

the performance factory

| *it's all about  
strategy execution*

# Strategy Execution Master Class

*Official StratEx<sup>®</sup> Certification Course*

**Jeroen De Flander**

Brussels, 24 - 25 August 2015

# Master Class Agenda

**Monday, August 24th**

08:30 – 09:00	Registration, Coffee and Welcome
09:00 – 10:30	<b><i>Module 1: The Strategy Execution Canvas</i></b>
10:30 – 11:00	Morning Break & Networking
11:00 – 12:30	<b><i>Module 2: Test your Strategy</i></b>
12:30 – 13:30	Lunch
13:30 – 15:00	<b><i>Module 3: Communicate your Strategy</i></b>
15:00 – 15:30	Afternoon Break & Networking
15:30 – 17:00	<b><i>Module 4: Cascade your Strategy</i></b>
17:00 – 17:30	ING - Erik Van Den Eynden
17.30 – 19:00	Networking Drink

# Master Class Agenda

**Tuesday, August 25th**

08:30 – 09:00	Registration, Coffee and Welcome
09:00 – 10:30	<b><i>Module 5: Measure your Strategy Progress</i></b>
10:30 – 11:00	Morning Break & Networking
11:00 – 12:30	<b><i>Module 6: Set Objectives / Choose Projects</i></b>
12:30 – 13:30	Lunch
13:30 – 15:00	<b><i>Module 7: Create Awesome Habits</i></b>
15:00 – 15:30	Afternoon Break & Networking
15:30 – 17:00	<b><i>Module 8: Motivate People to Reach the Finish Line</i></b>
17:00 – 17:15	Closing

# Overview

- |    |  |       |
|----|--|-------|
| 1. | The Strategy Execution Canvas            | p.05  |
| 2. | Test your Strategy                       | p.21  |
| 3. | Communicate your Strategy                | p.51  |
| 4. | Cascade your Strategy                    | p.66  |
| 5. | Measure your Strategy Progress           | p.86  |
| 6. | Set Objectives / Choose Projects         | p.95  |
| 7. | Create Awesome Habits                    | p.103 |
| 8. | Motivate People to Reach the Finish Line | p.114 |

*“Don’t measure performance by what you have accomplished, but by what you should have accomplished within your capabilities.”*

# MODULE 1

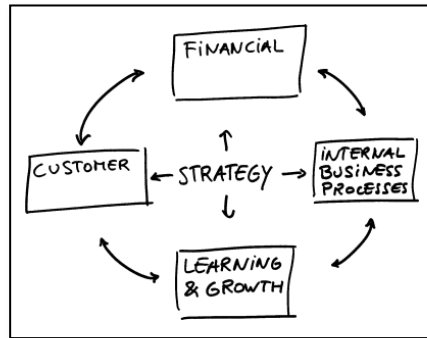
## The Strategy Execution Canvas

**Discover the 8 and the bad guys on the execution road**

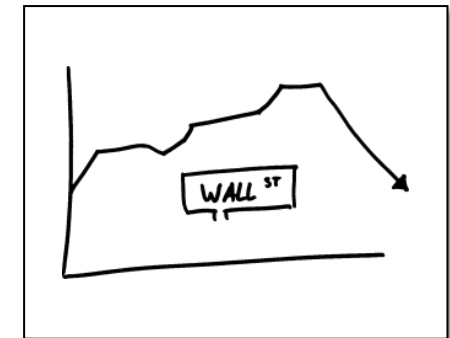
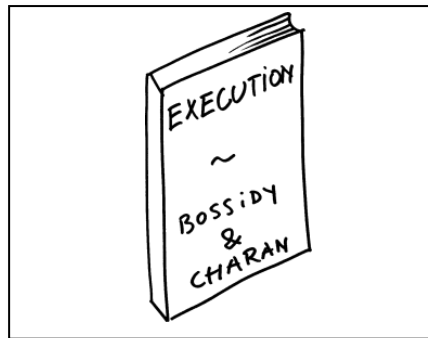
—

**Learn how to benchmark your execution capabilities and  
compare yourself with the best-in-class**

# 1990... Strategy Execution: the new kid on the block



OBJECTIVE	MEASURE	TARGET	INITIATIVE
~	~	~	~
~	~	~	~
~	~	~	~
~	~	~	~



# 2015: companies loose millions due to poor Strategy Execution

1. Did you know that companies loose between 40 to 60% of their strategy during implementation?  
Harvard Business Review
2. Do I know exactly where my company, department or team is losing performance?
3. What can I do to close the execution gap?

# Measuring THE EXECUTION GAP

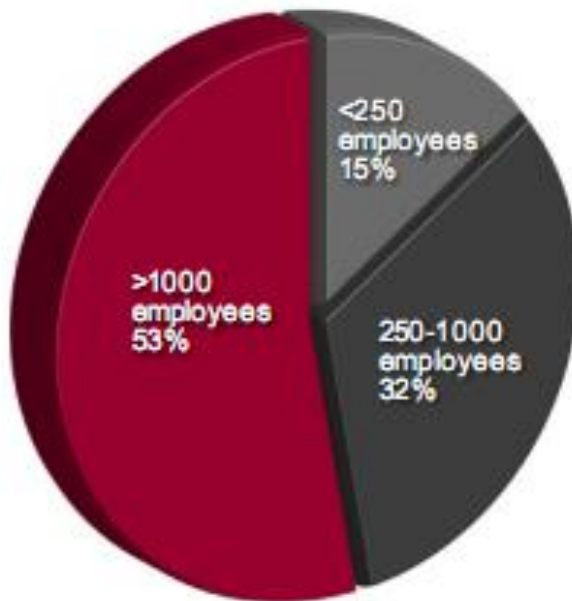
*“However beautiful the strategy,  
you should occasionally look at the results”*

