

TESTING ORGANIZATIONAL BOUNDARIES TO IMPROVE STRATEGY EXECUTION

SPONSOR PERSPECTIVE



**RICARDO VIANA
VARGAS**
EXECUTIVE DIRECTOR
BRIGHTLINE INITIATIVE

Making things happen, helping connect strategy and delivery, lies at the core of management and leadership. Executives help their organizations transform ideas into products and results. They transform ambitious plans into daily practice.

And yet, making things happen and implementing strategies have never been more challenging and complex. In times of constant change, successful organizations are reinventing the way they work and

how they get things done. The importance of implementation can never be underestimated. Effective implementation is required—desperately—to resolve some of the world’s biggest issues—such as climate change, inequality, and poverty. Implementation is needed to allow companies, nations, nonprofit organizations, hospitals, and governments, among others, to function as people need them to do. Implementation lies at the heart of making the world a better place.

The Brightline Initiative is a coalition led by the Project Management Institute together with Boston Consulting Group (BCG), Agile Alliance, Bristol-Myers Squibb, Saudi Telecom Company (STC), Lee Hecht Harrison, and NetEase. Our mission is to help executives and their organizations bridge the expensive and unproductive gap between strategy and delivery. Brightline Initiative, in association with Harvard Business Review Analytic Services, surveyed organizations around the globe and across a range of industries in order to better understand the realities of strategy implementation and the characteristics of the successful organizations.

This report sheds important light on “strategy implementation leaders,” which are those organizations that are able to quickly adapt to meet new or unexpected market, competitor, or customer needs. Such organizations are in the minority because most organizations can be described as “implementation laggards.” They are considered laggards because they miss strategic targets year after year. The research suggests that implementation leaders account for only a fifth of organizations. It almost goes without saying that they enjoy greater financial success.

The research goes far beyond this classification to determine exactly how and where the implementation leaders are different. For example, regardless of their organizational structure, they make silos irrelevant. They emphasize collaboration and create agile cross-functional teams, so roles are overlapped repeatedly as people get things done rather than stick to operational demarcations. Decision making is decentralized, people feel able to speak up when they need to, and leaders are highly empathetic with those they work with. Implementation leaders align strategy continuously. For them, the strategy is a dynamic and practical activity that is continually evolving and monitored.

Every organization has its own nervous system-type approaches to collaboration, developing people, and translating strategy implementation principles into processes and practices. But there are many barriers: too many strategic initiatives at one time, insufficient resources, poor communication, and not enough information sharing. Organizations that are not doing well share similar symptoms. Evidence from the research shows they have poor leadership performance, namely because of strict hierarchical structures that prevent effective teamwork and do not reward cross-functional collaboration, among other things. The result? Poor strategy implementation, deficient business performance, and lack of competitive advantage.

Every organization faces challenging business conditions and threatening changes. Navigating these scenarios requires a new type of organization that does not stumble over its structure and has a relentless focus on continuously mastering strategy implementation capabilities. This report will help executives and their teams explore opportunities to improve their strategy implementation capabilities in order to reduce the gap between strategy design and delivery.

TESTING ORGANIZATIONAL BOUNDARIES TO IMPROVE STRATEGY EXECUTION

EXECUTIVE SUMMARY

Most organizations struggle with executing strategy. So many of the best ideas on paper never even make it into the marketplace. A global executive survey conducted by Harvard Business Review Analytic Services, in association with the Brightline Initiative, found that roughly one-fifth of organizations achieve 80% or more of their strategic targets. These organizations are also able to quickly adapt to new or unexpected market changes, competitor moves, and new customer demands. The secret of their success? These implementation leaders have found ways to overcome common organizational silos and foster more agile ways of working.

To discover how organizations can change how they work and optimize their strategic execution, Harvard Business Review Analytic Services surveyed 1,636 executives worldwide. Among the findings:

- **Cross-functional teams decentralize decision making, regardless of the structure type.** The majority of implementation leaders agreed their organizational structures help them carry out strategy. Just as importantly, centralized decision making is present in only 16% of implementation leaders, compared to 24% of followers and 29% of laggards.
- **A culture of collaboration is actively pursued and rewarded.** Because leaders want to foster the use of cross-functional teams to put strategic initiatives into action, nearly 80% of implementation leaders, versus a scant 19% of laggards, encourage and reward collaboration.
- **Executives must be engaged with those around them, coaching just as much as leading.** Forty-three percent of implementation leaders strongly agreed about the importance of senior executive engagement and coaching in their organizations, compared to just 19% for those considered to be followers and 13% for those characterized as laggards when it comes to strategic execution.
- **Strategic development and delivery is a dynamic, always current activity.** Forty-four percent of implementation leaders say the development and delivery of strategic initiatives is a dynamic and continuous process, which isn't the case for followers (35%) or laggards (23%). In contrast, nearly one-third (31%) of laggards revisit strategic aims only every two years versus 10% of leaders.

HIGHLIGHTS

20%
OF ORGANIZATIONS ACHIEVE 80% OR MORE OF THEIR STRATEGIC TARGETS

43%
OF IMPLEMENTATION LEADERS STRONGLY AGREED ABOUT THE IMPORTANCE OF SENIOR EXECUTIVE ENGAGEMENT AND COACHING IN THEIR ORGANIZATIONS

44%
OF IMPLEMENTATION LEADERS SAY THE DEVELOPMENT AND DELIVERY OF STRATEGIC INITIATIVES IS A DYNAMIC AND CONTINUOUS PROCESS

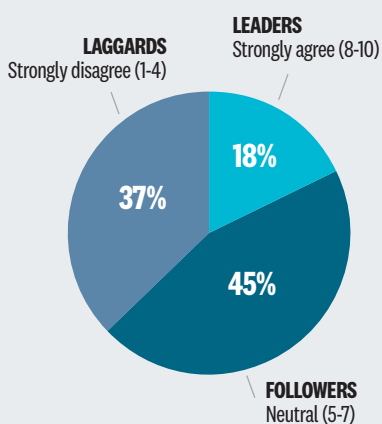


TO COMBAT SILOED WAYS OF WORKING, SUCCESSFUL LEADERS NEED TO CREATE INCENTIVES AND FORGE PROCESSES THAT ENCOURAGE AND REWARD COLLABORATION ACROSS ORGANIZATIONAL BOUNDARIES.

FIGURE 1

WHO ARE THE IMPLEMENTATION LEADERS?

How strongly respondents agree with the following statement about their capabilities: “The organization is quick to adapt to meet new or unexpected market, competitor, and/or customer needs.”



