other three elements (accountability coaching, execution system and community learning) are *how* the organization implements and sustains practice of the methodology.

## Chapter 7 – A Repeatable Methodology:

A methodology, or method, is another name for any step-by-step approach to getting something done. A business-building methodology must include the steps that are essential for an organization to build and sustain a healthy, growing business. It must define how the organization sets its goals and priorities and organizes its resources to best achieve these goals. It must teach the organization how to stay focused on what's important, while dealing with the inevitable surprises that occur regularly in life. It must provide ways to identify where the organization is on plan (or off) and do so in real-time.

A business-building methodology must provide a framework for an organization to learn and grow as its size and complexity grows – a way to increase its capability to learn and grow faster than its challenges. Another priority of the methodology is to connect long-term goals with daily decisions. To do this requires connecting people's activities to the company's strategy – from the top to the bottom of the organization. It requires a clear process for defining strategy and goals that are then translated into team and individual goals.

Another benefit of having a repeatable and *documented* business-building methodology is the accumulation of knowledge by individuals and teams. Defining a process and then documenting changes to that process reinforces the learning that occurs so that you don't forget it. When many individuals use a common methodology, the rate of accumulated learning that is shared is accelerated.

Below is the *Six Disciplines for Excellence Repeatable Methodology*:

### **Discipline I: Decide What's Important**

- Renew Mission
- Renew Values
- Renew Strategic Position
- Renew Vision
- Define VFOs
- Agree What to Stop

### **Discipline II: Set Goals That Lead**

- Define Measure
- Define Targets
- Define Initiatives
- Engage the Team

### **Discipline III: Align Systems**

- Identify Misalignments
- Align Processes
- Align Policies
- Align Measures
- Align Technologies
- Align People

### **Discipline IV: Work the Plan**

- Define IPs Quarterly
- Review IP Status Report Weekly
- Rate IPs Quarterly
- Prioritize Daily
- Monitor Measures Regularly

### **Discipline V: Innovate Purposefully**

- Brainstorm
- 100-Point Exercise
- Quick-ROI Analysis
- 5-Step Problem Solving
- Champion Your Ideas
- Recognize Contribution

### **Discipline VI: Step Back**

- Review External – competitive, industry, technology, etc.
- Review Internal – goals, measures, stakeholders, etc.
- Recap SWOT – Strengths, Weaknesses, Opportunities, Threats.
- Review Individuals

## **Chapter 7 Summary:**

- The goal of a complete strategy execution program is to enable organizations to spend an increasing amount of time in Quadrant II. Here, their performance is more predictable and sustainable and execution of strategy becomes balanced.
- Achieving this goal requires thinking *holistically* about the business – how to make all the components, people, processes, policies, key measures, assets and strategies work together to meet the promises made to customers and other stakeholders and to repeat these in a predictable fashion.
- Be aware that reading about each discipline separately doesn't make your business perform better instantly any more than taking five golf lessons makes you a good golfer. In the end, you have to learn how to use all of the disciplines together and the only way to truly learn is by doing.
- We are absolutely advocating this: *every organization that is serious about excellence and execution **must** practice some defined methodology as the foundation of its efforts.*

- The absolute foundation of building an organization that is increasing its ability to execute is a *repeatable* methodology.
- In addition, the disciplines must be used in conjunction with the other three required elements of a complete strategy execution program: accountability coaching, an execution system and the benefits of community learning.

## Chapter 8 – Accountability Coaching:

Of all the topics in this book, *accountability coaching* offers the most insight into what it takes to deliver a complete strategy execution program. Most leaders fail to understand the implication of the human nature barriers. Our natural tendency is to do what we like doing, not necessarily what we should. Coaching directly addresses these barriers.

The premise regarding accountability behind our coaching model has been validated in dozens of organizations. This accountability model asserts that most employees in organizations will learn to be accountable – that is, they’ll do what is needed and expected – proportionate to the extent in which three factors are present:

- Expectations are clear.
- These expectations are perceived as credible and reasonable because the employees were involved in setting them.
- Employees understand the impact of success, or lack thereof, on the organization.

