Building a Culture of Successful Execution

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Enterprise Learning Solutions
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Short Term Business Objectives
• Dashboards
• Clear Metrics for Success
• Emphasis on Analytics
• Continuous Improvement
• Clarity of Enterprise “Core”
• Alignment of Incentives
• Accountability
• Bias Towards Action

Long Term Business Objectives
• Managing uncertainty
• Higher tolerance for failure
• Adaptability and Optionality
• Dynamic Scanning
• Aligned Executive Team
• Shared Information
• Inquisitive Mindset
• Emphasis on Learning

Value-Driven Results
• Clear Metrics for Success

Organizational Processes
• Emphasis on Analytics
• Continuous Improvement

Enterprise Mindset
• Clarity of Enterprise “Core”
• Alignment of Incentives

Cultural Enablers
• Accountability
• Bias Towards Action

Judgment

Critical Thinking

Analytics
Culture

The PERSONALITY of the Organization

Culture is comprised of the assumptions, values, norms and tangible signs (artifacts) of organization members and their behaviors.
Summary of the HBR Study

- Used an in-depth survey of over 7600 managers in 262 companies across 30 industries.
- Complex organizations with high volatility in their markets.
- Surveyed managers who are “in the know” – those most critical to driving the execution, across the vertical spectrum.
- Gathered objective data when possible.
- Engaged the participants by varying questions and format – over 95% completed the survey.
- Linked the results to existing, credible research.

Myth 1: Communication Equals Understanding
REALITY: Not about volume – it’s also about clarity and prioritization
Clarity of the Intent
Priorities: Strategic Initiatives Mapping

Impact

Low

High

Easy

Difficulty in Implementing

Difficult
Strategic Execution Myths

Myth 1: Communication Equals Understanding
REALITY: Not about volume – it’s also about clarity and prioritization

Myth 2: Execution Equals Vertical Alignment
REALITY: More coordination across units
A system is any group of interacting, interrelated, or interdependent parts that form a complex and unified whole that has a specific purpose.

- The whole has at least one purpose or function that cannot be achieved optimally without all of its parts.
- Each part can affect the performance of the whole, and of at least some of the other parts.
- The whole cannot be divided into independent parts without achieving optimal performance.
The performance of a system cannot be optimized by optimizing each individual part within the system.
Strategic Execution Myths

Myth 1: Communication Equals Understanding
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Myth 3: Execution Should Be Driven from the Top
REALITY: Drive execution from the middle, guide from the top
Organizational Sustainability

Organizations that “live long” have a balance of four characteristics, according to research conducted by Arie de Geus (*The Living Company*):

**Financially Frugal**
Operationally efficient, wise use of finances including leverage and cash

**Persona**
Cohesive with a strong sense of identity or Persona – a deep, uncompromising set of core values and purpose that do not change over time
Organizational Sustainability

Organizations that “live long” have a balance of four characteristics, according to research conducted by Arie de Geus (*The Living Company*):

**Adaptability**
Ability to adapt to a changing environment by carefully monitoring the external environment

**Tolerance**
Encouragement of experimentation and unconventional thinking – initially described as “decentralization”
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Myth 4: Execution Means Sticking to the Plan
REALITY: Agility balanced with alignment
Decision Rights

- Clarifying the Issue
- Executing on the Decision
- Developing Alternative Solutions
- Gathering the Relevant Information
- Evaluating the Alternatives
- Making the Decision

Who will make the final decision?

When will the decision be made?

Decision rights explicitly determined early

I STILL have uncertainties!
Three Actions for Strategic Agility

- Identify the key uncertainties:
  - Plan for the key trends
  - Manage the key uncertainties

- Track the key uncertainties:
  - “Trendspotting”
  - “Sense-making”

- Take action around the key uncertainties:
  - Conduct rapid experiments
  - Make small bets
  - Build adaptability and flexibility
Overconfidence Bias
“Selective Information Processing”: The Confirmation Bias

- We tend to concentrate on information or “select” data that supports our pre-conceived beliefs – the confirmation bias.

- With more complex situations, the confirmation bias becomes even stronger.

- In situations with information “overload”, the confirmation bias becomes even stronger.
Trends and Uncertainties

A **trend** is a future force in which the outcome is very predictable - a *known known* or a “predictable”
Trends and Uncertainties

An **uncertainty** is a future force in which the outcome is unknown

*Unknown Unknown*

Black Swan

*Known Unknown*

Manage with Adaptability

*“It is not the strongest of the species that survives, but the one most adaptable to change”*
# Future Forces Worksheet

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<th>Key Trends</th>
<th>Key Uncertainties</th>
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Manage uncertainty by using a process of agility or flexibility:

- **SMALL BET:** Invest a minimal amount initially in one or a variety of options
- **RAPID EXPERIMENT:** Test a hypothesis for the purposes of learning about the uncertainty
- **PHASED APPROACH:** Execute on a portion of the initiative that is less vulnerable to uncertainty
## Testing the Initiatives

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Vulnerable to the uncertainty = 🔴
Invulnerable to the uncertainty = 🔵
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Myth 5: A Performance Culture Drives Execution
REALITY: Also reward agility, teamwork, ambition
Defining Culture

Behaviors:

- Pace of work
- Percentage of focus on short vs. long term goals
- Management’s communication style with staff
- Competition vs. cooperation
- Team vs. individual orientation
- Creative vs. analytical
- Intense vs. relaxed
- Acknowledgment and praise
- Philosophy on work life balance
- Age of the workforce
- Ethics

Questions to Ask:

- What kind of behavior is rewarded?
- What stories are told as “legend”?
- Who has the real power?
- What do employees expect?
- What do other organizations think about your organization?
- What do customers or clients say about your organization?
An Agile Culture

Does the Person Care Personally?

Is the Person Willing to Challenge Directly and Speak Candidly?

Yes

No

Yes

No

From Kim Scott
Learning Organization Characteristics