SOURCE: HARVARD BUSINESS REVIEW ANALYTIC SERVICES SURVEY, JULY 2018

Challenging the Status Quo

Leaders are often stymied by organizational silos, but they shouldn't be. A growing number of executives are learning to push back on structure when important cross-functional work has to be done, especially strategy implementation.

“Changing organizational structure is an enormous undertaking,” says Ethan Bernstein, Edward W. Conrad Associate Professor of Business Administration at Harvard Business School. “Every organization needs some sort of formal structure. But organizations that have the greatest success with strategy implementation likely have leaders that can push back on the structure.”

To combat siloed ways of working, successful leaders need to create incentives and forge processes that encourage and reward collaboration across organizational boundaries. They must empower lower-level decision making and translate strategy into a few clear and measurable outcomes that employees can understand, align with, and rally around. Organizations also need to foster cultures that thrive on autonomy, accountability, and aspiration. When executives get all these pieces in place, organizational silos become irrelevant.

The strategy implementation scorecard overall is not encouraging. Most organizations still struggle with turf wars, leaders who keep information close to their chests, and a lack of critical talent. As a result, more than 50% of organizations miss more than half of their strategic objectives because of implementation issues as opposed to problems with the game plans themselves.

But implementation leaders are much more successful and achieve 80% or more of their targets. These organizations have executives who are able to foster better ways of working. They are able to create cross-functional teams through incentives and processes that spur people from different parts of the organization to work together. And these are reflected in their financials. Implementation leaders have much stronger revenue growth than do other organizations.

Implementation leaders make sure they excel at characteristics their employees deem important, such as the ability to inspire and think analytically. These leaders also place far greater importance on traits such as empathy and on capabilities like coaching. And they outperform competitors here, too. Equally important, implementation leaders tightly combine strategy design and integrations teams and succeed at creating transparency and teams that share ideas.

Culture and leadership can be elusive topics. To help organizations successfully tackle them, this study provides a ground-level view of what makes implementation leaders tick and the best practices that other entities can adopt. As markets confront relentless change and challenges, organizations need to be confident that they can rally people around a different strategy and put it in play with speed and accuracy.

The Implementation Leaders

To determine which organizations qualify as implementation leaders, the survey asked respondents to what extent they agree that their organizations are “able to quickly adapt to meet new or unexpected customer, competitor, and/or market changes.” Implementation leaders strongly agree. **FIGURE 1** But nearly 50% of organizations can’t hit 60% of their strategy objectives. Almost 20% of them can’t even reach 50%. **FIGURE 2**

Weak strategy implementation capability can have serious consequences beyond missed objectives. As **Figure 3** shows, strong strategic implementation capabilities correlate strongly with the ability to respond to competitor moves and changes in customer expectations. Even with the greatest strategy, an organization is more likely to be trounced by its competitors if it can’t put strategy successfully into play. **FIGURE 3**

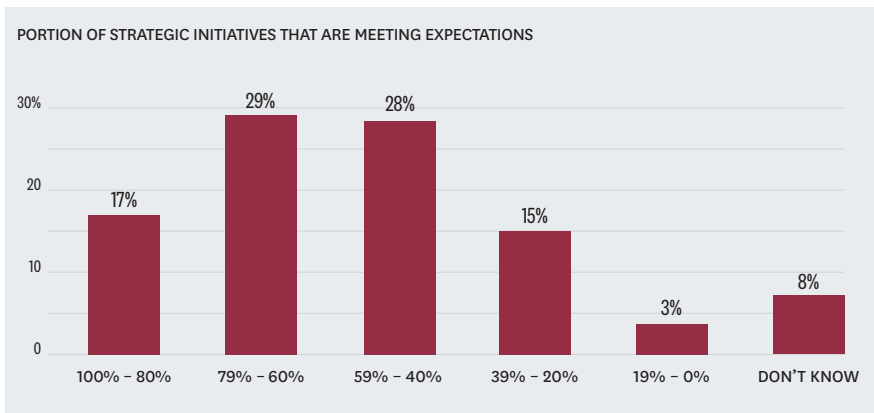
Implementation capability translates into strong business performance. Implementation leaders have a pronounced financial lead over followers and laggards. About 20% of the implementation leaders had growth rates above 30% versus a scant 9% of followers and 4% of laggards. Nearly half grew between 10% and 30%, compared to 36% of followers and 25% of laggards. **FIGURE 4**

IMPLEMENTATION LEADERS MAKE SURE THEY EXCEL AT CHARACTERISTICS THEIR EMPLOYEES DEEM IMPORTANT, SUCH AS THE ABILITY TO INSPIRE AND THINK ANALYTICALLY.

FIGURE 2

MOST ORGANIZATIONS MISS STRATEGIC TARGETS

Percentage of respondents whose organizations meet each level of strategic initiatives below

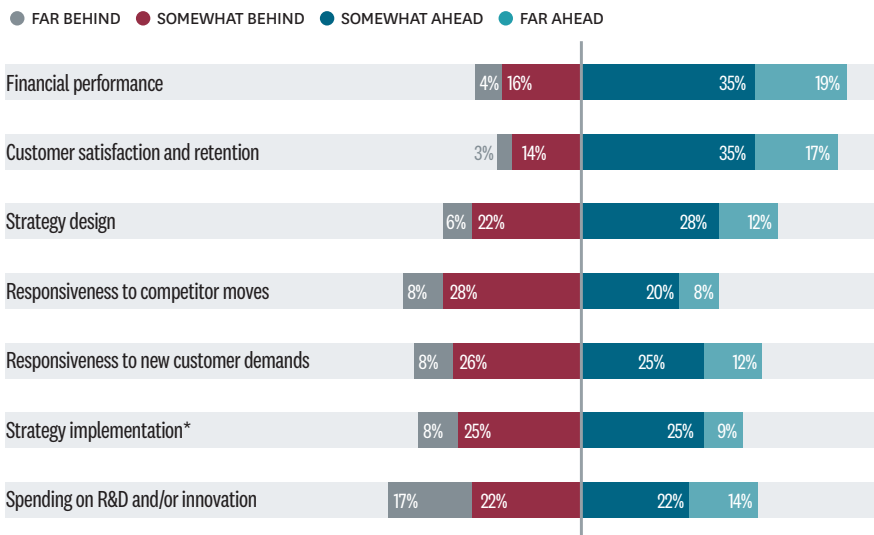


SOURCE: HARVARD BUSINESS REVIEW ANALYTIC SERVICES SURVEY, JULY 2018

FIGURE 3

IMPLEMENTATION SUCCESS DRIVES MARKET RESPONSIVENESS

Percentage of respondents rating their organizations as behind or ahead of their competitors on the following attributes