When these three factors aren’t in place, employees can’t achieve their potential, no matter what kind of people they are. A critical element for creating company-wide accountability is to put appropriate focus on results, not activities. For most employees, it’s more motivating to be told what needs to be done and why, but not how.

The bottom line is this: being accountable to ourselves is not enough. We clearly need others, preferably outside of our organization, to hold us accountable and to help us accelerate our learning. We need others to help us fight the continual battles against our own human nature and our tendency to do what we want to do, rather than what we need to do. We need others to challenge our way of thinking and acting. We need others to help us increase our capability to manage the next challenge. We need others to learn how to do this faster than we can do it on our own. Finally, we need others to help make change last within our organizations, to make the new way of working “stick.” That’s what accountability coaching is all about.

**Accountability Coaching is Methodology-focused:** Accountability coaches are seasoned business executives who guide organizations through the use of the repeatable business-building methodology. They help organizations figure out where to start and what to work on, in what order, to improve their business-building capability.

**Accountability Coaching is Enduring:** Through a planned series of quarterly and annual face-to-face meetings (as well as daily and weekly contact), accountability coaching monitors and measures progress, enabling companies to make mid-course corrections. It’s a never-ending

process that leverages last quarter's and last year's lessons to move to help organizations achieve higher performance levels in the future.

**Accountability Coaching is Not Therapy:** A therapist is useful in healing the wounds and problems of the past; accountability coaching is about helping already healthy individuals and organizations with the challenges of the present and assisting them in moving forward.

**Accountability Coaching in Not Consulting:** Consultants are more project-focused than accountability coaches. They're often brought in to identify problems and to offer suggestions for the solution, but they're typically not involved as a long-term stakeholder in the results of the solution. Organizations don't need more advice. They want – *need* results. Accountability coaches use a hands-on approach to help the leadership team examine stakeholder feedback and set strategy. They then work with teams and individuals to build more detailed quarterly operating plans and organize resources to meet those plans. Finally every individual in the organization uses the execution system to track his or her own progress and proactively manage any day-to-day surprises. Instead of *telling* companies what to do, accountability coaches *show* how individuals need to provide self leadership for their plans. In other words, accountability coaches are engaged as an external catalyst for stimulating the execution capability of organizations.

**Total Organizational Engagement:** By total organizational engagement we mean that employees across the *entire company* learn to understand the importance of the business-building program for the company's future and for their own work effectiveness. We've learned that capturing the hearts of individual workers is a continuous journey that starts at the top of the organization and works its way throughout the company. An enduring approach to employee engagement begins with the company leadership team and is facilitated continuously by accountability coaching at succeeding levels in the organization.

## Chapter 8 Summary:

- Any complete strategy execution program must address our tendency to do what we like to do, rather than do what we know we should. Accountability coaching is a key component of a complete program that directly addresses this tendency.
- A more positive and useful definition of accountability is needed in order for us to execute strategy more effectively.
- Accountability coaching is methodology-focused and enduring; it is not therapy or consulting.
- Total organizational engagement with the strategy execution program is necessary in order for the changes in work behavior to endure.
- A relevant roadmap of the organizational change process exists for companies that enroll in such a company-wide strategy execution program.

## Chapter 9 – An Execution System:

The primary role of the *execution system* component is to help organizations get the right things done. To do this requires identifying execution problems as early as possible and addressing them.

Think of an organization as a system for deciding what to do (a strategy, a plan) and the managing the execution of that plan. When the system (the business) makes an error, choosing to do the wrong thing or forgetting to do something that is required, the problem must be corrected. The longer it takes to detect the problem, the more it costs to fix. If the business has no system in place to set, manage and monitor strategy execution, the process is not only error-prone, it's a huge disaster waiting to happen. With such a system, an organization becomes unpredictable at best and eventually declines in its ability to execute, especially as it grows.

That is why it's important that an execution system enables an organization to focus on learning as early as possible. Based on our experience, we have identified five primary types of organizational errors that cause execution failures within an organization:

1. **Change** – The requirement for what is to be delivered has changed.
2. **Clarity** – The requirements do not change but are misunderstood (not clear).
3. **Dependency** – The outcome depended on some other result (or person's activities or deliverables) that did not get delivered on time.
4. **Estimation** – Requirements are clear, but the estimate for completion is not correct.
5. **Availability** – The expected number of resources assumed in the plan was not available.