- Sir Winston Churchill



# Strategy Execution Barometer®: actionable, fact-based SE benchmarking data

Company Size



Functional split respondents

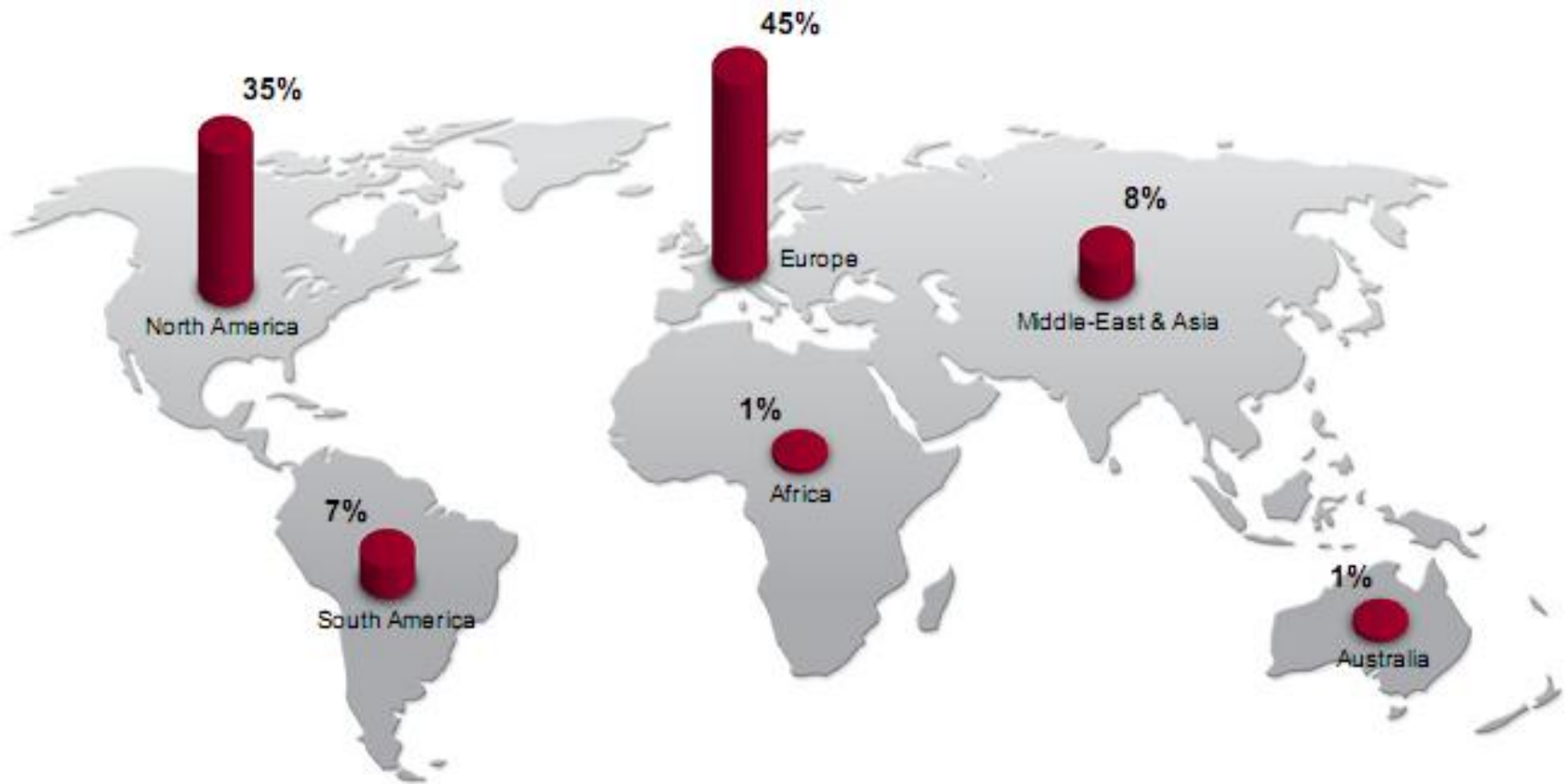


# 1400+ companies from 39 industries

Sample

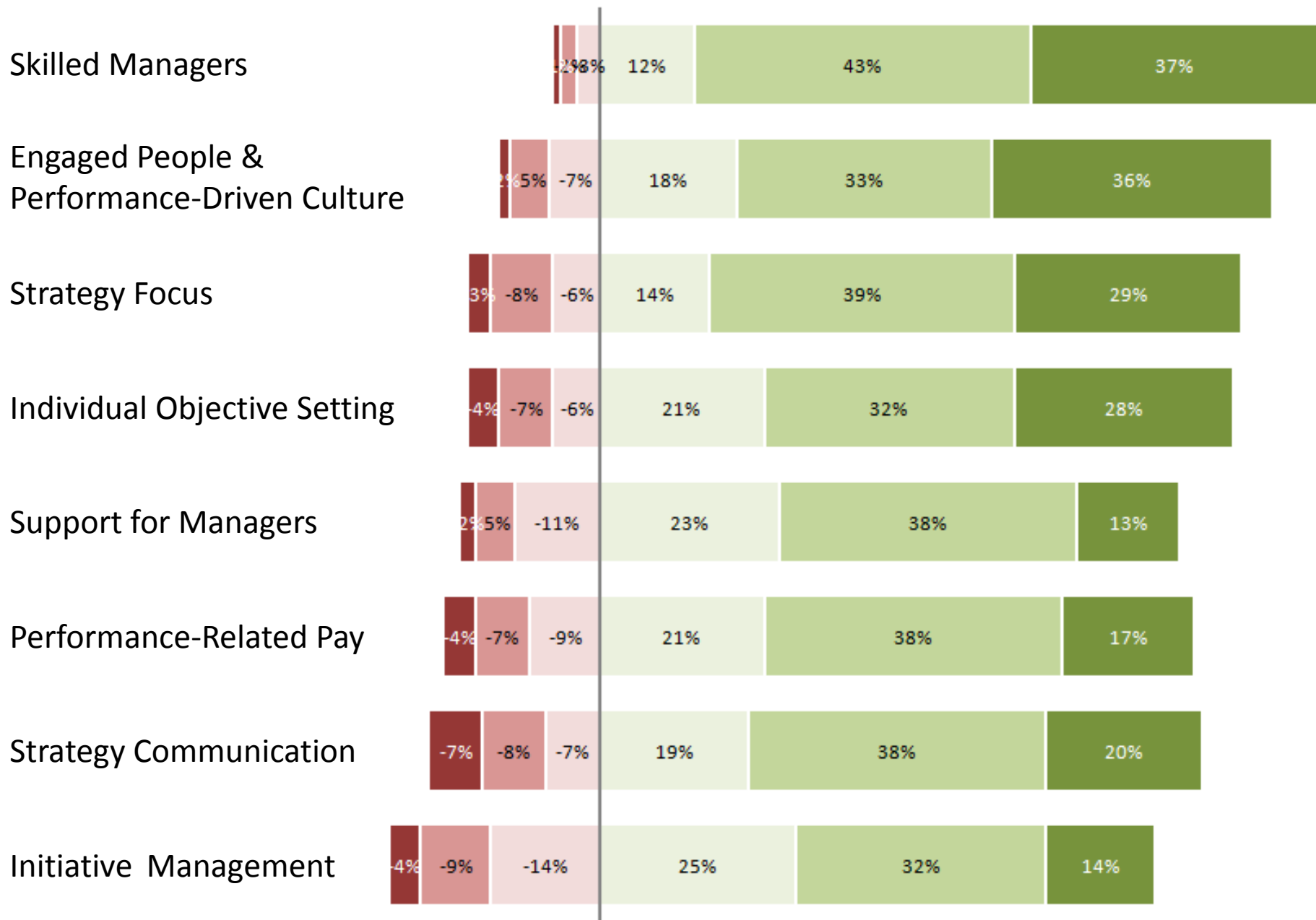


# Where are the headquarters located?



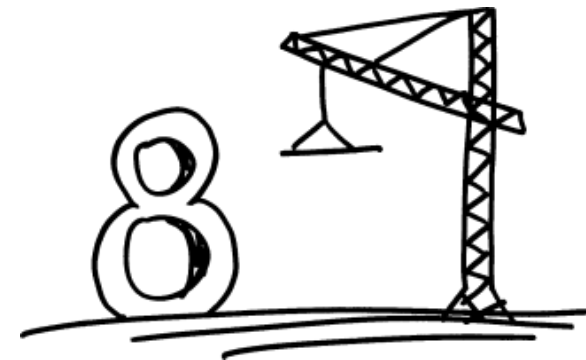
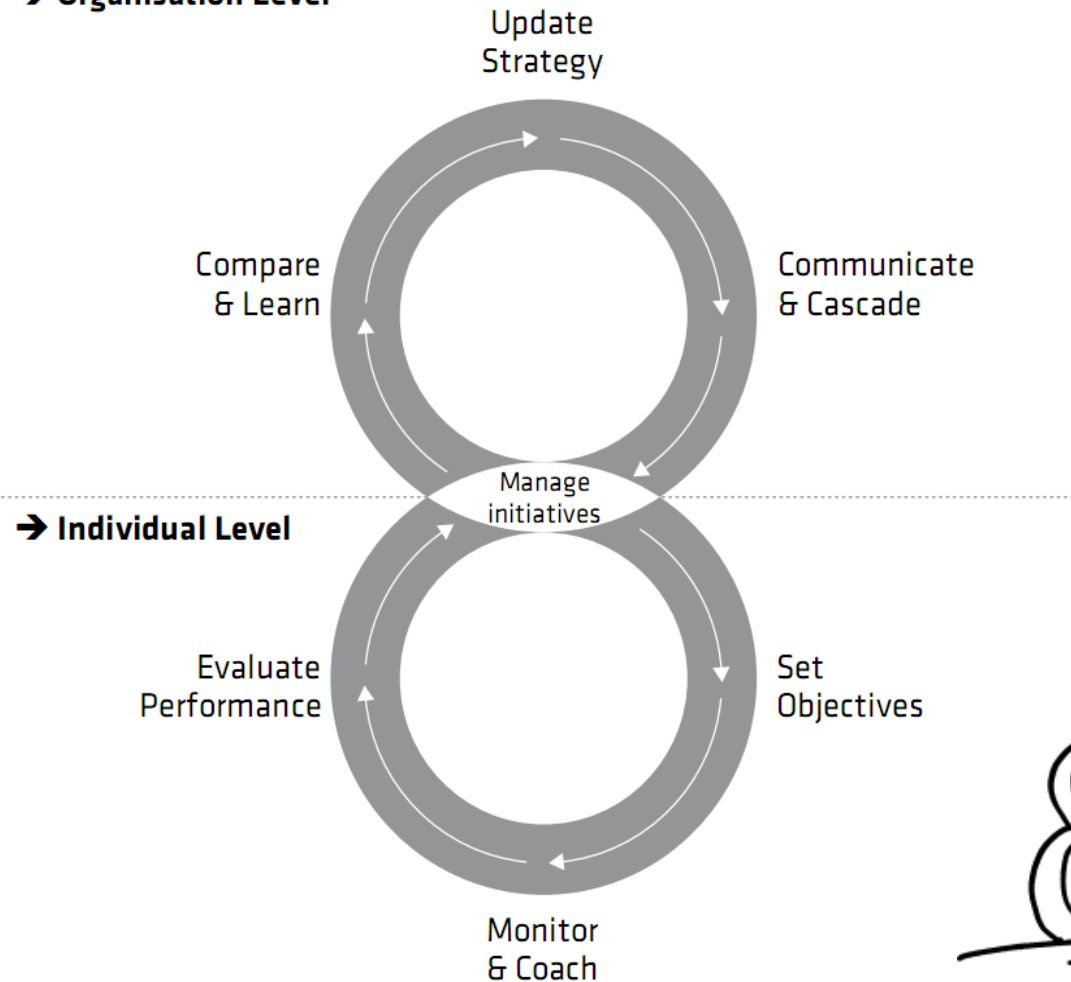
# Strategy Execution Barometer® looks at SE from eight different perspectives