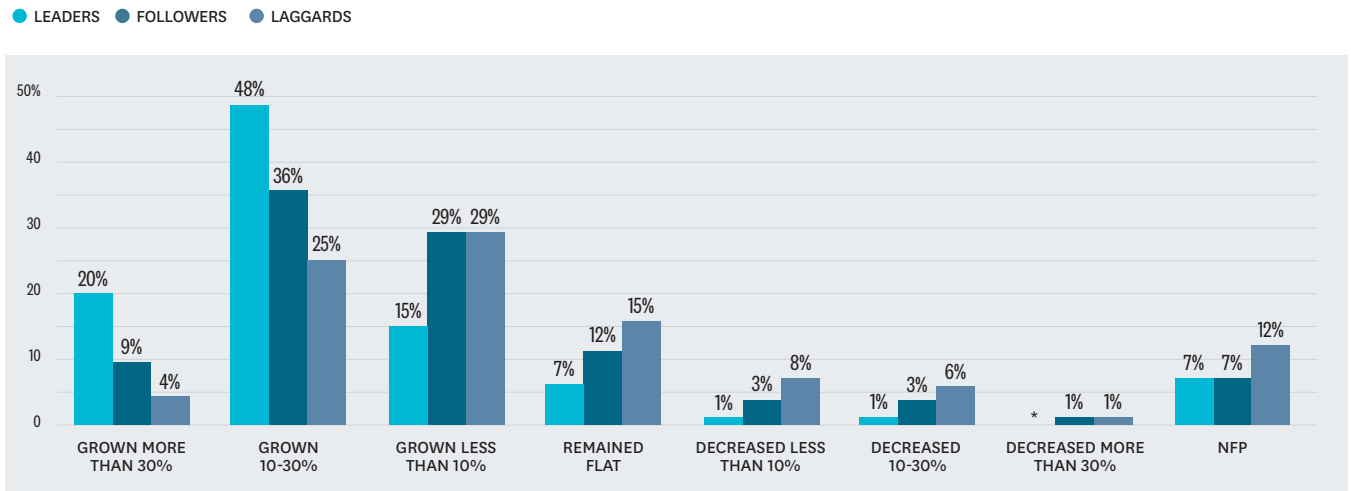
* i.e., moving from defining a strategy to having it implemented

SOURCE: HARVARD BUSINESS REVIEW ANALYTIC SERVICES SURVEY, JULY 2018

FIGURE 4

IMPLEMENTATION LEADERS HAVE THE GREATEST FINANCIAL SUCCESS

Percentage of respondents from leader, follower, and laggard organizations with each of the following two-year growth rates



SOURCE: HARVARD BUSINESS REVIEW ANALYTIC SERVICES SURVEY, JULY 2018

Overriding Structure to Foster Collaboration

The majority of implementation leaders (77%) say their organizational structure helps them carry out strategy. Almost as many laggards say the opposite (63%). Yet, both leaders and laggards utilize many of the same types of structures, including traditional functional organizations and matrix management. Moreover, despite the growing interest in open structures such as holocracies that have few formal boundaries, only 8% of implementation leaders use any organic or simple structure. [FIGURE 5](#)

Instead, cross-functional teams are coming to the forefront as the primary means of making strategy implementation and other organizationwide initiatives successful regardless of structure. Even in more traditional organizations, agile teams and methods are becoming more popular. However, organizations need more than team-based approaches. They need senior executives who can override the structure in order to overcome siloed behaviors and foster collaboration.

For example, most organizations emphasize vertical structures with clear reporting lines. But facilitating horizontal connections is essential to everything from implementing strategy to making sales, according to Amy Edmondson, Novartis Professor of Leadership and Management at Harvard Business School. For example, a B2B company that sells complex solutions will need sales, marketing, finance, and other parts of the organization to work closely together. To drive horizontal collaboration, companies don't need to restructure. But they need to eliminate what she calls "perverse incentives."

"Companies frequently tell employees that collaboration is important, and then they force rank or assess them solely on the basis of their individual contributions," she says. "Employee evaluation needs to include rewards for cross-functional work so that people aren't faced with situations such as holding back ideas because they won't receive any credit for them." Implementation leaders have taken that advice to heart. They are far more likely to reward collaboration than are other companies. [FIGURE 6](#)

Culture Trumps Structure

Implementation leaders have made great strides in creating distinctive cultures that make silos less relevant and encourage a cross-functional, agile mindset to drive work. The cornerstones of these cultures are decentralized decision making and achieving an effective balance between autonomy and authority.

Pushing corporate boundaries into the background requires decentralized decision making. Otherwise, decisions will be just as slow and just as removed from market reality as they are in rigidly hierarchical organizations. Implementation leaders of all sizes realize this. They are far more likely to have decentralized decision making—54% of leaders versus just 15% of laggards.

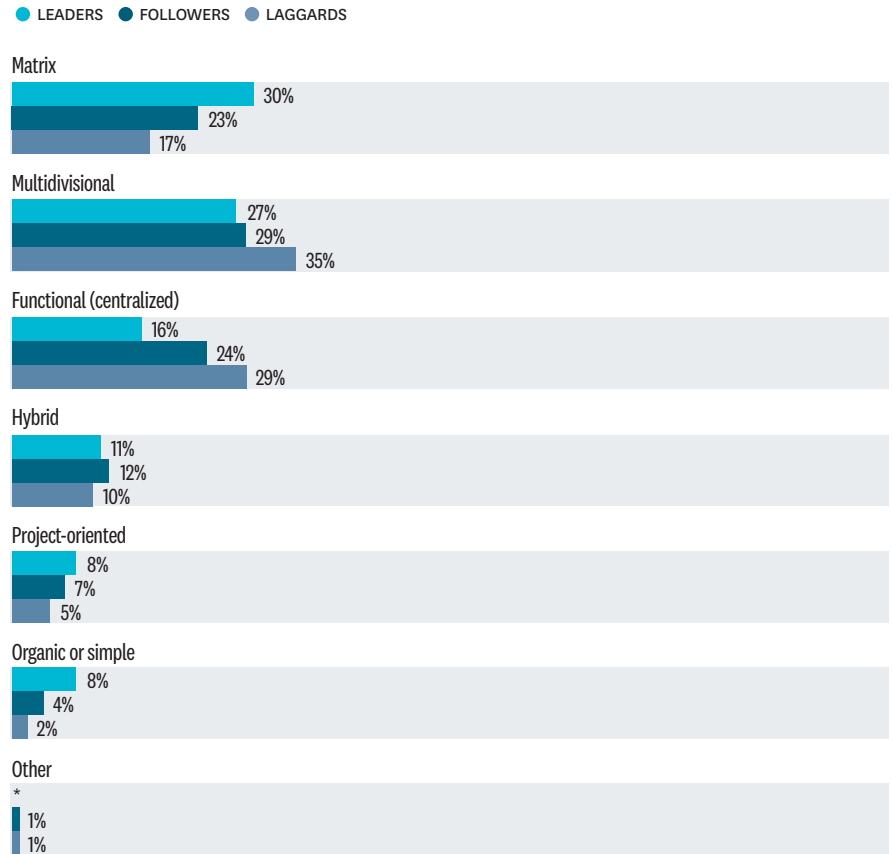
Decentralized decision making generates timely and powerful market insights from managers on the front line navigating changing market conditions. Direct front-line knowledge accelerates action. To avoid chaos, however, organizations need to strike a balance between authority and autonomy. The first step is for senior leaders to realize that organizations rely on them to make tough strategic choices and not to get mired in other managers' areas of expertise.