Our findings are that an execution system needs to include the following elements:

- **Methodology Automation** – The business-building approach embodied in the repeatable methodology needs to be automated.
- **Time Management** – Everyone in the organization needs to better understand how they're spending their time and learn to manage all time that is under their control.
- **Real-Time Activity Alignment** – Every employee sits down with their team leader and agrees on what is the best use of their time, given the company's goal. Then on a routine basis (possibly quarterly) they evaluate the inevitable demands of daily activities for time and attention. The possible responses to these demands are:
  - It's in my plan, so I'll do it.
  - It's not in my plan, so I won't do it (perhaps it can be scheduled later).
  - It's not in my plan, but it's important, so I'll change the plan and do it.
- **Weekly External Review Cycle** – A fifteen-to-thirty minute status review meeting once a week between the team member and team leader helps create a culture of accountability for everyone.
- **Total Organizational Engagement** – Everyone is engaged in understanding company priorities and learning to more effectively align their daily activities.
- **Execution Measurement** – We found that organizational learning occurs much faster when *leading* measures are used. This approach allows individuals, departments and

the company leadership to understand what barriers interfere with execution and what to work on next.

## Chapter 9 Summary:

- An execution system enables an organization to focus on learning to identify execution problems as early as possible.
- There are five primary types of organizational errors or causes for execution failure within an organization: change, clarity, dependency, estimation and availability.
- An execution system needs to include the following elements: methodology automation, time management, real-time activity alignment, weekly external review cycle, total organizational engagement and execution management.

## Chapter 10 – Community Learning:

A complete strategy execution program depends upon the power of *community learning*. First, the power of *community* is required to change the economics for implementing such a program within small and midsized organizations. Second, *learning* is required to overcome the natural tendency of individuals and organizations to wander from the very disciplines that can deliver them from the status quo.

The Execution Revolution for small and midsized businesses will be built around communities that share the following characteristics:

- A belief that their ultimate core competence is the ability to execute their strategy.
- Use of a shared repeatable methodology that helps them organize their efforts so they can learn to execute better and speak the same language.
- Accountability coaches who are experts in the same repeatable methodology they share.
- The daily use of shared technology to integrate planning and activity alignment throughout the organization.

It's a tall order to build a community that agrees to share these attributes. Even though it's difficult, it's worth the effort, because well-formed communities accelerate learning. In this case, communities are a means to an end, namely, *learning*.

**Learning among communities that practice the strategy execution program:** Below are the emerging learning communities in the order they are developing:

- **The Coach Community** – The accountability coaching community is essential to overcoming the barriers of inadequate expertise and our sometimes weak human nature. We all need encouragement and accountability to stay on the right path. The strength of the strategy execution program is built upon the strength of its coaching community.