1. Strategy Focus
2. Strategy Communication
3. Initiative Management
4. Individual Objective Setting
5. Skilled Managers
6. Engaged People and Performance-Driven Culture
7. Performance-Related Pay
8. Support for Managers

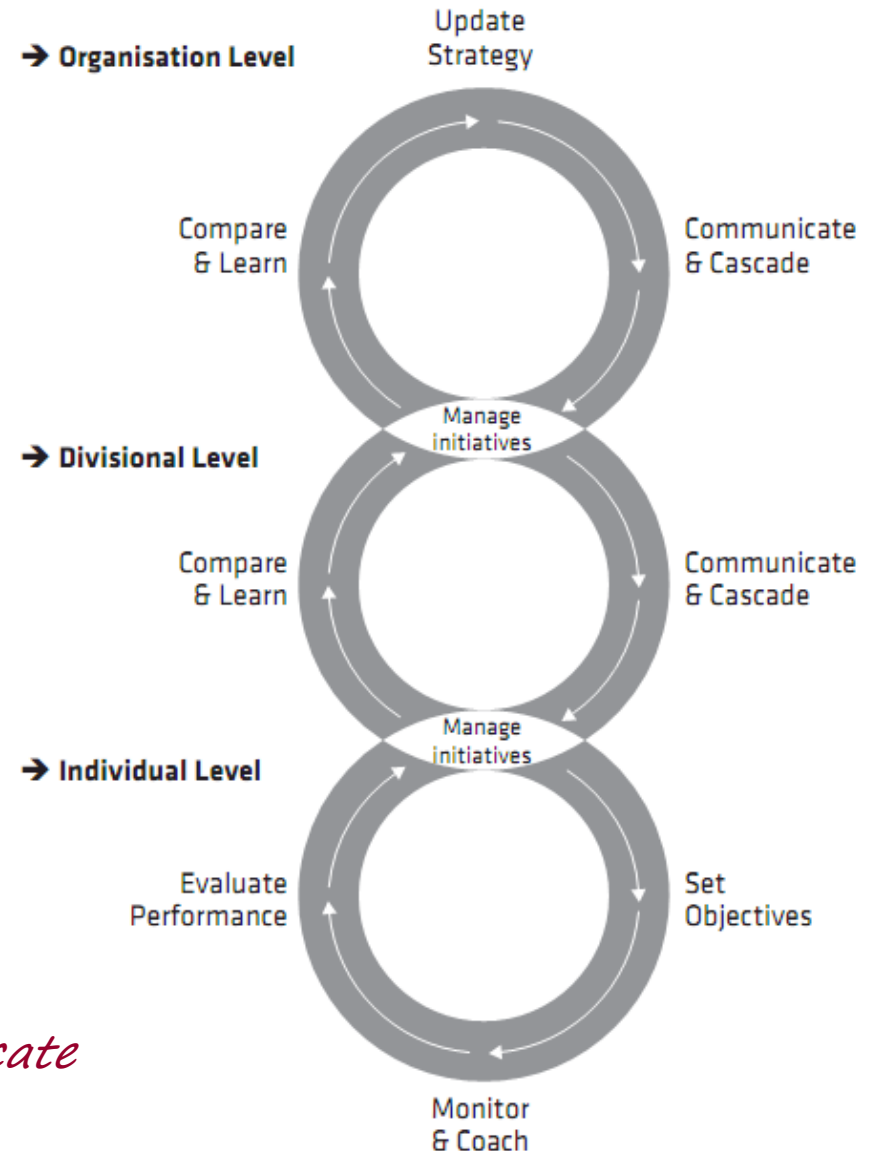


# The '8' – Strategy Execution Process

→ Organisation Level

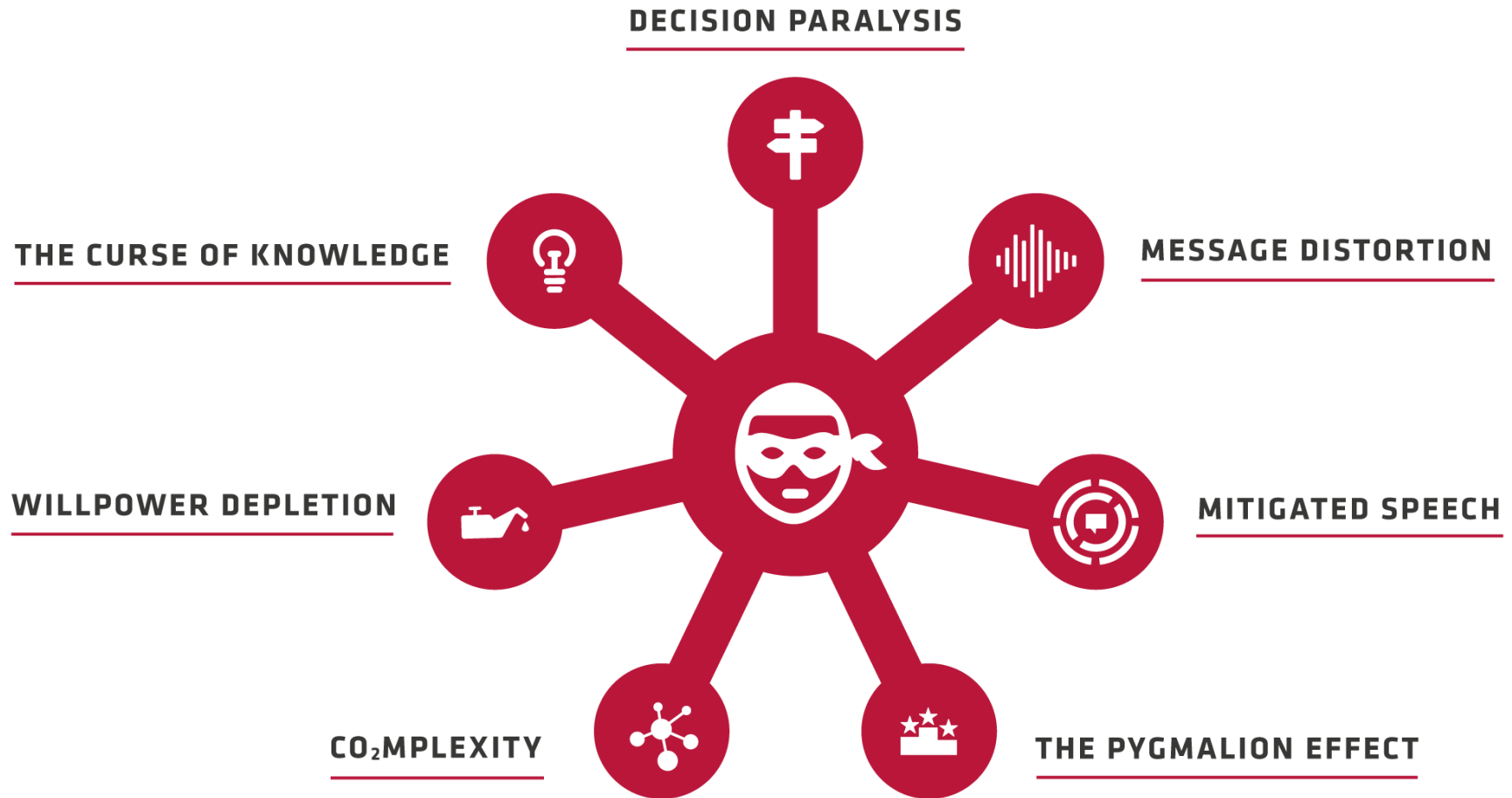


# The extended '8'



*“A strategy Execution framework should be simple, easy-to-communicate and visually strong”*

# The Bad Guys – Strategy Execution People Dynamics





# The Strategy Execution Canvas

 TEAM



## TEST YOUR STRATEGY

LIST OF 5 NOES

- 1
- 2
- 3
- 4
- 5



## COMMUNICATE YOUR STRATEGY

HEART

HEAD

HANDS



## CASCADE YOUR STRATEGY

FINANCIAL

CUSTOMER

INTERNAL

LEARNING & GROWTH



## STRATEGY PROGRESS

FINISH LINE

LEAD INDICATOR



## MUST WIN PROJECTS

1

2

3



## AWESOME HABITS

+

1

2

3

-

1

2

3

## BAD GUY #1:

THREAT LEVEL: 1 2 3 4 5 6 7 8 9 10

COMBAT PLAN

## BAD GUY #2:

THREAT LEVEL: 1 2 3 4 5 6 7 8 9 10

COMBAT PLAN

## BAD GUY #3:

THREAT LEVEL: 1 2 3 4 5 6 7 8 9 10

COMBAT PLAN

# The Strategy Execution Canvas

👤 INDIVIDUAL

## 🔍 SET INDIVIDUAL OBJECTIVES, MONITOR & COACH, EVALUATE PERFORMANCE

OBJECTIVES

1

2

3

MONITOR & EVALUATE

## 🔄 HABITS LEVER

HABITS

+

1

+

2

-

1

-

2

IMPLEMENTATION INTENTION

### BAD GUY #1:

THREAT LEVEL: 1 2 3 4 5 6 7 8 9 10

COMBAT PLAN

### BAD GUY #2:

THREAT LEVEL: 1 2 3 4 5 6 7 8 9 10

COMBAT PLAN

### BAD GUY #3:

THREAT LEVEL: 1 2 3 4 5 6 7 8 9 10

COMBAT PLAN

# The StratEx Canvas: Key Learnings

1. Strategy Execution is a business domain, like sales, marketing and operations
2. Strategy Execution demands a long-term, structured approach
3. The Strategy Execution Canvas helps you to manage strategy execution
4. The process view: improve the building block of 'The 8'