“If you are a good leader, you will only make choices that you are definitively better-equipped to make than anybody below you,” says Roger Martin, who co-wrote *Playing to Win: How Strategy Really Works* with former Procter & Gamble head A.G. Lafley. “It is your job to explain the rationale behind those choices to the next level and all the way down. Then leaders need to make it clear what choices everyone else has to make and the boundaries in which to make them.”

FIGURE 5

IMPLEMENTATION LEADERS AND LAGGARDS USE SIMILAR STRUCTURES

Percentage of respondent organizations with each of the following structures

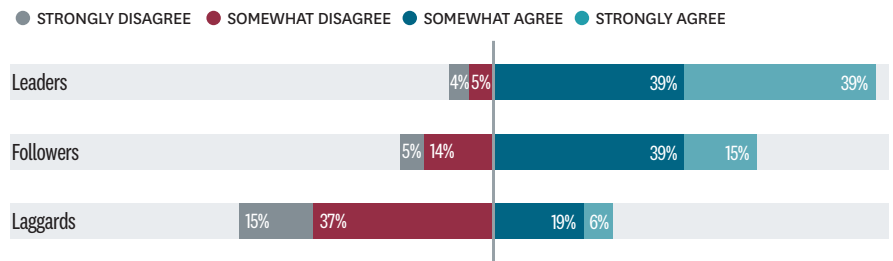


SOURCE: HARVARD BUSINESS REVIEW ANALYTIC SERVICES SURVEY, JULY 2018

FIGURE 6

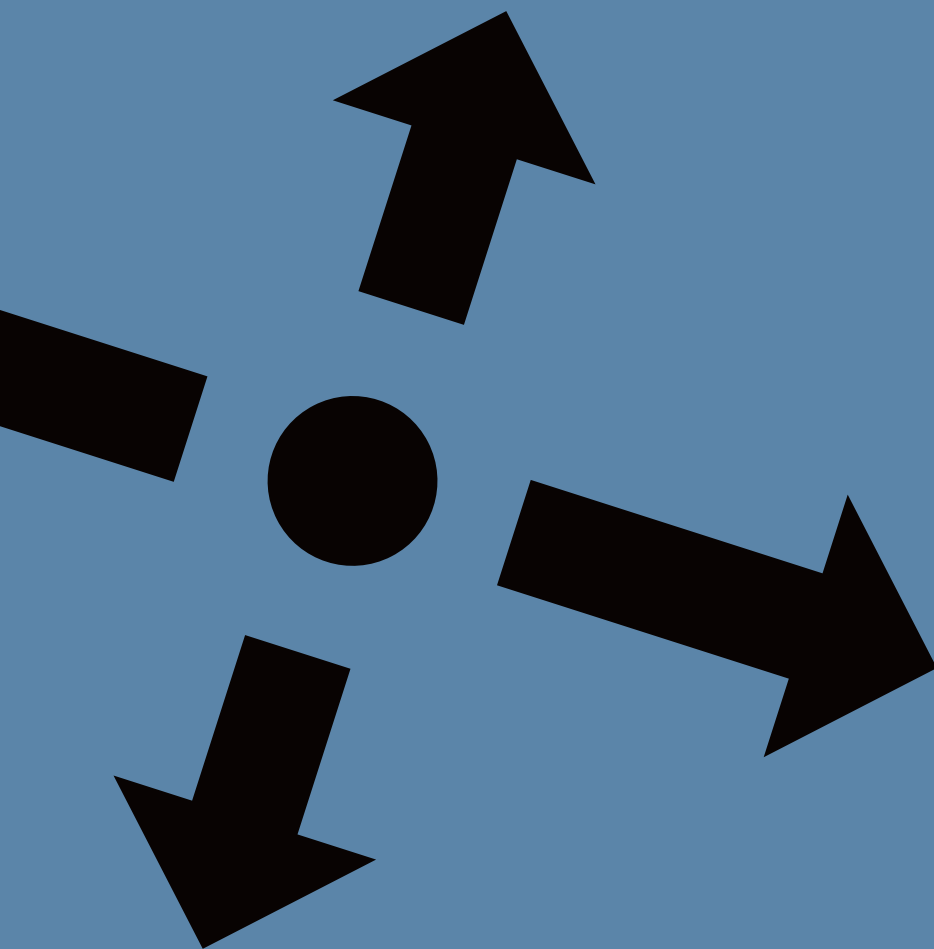
IMPLEMENTATION LEADERS REWARD COLLABORATION

Percentage of respondents who agree that their organizations encourage and reward collaboration



SOURCE: HARVARD BUSINESS REVIEW ANALYTIC SERVICES SURVEY, JULY 2018

**DECENTRALIZED DECISION MAKING
GENERATES TIMELY AND POWERFUL
MARKET INSIGHTS FROM MANAGERS
ON THE FRONT LINE NAVIGATING
CHANGING MARKET CONDITIONS.**



“Leaders have to **celebrate collaboration** and clearly explain that if people just stick to their ‘tribe,’ they will have little to gain,” says Amy Edmondson, professor at Harvard Business School.

To make decision-making boundaries clear, strategies must be translated into objectives and measures for teams and/or units, according to Donald Sull, a former professor at Harvard Business School and London Business School and currently a senior lecturer at MIT Sloan School of Management. Sull suggests that goals should have some stretch to them, since research has found that people make more overall progress when given difficult goals even if they don’t reach the targets.

Sull also urges that all team goals should be shared so people can see what others are doing and calibrate their efforts accordingly. “When everyone can see everyone else’s goals, it encourages people to self-organize,” he says. “It also drives collaboration as different parts of the company see how they can build on the work of others.”