- **The Leadership Team Community** – An organization’s leadership team is the small group of senior leaders who are ultimately responsible for the overall direction of the company. This group makes the critical choices that determine strategy, including mission, values, strategic position, vision and the goals statement. This group has to make the tough decisions about how to allocate resources and what things to “stop” doing to free up resources to be used for executing their strategy. The group’s decisions, leadership and management skills have a huge impact on the success of the organization. Part of the coach’s role is to figure out how to better support and develop the company’s leadership team.
- **The Initiative Team Community** – Early in our fieldwork, we didn’t give nearly enough attention to the importance of initiatives and the teams that lead them. We were trying to have the leadership team community solve too many of the problems and build too many of the plans. This resulted in a shortage of the engagement necessary at the mid and lower levels of the organization. Groups at this level are called *initiative teams*. Senior leadership depends on the initiative team to translate strategy into action plans and to set realistic expectations of what can be done, when and with how much resource.
- **The Departmental Team Community** – In most organizations, departments are formed around a particular area of expertise, such as sales, marketing, services, engineering, manufacturing, purchasing, accounting or human resources. Corporate Initiatives do not account for all the planning that needs to happen in order to run the business. Corporate initiatives are focused on a few strategic changes in the capability of the organization. Each department, however, needs specific plans that support the various sustaining activities of the company including employee training, routine process improvements and allocation of resource to on-going measure-driven activities (e.g., sales prospecting and customer service calls). The strength of these communities and how well they do their jobs determine the strength of the initiative teams, since all initiative participants come from one or more departmental teams.
- **The Team Leader-Team Member Community** – The team leader-team member community is by far the smallest of organizational communities. Eventually all work is performed at the individual level, but in concert with others. This community shares a common interest in maximizing the performance and potential of individuals as part of its contribution to company goals. The team leader mentors, encourages and holds the individual accountable.
- **The Company Community** – The company community shares the mission, values, strategic position and vision. Sharing a common purpose helps people stay engaged and contribute more. The complete program for the pursuit of excellence depends on building a sense of common purpose and the realization that this pursuit is a journey.
- **Cross-Company Roles Community** – Another community, one external to the company, consists of individuals sharing with others in the same roles in other companies. The establishment of a complete strategy execution program opens the door for accelerated learning among such groups because they share a common purpose, a common set of terminology and a common approach to pursue that purpose.

## Chapter 10 Summary:

- The Execution Revolution will be built around communities with the following characteristics:
  - A belief that their ultimate core competence is the ability to execute their strategy.
  - A shared repeatable methodology that organizes their efforts to execute better.
  - Accountability coaches who are experts in the repeatable methodology they share.
  - Shared technology (an execution system) to help integrate planning and activity alignment at all levels of the organization.
- Active communities in the Execution Revolution consist of communities with these titles: coaches, leadership teams, initiative teams, team leader and team members and cross-company roles.
- Among adult learners, the biggest barrier to fostering a learning community is pride. For senior leadership, the only way to remove this barrier is to display a passion for learning how to execute strategy effectively.
- Of all the four components of a complete program – a repeatable methodology, accountability coaching, an executive system and a learning community – learning community has the most transforming power.

## Chapter 11 – Make Solving All Other Problems Easier:

Now that you have an overview of what a complete strategy execution program consists of, let's take a deeper look at its benefits. Before we do, let's recap the main ideas we've discussed in earlier chapters.

- Every business regularly faces new, often large challenges that it has no control over. Among these are competitors, the economy, the weather, government regulations and technology. And whatever their challenges are today, they will be different tomorrow.
- All organizations, large or small, struggle to execute strategy *and* deal with unexpected challenges. It's similar to fighting a war on two fronts. *This* is the biggest problem in business.
- Large businesses continue to piece together many *separate* best practices, such as strategic planning, quality management, ERP, knowledge management and performance management, to help fight this war.
- Such best practices, in combination with the Internet, have become the foundation for a complete strategy execution program. For small to midsized businesses, a strategy execution program provides a leapfrog opportunity to go from almost no tools at all to a next-generation approach, skipping the current impractical and unaffordable approaches typically used by larger businesses.
- Although building an organization capable of executing its strategy is not easy (nor ever finished), it's one of the few things that an organization *can* control. Executing

strategy requires commitment, discipline and investment. It also requires an enduring approach.

- Building and maintaining an aggressive *execution-capable* organization pays off by making it *easier* (not easy) to handle the many unknown problems and challenges that a company will face in the future.

In this chapter, we'll detail the "how" of this last point: *how* having an organization that knows how to execute strategy makes solving all other problems *easier*.

**Managing Growth:** An organization that is not growing is much easier to manage than one that is growing. This isn't hard to understand when you realize that most of us become good at doing something by doing it over and over until we master it. An organization that's not growing creates an environment where very little changes. The workforce eventually learns how to make everything work together by the process of simple repetition. A growing organization, in contrast, hires more people and promotes people to positions they've never held before. It installs new systems and technologies, implements new processes, provides new services, adds new customers, and so on. The environment is changing constantly. While an exciting ride, a business that's growing rapidly is absolutely the *most* difficult circumstance under which to execute strategy.