5. The people view: learn to recognize the bad guys and ways to beat them
6. Start today: measure your Strategy Execution strength using the Strategy Execution Barometer and bad guys framework
7. Definition: Strategy Execution is helping people making small choices in line with a big choice
8. Remember: size is to strategy execution what industry is to strategy

# Read. Share. Do.



SEH

The 8 – building blocks, p13



TES

Discover the bad guys



SEB

Discover the barometer



Visual

The Strategy Execution Canvas



Extra

Benchmark current state strategy execution



Extra

Write down your deep dive topics for the next three months

## MODULE 2

# Test your Strategy

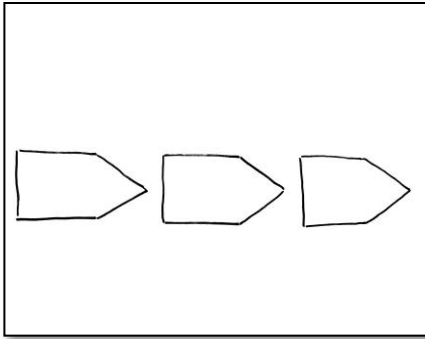
**Learn 3 critical check points to evaluate if your strategy is ready for execution**

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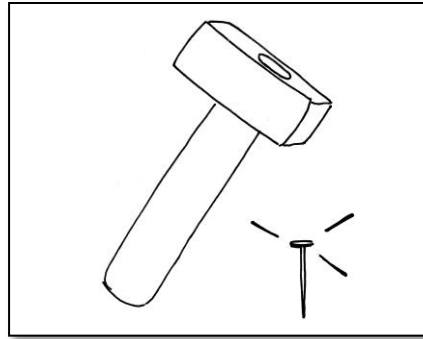
**Beyond mission statements: how to define an inspiring finish line to kick start the journey**

# What is strategic innovation?

# Let's start... what is strategic innovation?



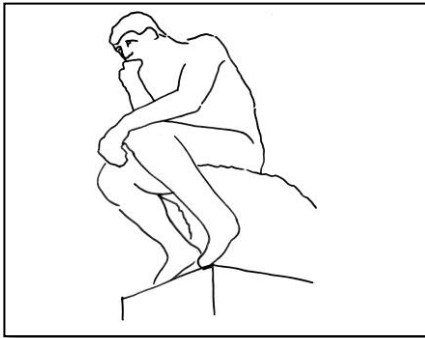
A process?



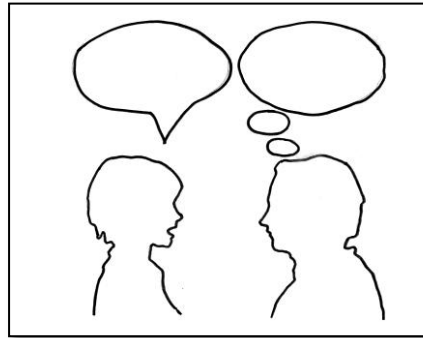
A tool?



A management style?



A philosophy?



A culture?



A mystery?

# Let's look at an example



## What's the biggest car-renting company in the world?



# And the winner is...

The Hertz logo, featuring the word "Hertz" in a bold, black, sans-serif font on a yellow rectangular background.

<b>Location</b>	Airports
<b>Marketing</b>	Travel Agents
<b>Delivery</b>	Airport Parking lots
<b>Drop off</b>	Airport
<b>Organisation</b>	Centralised
<b>Segment</b>	Business & pleasure travelers
<b>Age cars</b>	Mainly new
<b>Fee</b>	high

The Enterprise logo, featuring the word "enterprise" in a white, sans-serif font on a black rectangular background, with a green square to the left of the text.