To support more effective strategy execution, executives at implementation leaders also establish key points of collaboration to ensure that the necessary people are always on the roster. To alleviate some of the other people issues, they imbue their cultures with a potent blend of aspiration, accountability, and engagement. **FIGURE 7**

To create a culture of collaboration, aspiration, and accountability, leaders have to celebrate the new way of working, according to Edmondson, the Novartis Professor at HBS. “People have a natural tendency to pay less attention to horizontal relationships than to vertical ones,” she says. “Leaders have to celebrate collaboration and clearly explain that if people just stick to their ‘tribe,’ they will have little to gain.”

Creating psychological safety is an equally important ingredient for collaborative cultures. “People need to be comfortable bringing up new ideas and asking for help,” says Edmondson. “If they don’t know something, they should ask. If they have an idea, they should bring it up.”

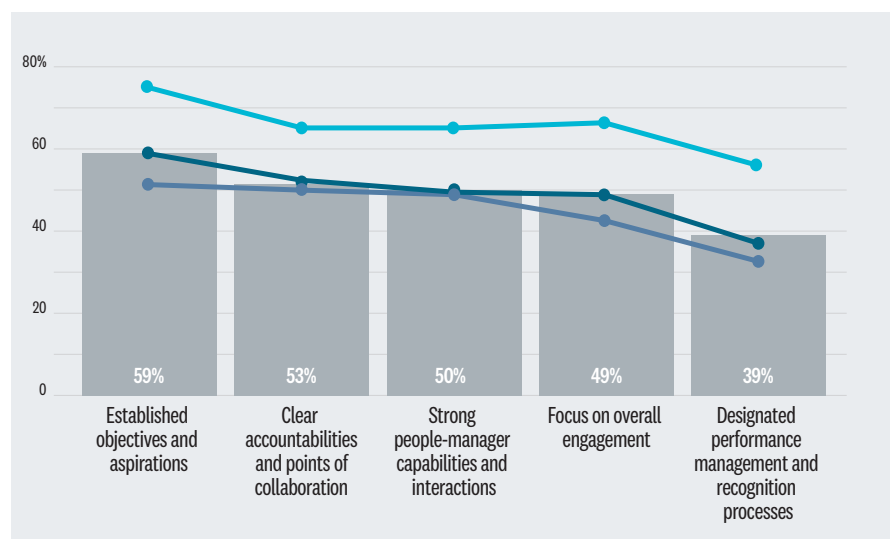
Every leader and manager can and should contribute to creating psychological safety. They can do so by modeling behaviors that convey and respect curiosity and by coaching employees. To better understand how to model the right behavior,

FIGURE 7

A CULTURE OF COLLABORATION, ASPIRATION, AND ACCOUNTABILITY DRIVES SUCCESS

Percentage of respondents rating the importance of each of the following corporate culture characteristics in achieving strategic objectives

● ALL SAYING VERY IMPORTANT ● LEADERS ● FOLLOWERS ● LAGGARDS



SOURCE: HARVARD BUSINESS REVIEW ANALYTIC SERVICES SURVEY, JULY 2018

“ANYONE WHO THINKS THEY HAVE ALL THE ANSWERS IS MISSING SOMETHING,” SAYS AMY EDMONDSON, PROFESSOR AT HARVARD BUSINESS SCHOOL.

Edmondson says that leaders should embrace what she calls situational humility. Executives and managers have to show that they too have to ask for help and that there are no negative consequences for having an idea that doesn't pan out. “Anyone who thinks they have all the answers is missing something,” she says. “We have to get comfortable being uncomfortable. We have to be willing to say it aloud so that others recognize it isn't shameful. It is the reality today.” Organizational leaders also need to pose direct questions to people, which interestingly makes it easier for people to offer their thoughts because they feel a need to answer. If incentives are supporting collaboration and the culture encourages openness, then executives, managers, and team members are much more likely to get the candid and thorough answers they need.

The Leadership Gap

Despite the seminal importance of leadership in creating cultures that can get cross-functional work done, senior leaders in many organizations don't deliver on many important traits. For example, in the context of strategy execution, both implementation leaders and laggards place high value on characteristics such as drive, vision, and the ability to inspire and empower. But in laggard organizations, leadership performance on these characteristics is strikingly low.

But laggards face an even bigger leadership barrier. **FIGURE 8** Although they consider traits such as drive, vision, and collaboration as important but don't perform well, they almost dismiss two important characteristics key to creating an agile, open, and collaborative culture that isn't hampered by silos. As Edmondson pointed out, leaders need to model and value humility. To do so requires empathy and the ability to understand how difficult change is for many people. They also need to be able to coach employees to embrace change and different behaviors.

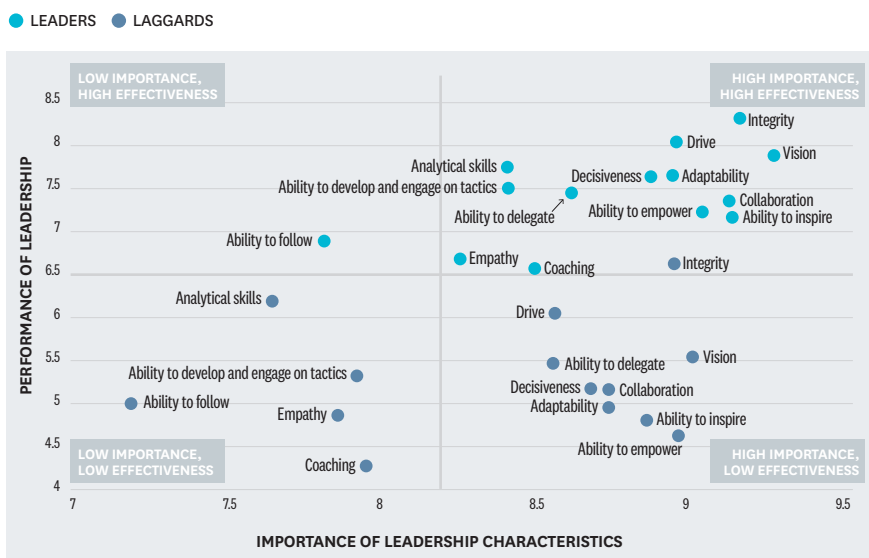
As Figure 9 shows, laggards place little importance on either of these. Thus, it is not terribly surprising that employees at implementation leader organizations are much more likely than those in laggard companies to see their executives as highly engaged in strategy implementation. **FIGURE 9**

Carsten Pedersen Lund, a postdoc at the Copenhagen Business School who researches strategy and implementation, attributes the lack of engagement to executives' common belief that if the organization simply does everything called for in the plan, all will be well and done. They don't consider how fast and often things change and that strategic plans require frequent adjustment. This disconnect can become a formidable barrier.