An organization that learns a systematic way of setting its priorities, that learns how to build detailed plans, that learns how to proactively manage those plans and communicate in an organized way is in a much better position. In such an environment, goals are clearer and new employees can understand their role sooner. They learn how to communicate more effectively. Overall, the efficiency and effectiveness of the organization will be higher; it will have better capacity to respond to the demands of growth.

In addition, when growth comes and priorities have to change quickly, the organization already knows how to make decisions, build plans and deploy and execute these plans. It has a much better chance of performing predictably. The alternative creates a whole host of other problems, for example, overworked employees, quality problems, poorly qualified team leaders, hiring mistakes and disgruntled or unproductive employees. It doesn't take much growth to push an unprepared organization over the edge – and back into Quadrant III.

## Chapter 11 Summary:

- Building an organization that can learn how to execute strategy and deal with the daily surprises of the business world is *solving the one problem that makes solving all other problems easier*.
- Solving this one problem yields substantial long-term benefits for your business, including predictability, balance, managed growth and substantially increased market value. All of this promotes a better night's sleep for you.
- Solving this one problem also leads to the creation of an organization that is *trusted* both internally and externally. It enables an organization that learns how to develop its people to their fullest potential. It empowers an organization that can be successfully transitioned to the next generation, and so on. There's just not enough

- room in this book to list all of the benefits of pursuing the ongoing journey of strategy execution excellence!
- The value of your business will be significantly higher if it has a predictable strategy execution history.
    - “Any business that would adopt a systematic program for strategy execution two years before selling the business would get *30–40 percent more* for the business when sold.” Why? Because having an organization that knows how to plan and execute is rare. Those who achieve it set themselves apart and are worth more.

The final chapter will provide a taste of what can be accomplished when all elements of a complete strategy execution program are working together in harmony.

## Chapter 12 – An Enduring Pursuit:

The die is cast. Industry progress over the past several decades had made it inevitable that eventually all businesses will have access to and the advantages of some sort of complete strategy execution program – in fact such a program will become a requirement to business survival, just as telephones, computers and the Internet are now. The four core elements of such a program are a repeatable methodology, accountability coaching, an execution system and community learning. After several years of research and field testing, we now understand how to interweave these four components into a synergistic and complete program. None of the components alone is sufficient. In fact, we don’t believe any one of them can be removed without compromising the long-term sustainability of the program. That’s why other approaches don’t last: they’re incomplete.

Although we’ve described these four elements in terms of our own methodology and coaching model, we know that the core principles of a strategy execution program transcend any one brand. What’s clear to us now is that to achieve the kind of results needed and to overcome the barriers identified previously, *all* next-generation approaches will need to incorporate some form of these four elements.

Without experiencing this program firsthand, it’s difficult to understand the synergy of the four elements – in other words, to experience the truth that sometimes one plus one does equal three. All four elements *together* provide the breadth and depth of expertise required at an economic price point that works for small and mid-sized businesses. All four them *together* help overcome the natural tendency in all of us to let the urgent overcome the important. In our experience, any approach that doesn’t address this fact of human nature is unsustainable. It may work for a while, but it will eventually fade away and go the way of most good intentions – just like a fad diet.

**Final Thoughts:** The program described in this book challenges organizations to consider what they’re willing to invest in, and how much they’re willing to invest. It teaches organizations how to communicate with each other so they can evaluate and manage risk better, especially when the inevitable surprises occur. The program shows how to become proactive in managing problems and how to minimize the hidden costs of procrastination and delay. It’s

designed to continually encourage you and your team to *stick with it*, to keep doing what you know you should, when all other circumstances try to distract you. Finally, this complete program is optimized to build organizations that remain focused from top to bottom on long-term goals and strategy. **For disciplined, innovative businesses that have an engaged workforce, the best is ahead. Always!**

### **Message from Gary Tomlinson:**

I hope you enjoyed this book report. However, this document should not take the place of you reading *Six Disciplines Execution Revolution*. The book is filled with numerous examples, stories and illustrations that I've not included in this book report. This is a must read for any business executive who wants to obtain excellence for his or her organization. And should be immediately followed up with reading Gary Harpst's *Six Disciplines for Excellence*!