Downtown
Mechanics & insurance
Home pick-up
Home
Decentralised
Car replacement
High average age
Low

Within the same industry, **Enterprise** combines activities in the value chain in a different way to provide benefits to a different customer segment

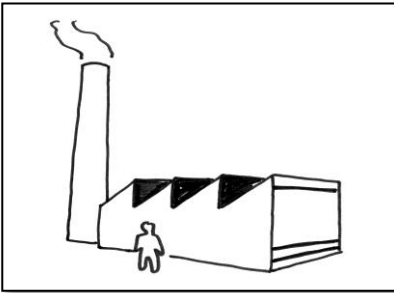
# Strategy is all about choices

- Clear choice **WHO** you are going to serve
  - | a unique value proposition for a customer segment
- Clear choice **WHAT** you are going to serve
  - | the distinct activities of the value chain

*“Strategy is a pattern in a stream of decisions”*

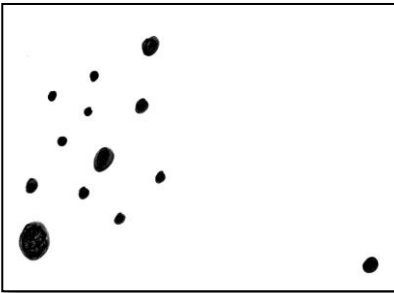
— Henry Mintzberg

# Strategic innovation – the concept



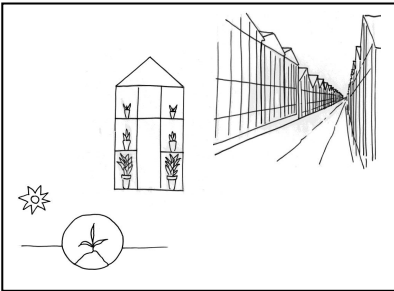
## The industry

- What's the industry we want to play in?
- Overall competitive rules?
- Industry trends?



## The unique position

- Competitive advantage resides in the value chain
- Redefine 'the Who' and 'the WHAT' in a certain industry
- A business model = combination of choices within the value chain to get and maintain this advantage



## Search, incubate and execute

- Ability to find, grow and exploit competitive advantage

# Let's look at IKEA...

*“Strategy is thinking about a choice  
and choosing to stick with your thinking”*

# Write down your answer

The IKEA strategy

WHO	WHAT
.....	.....
.....	.....
.....	.....
.....	.....
.....	.....
.....	.....
.....	.....

# Let's look at Nespresso...

*“Future performance is born today...”*

# Write down your answer

	WHO	WHAT
The Nespresso strategy	.....	.....
	.....	.....
	.....	.....
	.....	.....
	.....	.....
	.....	.....
	.....	.....

# Let's look at Lady Gaga...



# Write down your answer

Lady Gaga's strategy

WHO	WHAT
.....	.....
.....	.....
.....	.....
.....	.....
.....	.....
.....	.....
.....	.....

# Canvas Exercise #1 “List of Noes”



WHO Clients you are not going to target?

WHAT Value you are not going to offer?

1. ....
2. ....
3. ....
4. ....
5. ....

# How to achieve strategic innovation - culture & process perspective

## 6 Best practices

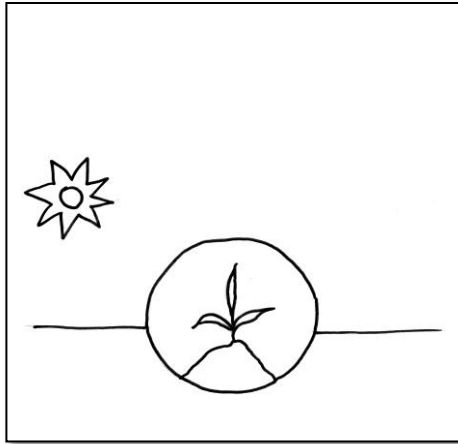
- 1 Split the strategic innovation process in 3
- 2 Manage conflict with existing strategy
- 3 Encourage innovation behaviour
- 4 Create the right environment
- 5 The future is hard to predict
- 6 Know where to look for ideas

*“The essence of strategy is choosing what not to do.”*

— Michael Porter

## 1 Split the strategic innovation process in 3 steps

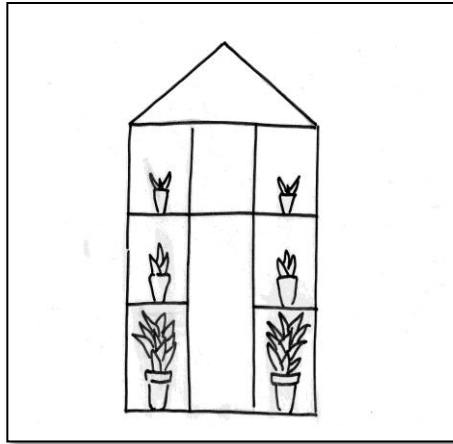
# Search, incubate, execute



### Search

- Industry
- Business model
- Find value
- Creativity

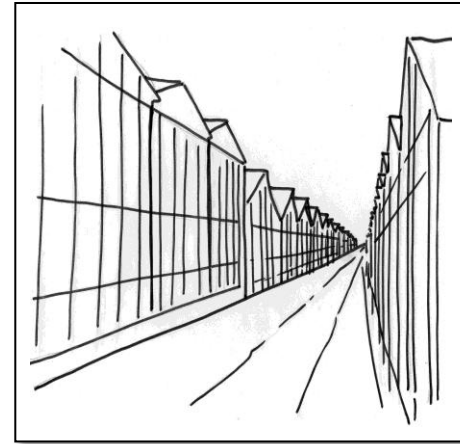
*“the strategist”*



### Incubate

- Trial & error
- Business case
- Test value
- Passion

*“the entrepreneur”*

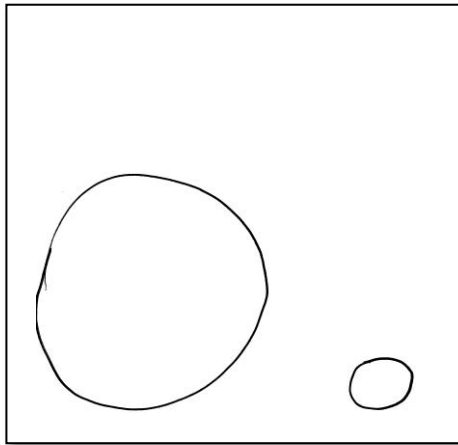


### Execute

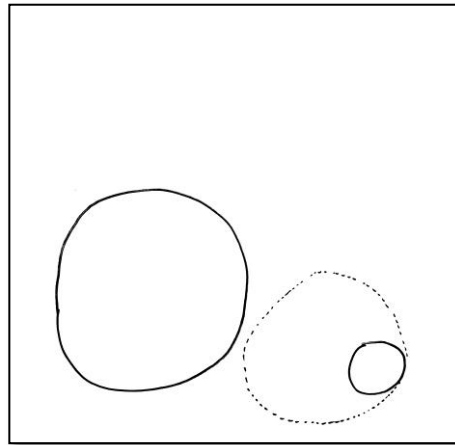
- Streamline
- Business as usual
- Grow value
- Action

*“the manager”*

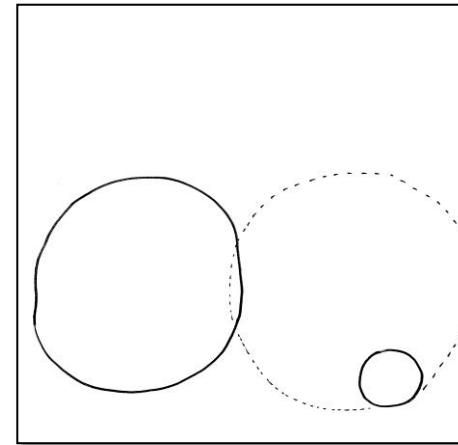
# Disruptive strategies: threat or opportunity?



Threat or  
opportunity?



Threat or  
opportunity?



Threat or  
opportunity?