FIGURE 8

LAGGARDS FALL SHORT OF THE MARK

Importance versus effectiveness of leadership attributes among leader and laggard organizations



SOURCE: HARVARD BUSINESS REVIEW ANALYTIC SERVICES SURVEY, FEBRUARY 2018

“Executives need to acknowledge the fact that not everything that was planned ends up becoming realized,” he says, “and not everything that becomes realized was planned to start with.”

Playing to Win's Martin echoes the sentiment. He sees that business and society often draw a hard line between strategy formulation and implementation. Implementation has the unspoken stigma of being a lower order of work. As a result, it should be noted that many senior leaders don't appear to be engaged in implementation.

As a positive example, he points to the armed forces. “In the modern military, soldiers in the trenches are tightly aligned and don't see themselves as strategy implementers,” Martin says. “They think, ‘I know the commander's intent, and I'm going to have to figure out in real time what we are going to do when we meet the enemy and change our approach if necessary.’”

Sull urges all senior executives to work closely with the key managers and thought leaders who will be the driving force in the organization's strategy implementation. The C-suite needs to treat them as an indispensable cohort and work closely with them to make sure they understand the strategy, boundaries, and expectations.

Keeping Plates Spinning

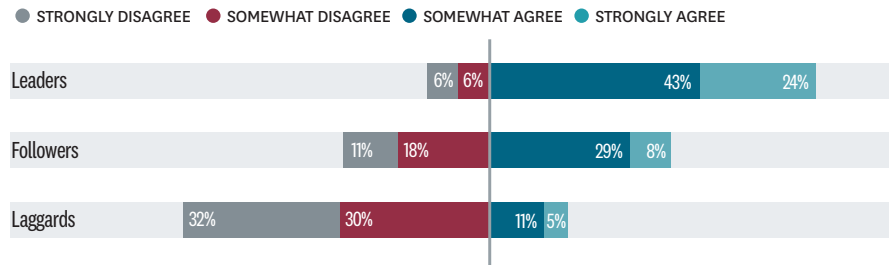
Implementation leaders have command of the basics, which gives them a strong leg up when executing strategy. For example, to keep strategy and execution integrated, implementation leaders are much more likely to develop the former on an ongoing basis. Nearly 50% of implementation leaders do so versus about 23% of laggards. [FIGURE 10](#)

Strategy and implementation are two parts of a whole and heavily dependent on one another, says Copenhagen Business School's Lund. “People should think of them as two feet walking,” he says. “One foot is the plan that you formulate. The other is what the organization does with the plan. If one foot stumbles, you fall down.”

FIGURE 9

WIDE DISPARITY IN LEADERSHIP ENGAGEMENT

Percentage of respondents saying that their organization has sufficient leadership engagement

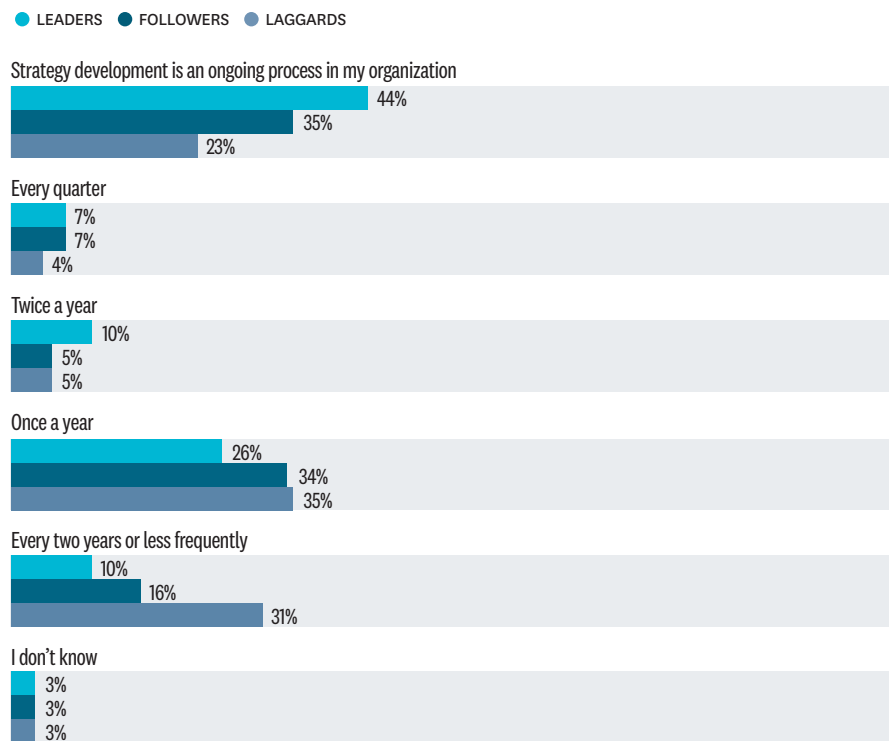


SOURCE: HARVARD BUSINESS REVIEW ANALYTIC SERVICES SURVEY, JULY 2018

FIGURE 10

LEADERS DEVELOP STRATEGY CONTINUOUSLY

Frequency of strategy development and review in respondent organizations



SOURCE: HARVARD BUSINESS REVIEW ANALYTIC SERVICES SURVEY, JULY 2018

An ongoing strategy development process helps organizations adapt to changing environments. But it also puts implementation into the limelight as a key element of what the organization focuses on. Christine McMahon, president and CEO of Fedcap, a federally funded agency that creates programs to build workforce skills among at-risk populations, conducts regular meetings in which people from all walks of the organization come to share innovations and strategic ideas. The conversations create a natural discussion flow that keeps implementation top of mind. “Strategy is a form of institutional thinking, not a document,” she says. “If you talk about it regularly and include people from all over the organization, implementation is just as much on everyone’s mind as the strategy itself.”

Paul Donaldson, global vice president of strategy at AB InBev, takes a similar approach. The company’s strategies are broad but clear—they fit on a single sheet of paper. But what is most important, according to Donaldson, is personally communicating the strategy in person to everyone and making sure each department and brand in every market understands exactly what the strategy means and what their role is.

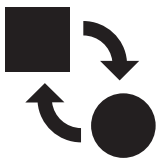
“Many companies create a PowerPoint deck detailing their strategy, send it out via email, and then call it a day,” he says. “Two years ago, I personally presented our strategy to nearly all of the 2,000 employees in one of our large business units. I make sure they understand the big picture, and then we discuss what their department or function needs to do. That essentially creates a companywide discussion about strategy and implementation that keeps everyone aligned.”