*“You cannot be everything to everyone. If you decide to go north, you cannot go south at the same time.”*

# Both, but established companies see strategic innovations more like threats

## 1. A conflict with the current business model:

- Cannibalisation
- Brand identity
- Culture/values
- Distribution
- Incentive system

## 2. No enthusiasm from existing customers.

*“Disruptive strategic innovations offer a different value proposition from what the established players offer. As a result, they attract customers that are different from the customers that the established players focus on. As a result, if you ask your own customers if they want them, they will lead you astray (Christensen, 1997) ”*

## 3. The human side

- Too big: the ego as a strategy killer. Protect domain and power position.
- Too small: don't get any attention because too small compared to other activities
- No impact on bonus

# What can you do about it?

## Suggestions:

- Grow to a decent size
- Test it within desired customer segment
- Decide pro-actively about possible trade-offs and communicate heavily
- Manage integration into regular business
- ...

*“Don’t tell people to be innovative.  
Rather, encourage them to adopt behaviours that  
lead to strategic innovation.”*

- Costas Markides

Which behaviour creates innovation?



# Behaviour that leads to innovation

- Debating assumptions
- Questioning things we take for granted
- Experimenting & trying unorthodox ideas
- Looking outside / copying with pride
- Willingness to stick neck out
- Taking initiative
- Giving & receiving honest feedback
- Taking risks
- Working together
- Empathy towards customers / listening

AND!

Identify & discourage behavior that does not fit

*“I've missed more than 9000 shots in my career. I've lost almost 300 games. 26 times, I've been trusted to take the game winning shot and missed. I've failed over and over and over again in my life. And that is why I succeed” Michael Jordan*

## 4 Create the right environment

### Search

- Industry
- Business model
- Find value
- Creativity

*“the strategist”*

- Local resources.  
Carve out time.
- Selection based on  
rules of competition
- Reward trying hard
- Encourage  
revolutionaries

### Incubate

- Trial & error
- Business case
- Test value
- Passion

*“the entrepreneur”*

- Act like a venture  
capitalist would do
- Selection based on  
test and business case
- Reward ‘intelligent’  
failure
- Encourage drivers

### Execute

- Streamline
- Business as usual
- Grow value
- Action

*“the manager”*

- Classic budget  
approach
- Just do it
- Reward results
- Encourage execution  
heroes
- Punish low performers

# What band are we talking about?

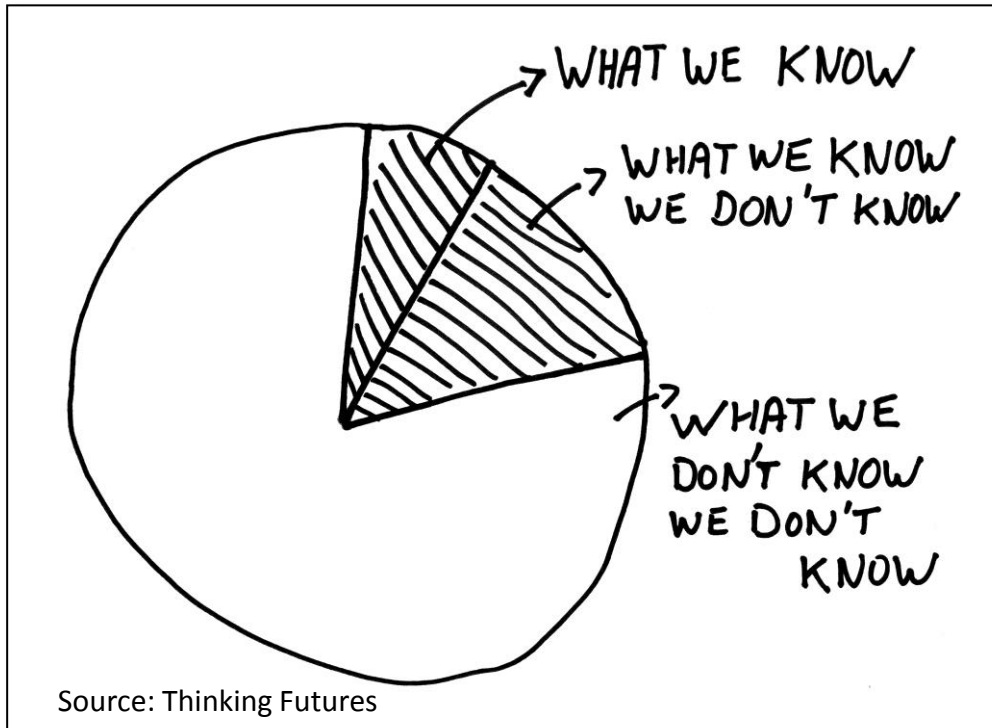
*“We don’t like their sound, and guitar music is on the way out”*

# What band are we talking about?

*“We don’t like their sound, and guitar music is on the way out”*

-- Decca Recording Co. rejecting the Beatles 1962 --

# Remember, the future is hard to predict



1. Keep an open mind!!  
Learn to ask questions
2. Confront your views with others, communicate your hypothesis
3. Learn to put your ideas on paper without bias
4. Fight your way to the surface

# Where to find strategic growth vectors...

1. Don't forget to look for ways to continue to improve the current value proposition and make the current strategy more distinctive.

Introduce new technologies, features, products or services that leverage other part in the value chain and fit with the current strategy.

It works, it's needed, it's faster and it's less disruptive.

2. What combination in my value chain is unique and can I copy to another business unit?
3. Shared Value (environment, society,...) is 'the next big thing' in strategic thinking. And it's much more than CSR.

# Where to find strategic growth vectors...

4. Don't focus only on the product or service. A risk, especially in an engineering environment
5. Recapture company heritage
6. Take fast action in times of crisis. What you do during the crisis determines your strategic position when it's over

*Harvard Management Update (Baveja, Ellis, Rigby March 2008): a study of more than 700 companies over a six-year period found that "twice as many companies made the leap from laggards to leaders during the last recession (90-91) as during surrounding periods of economic calm. And most of these changes lasted long after the recession was over. "*

7. Strategy execution as a competitive advantage

# Where to find strategic growth vectors...

## 8. Learn to play with the value chain/business model

- Transactional versus recurring revenues
- Niche market versus mass market
- Capital expenditure versus partnership
- Product versus service
- Direct sales versus indirect sales
- Scale versus scope
- Personal versus automated
- Disruptive versus incremental
- Acquisition versus retention
- Human intensive versus system intensive
- One customer segment versus another
- Physical versus virtual
- Tailor-made versus mass production
- Fixed versus variable costs
- Paid versus free
- Distributed versus centralised
- In-sourcing versus out-sourcing
- Marketing versus sales
- New versus copy-paste



# Test your Strategy: Key Learnings

1. Strategy is all about choices
2. Strategy is about being UNIQUE, not about being the best
3. Define your WHO (customer) and WHAT (value chain)
4. The essence of strategy is choosing what NOT to do
5. A successful innovation process has 3 phases: Search, Incubate & Execute
6. You need 3 different profiles: the Strategist, the Entrepreneur & the Manager
7. Disruptive innovation: manage the business model, customers & human side
8. Encourage the right innovation behaviour
9. Create the right environment
10. The future is hard to predict – 4 action point
11. Know where to look for ideas

# Read. Share. Do.



SEH

Learn more about strategy, p227



SEB

Strategy Focus scores



Book

Understanding Michael Porter by J. Magretta



Article

7 Things Every Leader Should Know About Strategy



Canvas

Complete your List of NOES



Extra

Write down strategy core 'WHO' and 'WHAT'