Strategies need to be formulated with an eye on delivery from the very start, according to Pedersen. Ethan Brown, vice president of marketing and brand for Pacers Sports and Entertainment, which manages the National Basketball Association’s Indiana Pacers on team owner Herb Simon’s behalf, says a group of vice presidents and senior vice presidents from different functions and units examines strategy in terms of implementation issues. They then continually monitor progress and recommend course changes when needed. For example, one of the Pacers’ key strategic pillars is achieving analytical excellence on and off the court, so the people working on developing analytics capabilities routinely meet with this VP/SVP team. It quickly assesses barriers and determines whether implementation timelines should be revised given other priorities.

Pedersen suggests that this type of analysis should happen before the grand design is implemented—a process he calls a strategy “pre-mortem.” “When a company is formulating its strategy, its leaders should imagine that in a few years the strategy has failed,” he says. “What might cause it to fail? Thinking like this will often uncover hidden operational issues and allow the company to proactively manage the challenge during the formulation phase of the strategy.”

What Stands in the Way?

Overall, successful strategy implementation is often stymied by an overload of projects and change initiatives, poor communication about them, and not enough resources to make them happen. [FIGURE 11](#)



AN ONGOING STRATEGY DEVELOPMENT PROCESS HELPS ORGANIZATIONS ADAPT TO CHANGING ENVIRONMENTS. BUT IT ALSO PUTS IMPLEMENTATION INTO THE LIMELIGHT AS A KEY ELEMENT OF WHAT THE ORGANIZATION FOCUSES ON.

“Many companies create a PowerPoint deck detailing their strategy, **send it out via email, and then call it a day,**” says Paul Donaldson, global vice president of strategy at AB InBev.

Leaders, followers, and laggards cite too many initiatives as a major challenge. Pedersen has often observed that organizations don't have effective project portfolio management capabilities. A company might have clear and measurable goals, but they won't help if the organization is overrun with projects. “In our strategy implementation research, we have found that executives need to understand strategy as a living portfolio of projects,” says Pedersen. “Very few organizations understand that.” The result is a proliferation of projects that aren't especially well-aligned. If they aren't aligned, then the company doesn't have a strategy.

Sull has seen countless organizations juggle hundreds of strategic objectives from nearly every department, function, and unit. Instead of whittling these down and making sense of them, many senior executives let them fight for resources, thus sapping energy from more important strategic initiatives.

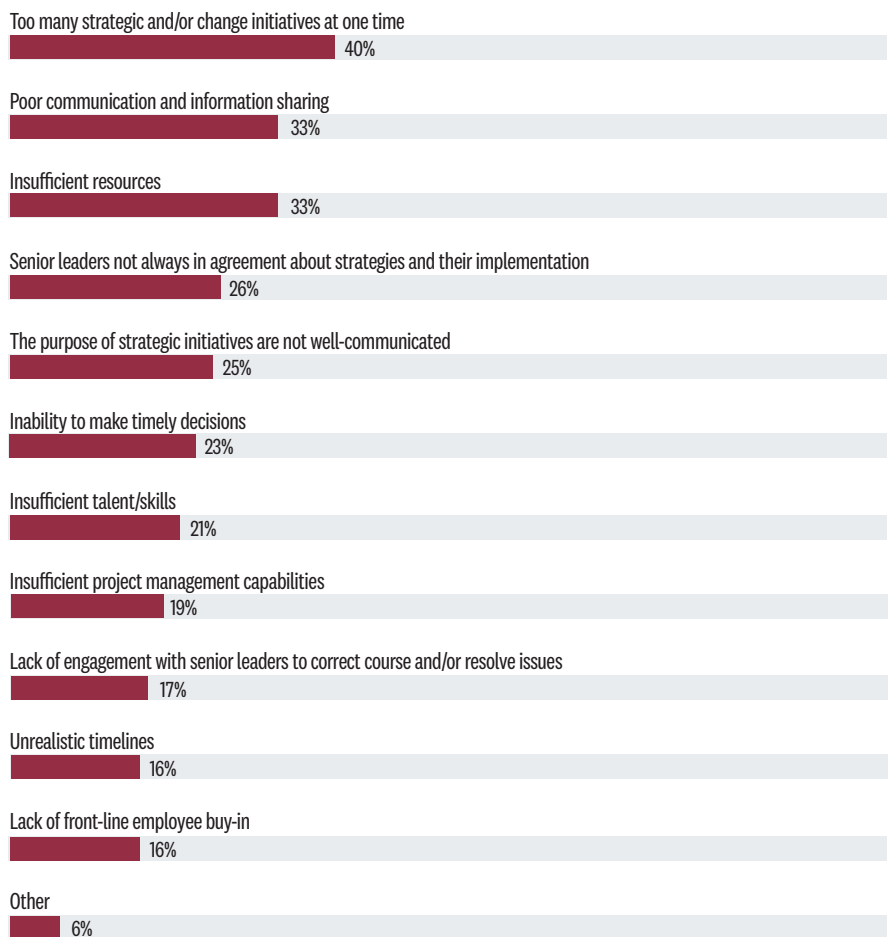
Laggards are much more likely to fault poor communication and a lack of senior management agreement as major obstacles. Formal communication is essential but is not enough, according to Brown from the Pacers. He believes strongly that much of the communication that drives strategy success is based on trust and interpersonal relationships—not formal discourse. These relationships help ensure that managers trust leaders and their strategies and are thus willing to go an extra mile to make sure they happen.

Yuval Dvir, director of online partnerships at Google Cloud, has had the same experience. In most companies he has worked for, which include Skype, Microsoft, EY, and GE in addition to Google, developing

FIGURE 11

TOP BARRIERS TO SUCCESSFUL STRATEGY IMPLEMENTATION

Percentage of respondents reporting each of the following as one of the top three barriers



SOURCE: HARVARD BUSINESS REVIEW ANALYTIC SERVICES SURVEY, JULY 2018

IMPLEMENTATION LEADERS MAKE SILOS IRRELEVANT, PLACE A PARAMOUNT FOCUS ON ORGANIZATIONAL AGILITY, AND BRING CROSS-FUNCTIONAL TEAMS TO THE FOREFRONT WHEN NEEDED.



relationships and building confidence on the part of people you need to work with can't just be based on the logic and reason behind the plan. To get employees to go the extra mile in implementing a strategy, the organizations' senior executives need to develop relationships that build confidence in their leadership and hence in their strategies.

Conclusion

For decades, many business leaders believed that a poor strategy well implemented was better than a great strategy implemented with flaws, but that is not the case for today's executives. Organizations are struggling to hit the objectives of any strategy, good or bad. Implementation leaders, however, are moving ahead of the competition and exhibit best practices that other organizations can adopt.

Implementation leaders make silos irrelevant, place a paramount focus on organizational agility, and bring cross-functional teams to the forefront when needed. Executives at these entities understand how to create incentives and processes that drive collaboration across corporate boundaries.