## MODULE 3

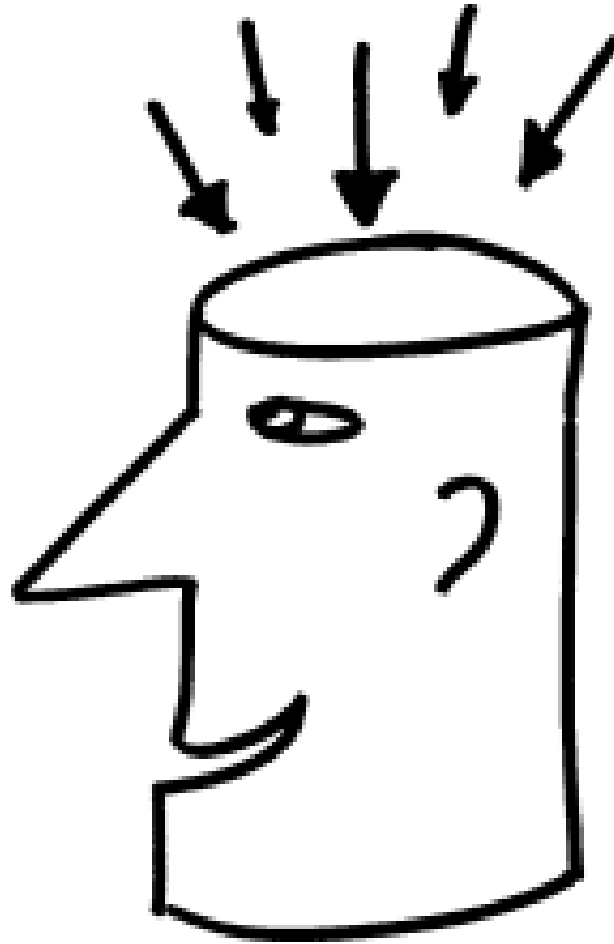
# Communicate your Strategy

**Discover the H3-concept: how to get your ideas into the  
Heads, Hearts, and Hands of your followers**

—

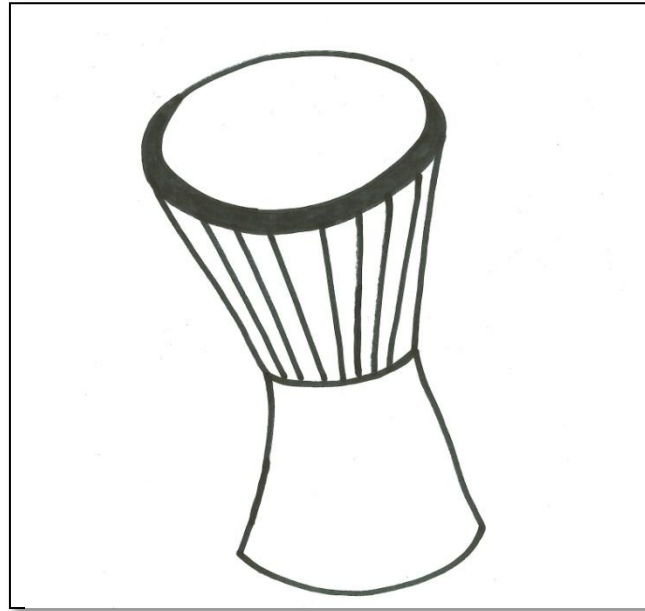
**Learn how to combat Message Distortion and defeat The  
Curse of Knowledge**

# Do not tell people to execute the strategy ...





# Bad Guy The Curse of Knowledge



## Tapping Experiment

*“When you think you’re done communicating the strategy story, you’ve reached 3% of your target population”*

# The Tapping Experiment

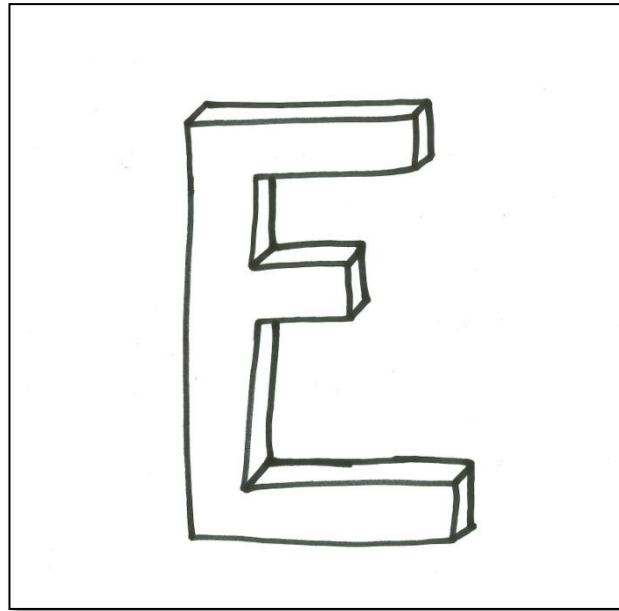
The Tapper: 60 out of 120 (50 percent)

The Listeners: 12 out of 120 (10 percent)

Reality: 3 out of 120 (2,5 percent)

Conclusion: We misjudge the effectiveness of our strategy communication with a factor 20!

# Are you a great communicator?



The 'E' Experiment  
**“Draw an ‘E’ on your forehead “**

# The 'E' Experiment

Opening on the left or on the right?

Conclusion:

High-power participants are 3 times more likely as low-power participants to draw a self-oriented 'E'.



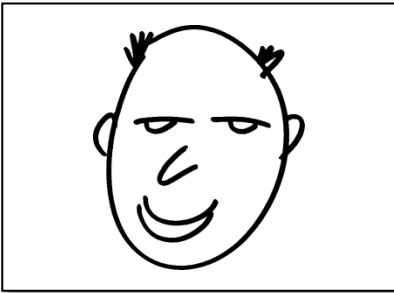


# How to beat The Curse of Knowledge?

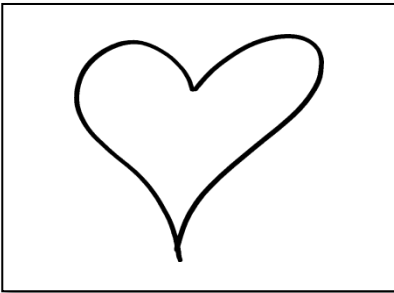
Tip!

(Surprisingly) Repetition doesn't work...

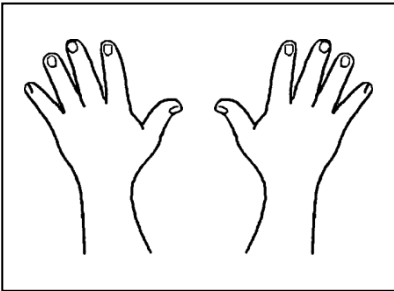
# Combat plan: reach for the Head, Heart & Hands



People need to be *aware*



People need to *care*



People need to *do*

# Canvas Exercise #2 “H<sup>3</sup> Communicator”



How to improve your strategy communication?

Heart .....

.....

Head .....

.....

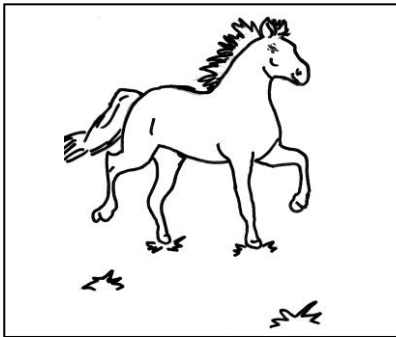
Hands .....

.....

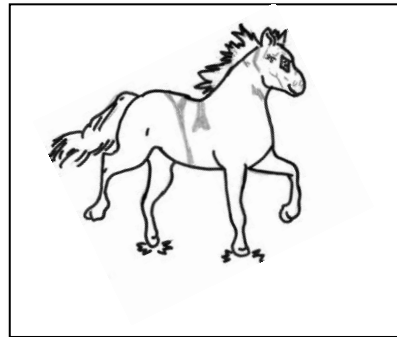


# Bad Guy Message Distortion

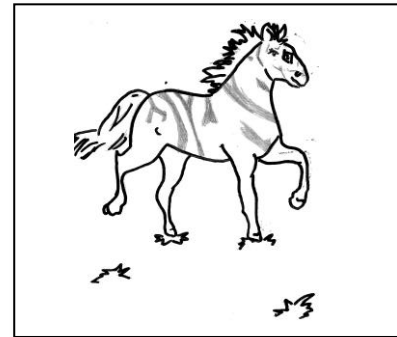
A horse is not a zebra!