Implementing strategy has become table stakes, and business leaders cannot afford to continually miss objectives. Organizations need to seize each opportunity to create competitive advantage and build new capabilities before their competitors outstrip them. Practically every company faces tough business climates and

unrelenting change. Navigating them requires a new breed of organization that doesn't stumble over its structure and has a relentless focus on continuous improvement.

For organizations to gain competitive advantage through strategic initiatives, they need to resist the inclination to create information and functional silos and be mindful of ways to break them down:

- **The executive who has empathy will have it returned.** Implementation leaders model and value humility. They engage employees at every level, inspiring them to act as a spoke in a great wheel. As a result, these organizations have executives highly engaged in every aspect of strategy implementation.
- **Things happen more quickly at decentralized organizations.** Agile cross-functional teams cover wider ground at a much faster pace, which leads to hastened strategic implementation.
- **People comfortable about speaking up will collaborate.** Forging processes to reward collaboration organizationwide is the mark of an implementation leader. Managements that foster an agile culture of autonomy, accountability, and aspiration will see a return on their investment in the form of speedier strategic execution. When employees know they can ask for help and voice new ideas, a collaborative culture only benefits.
- **Keep the strategy train moving.** Executives do well when they translate strategy into a few clear and measurable outcomes. The organization also gains when strategy becomes part of the corporate discipline, a steady and ongoing process that keeps goals close at hand and in the mind's eye.

METHODOLOGY AND PARTICIPANT PROFILE

A total of 1,636 respondents drawn from the HBR audience of readers (magazine/newsletter readers, customers, HBR.org users) completed the survey.

SIZE OF ORGANIZATION

46% 10,000 OR MORE EMPLOYEES	31% 1,000-9,999 EMPLOYEES	10% 500-999 EMPLOYEES	23% 499 AND FEWER EMPLOYEES
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SENIORITY

20% EXECUTIVE MANAGEMENT/ BOARD MEMBERS	34% SENIOR MANAGEMENT	31% MIDDLE MANAGERS	15% OTHER GRADES
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KEY INDUSTRY SECTORS

11% EDUCATION	11% MANUFACTURING	10% TECHNOLOGY	10% GOVERNMENT/ NOT-FOR-PROFIT	9% FINANCIAL SERVICES	7% OR LESS OTHER AREAS
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JOB FUNCTION

13% OPERATIONS/ PRODUCT MANAGEMENT	13% HR/TRAINING	9% GENERAL MANAGEMENT	7% OR LESS OTHER FUNCTIONS
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REGIONS

47% NORTH AMERICA	20% EUROPE	20% ASIA	7% SOUTH/CENTRAL AMERICA	6% MIDDLE EAST/ AFRICA
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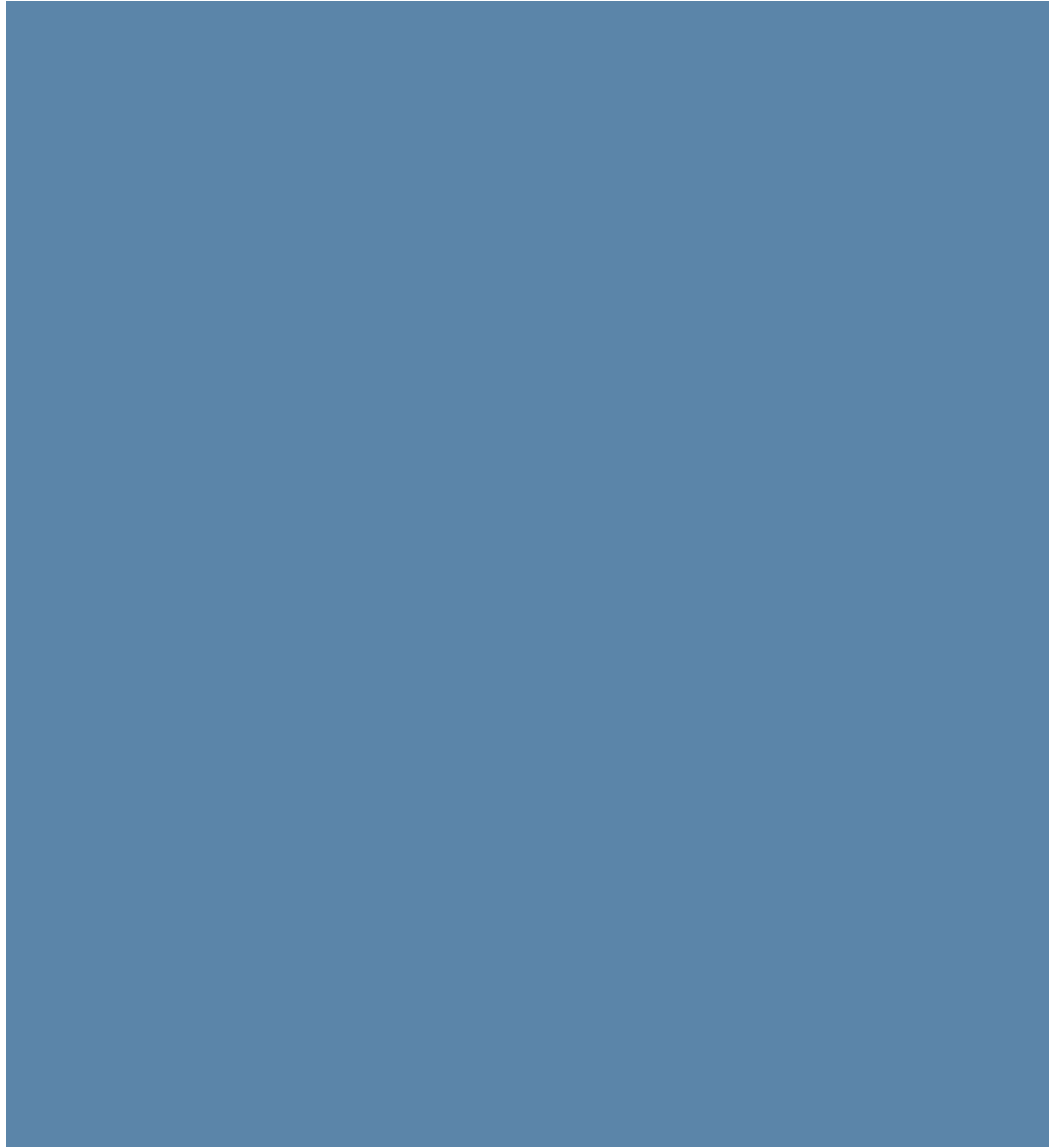
Figures may not add up to 100% due to rounding.



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CONTACT US

hbranalyticsservices@hbr.org

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