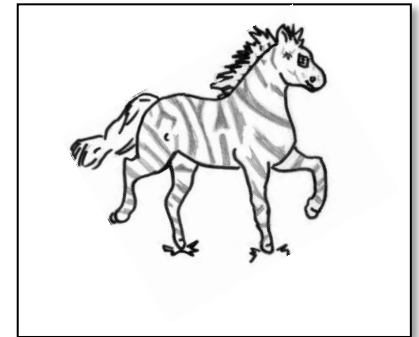
Your strategy



.. you told someone



.. who told someone



.. who told someone



# Bad Guy Message Distortion



AS IS

.....  
.....  
.....  
*Current Treat Level*      0 1 2 3 4 5 6 7 8 9 10

Combat  
Plan

.....  
.....  
.....  
.....



# Bad Guy The Curse of Knowledge

AS IS

.....  
.....  
.....  
*Current Treat Level*      0 1 2 3 4 5 6 7 8 9 10

Combat  
Plan

.....  
.....  
.....  
.....



# Bad Guy Decision Paralysis



AS IS

.....  
.....  
.....  
*Current Treat Level*      0 1 2 3 4 5 6 7 8 9 10

Combat  
Plan

.....  
.....  
.....  
.....

# Communicate your Strategy: Key Learnings

1. The Curse of Knowledge: we overestimate our communication abilities drastically
2. Combat plan: repetition doesn't work! Use the H3 approach instead
3. It's the emotional bond with an idea that motivates people to contribute, not the brilliance of the idea itself
4. Stories are excellent emotional conductors and make messages stickier
5. Use The Pyramid Principle to improve the Head connection
6. Provide context and decision guidelines to improve the Hands connection
7. Message Distortion: does the core of your idea survives?
8. Combat Plan: think like a brand manager



# Read. Share. Do.



SEH Communication, p61



TES Curse of Knowledge, across the book



TES Message Distortion, p33



SEB Communication scores



PPT The Pyramid Principle Training



Canvas Complete the H3 assignment



Canvas Combat plan Curse of Knowledge & Message Distortion

## MODULE 4

# Cascade your Strategy

**9 things every leader should know about the Balanced Scorecard**

---

**4 crucial questions to break down your strategy into smaller chunks, ready for the budget process**

# The Balanced Scorecard

*The battle between the upstream and downstream kingdom*

# Cascade your strategy using 4 perspectives

**Financial Perspective**

**Customer Perspective**

**Internal Process Perspective**

**Learning & Growth Perspective**

# Canvas Exercise #3 “The Balanced Scorecard”



Write down your team objectives:

**F**

- .....
- .....

**C**

- .....
- .....

**IP**

- .....
- .....

**L&G**

- .....
- .....

# 9 things you need to know...

1. Don't believe IT companies
  - It's a process, not a tool
  - It's about cascading strategy, not KPI's
2. Get your vocabulary strait : An objective is not a measure is not a target
3. The BSC is not the end station... so don't stop!
4. BSC  $\neq$  ideal solution for improving individual performance
5. Automate with care!
6. The project members have limited or only theoretical knowledge
7. There are not enough links to the strategy and planning processes
8. The content of the BSC is unrealistic
9. The scorecard stays too long in the development stage before it's launched

# What is a strategy map?

*A strategy map is...*

*... a summary of distinctive elements in your **strategy** that you like to put in place reinforce to be unique and outperform the market*

# ‘We have a strategy map’ is not the same as ‘We have a strategy’

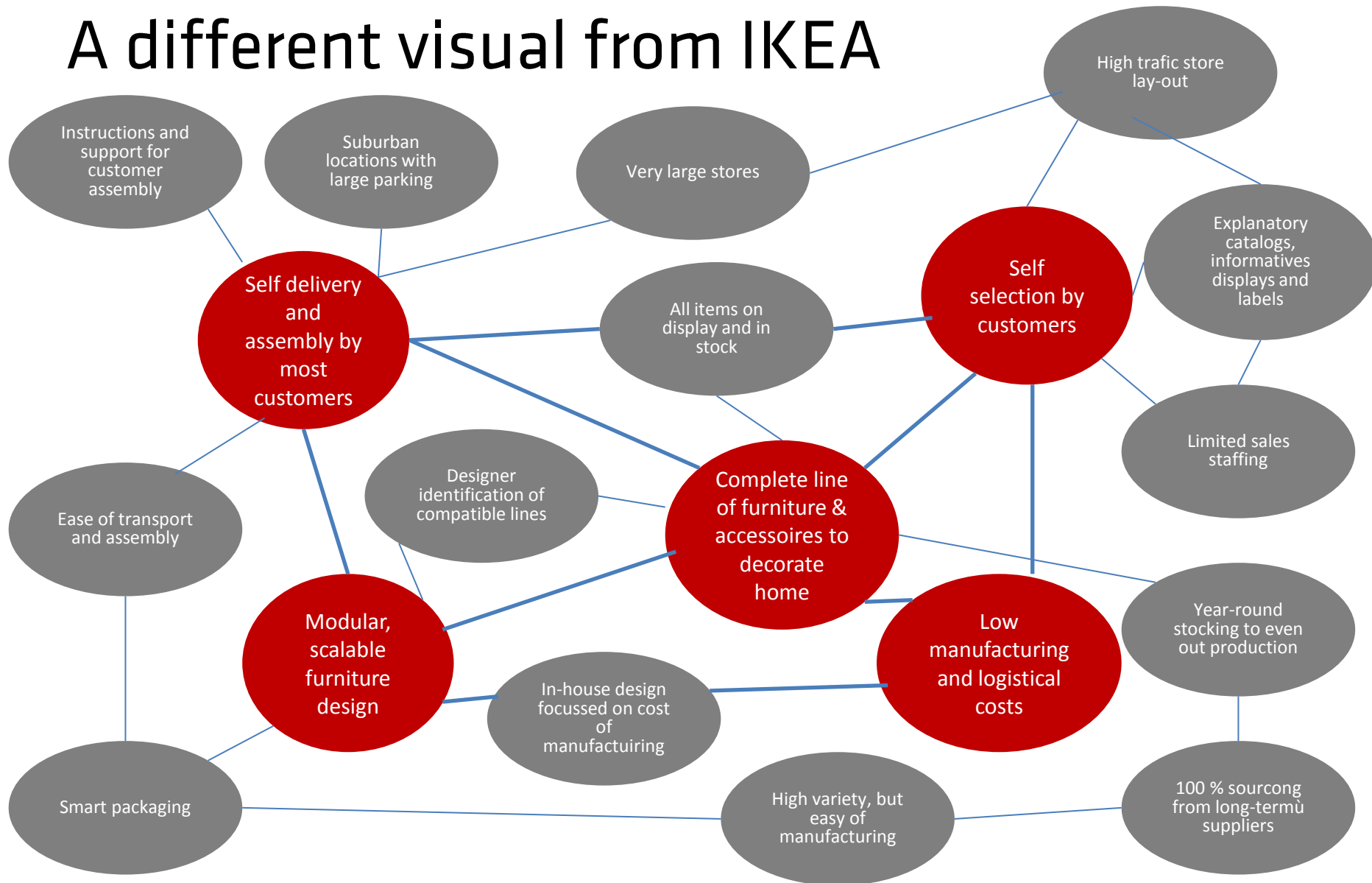
From the book ***Strategy Execution Heroes***:

*When I see a strategy map, my favourite question is “Where’s the strategy?”. Just because you have a strategy map, doesn’t mean that you have a strategy. A strategy map often looks fancy but mostly it’s a lot of ‘map’ and very little ‘strategy’. I like a written strategy document in Word format with all the hypotheses clearly explained. I like a document where there is no hiding behind an arrow and people saying ‘But that’s what that arrows means’ when you point out something that isn’t clear.*

*I’m not against strategy maps at all. In fact, they can be quite useful to communicate strategy and create involvement. But I’ve seen too many sexy PowerPoint presentations that look strategic from a distance, but are far from strategic if you take a closer look and start questioning the content. So I advocate prudence. Each strategy map should include a written two or three-page Word document that captures customer and industry insights and the choices that you have made based on this information (the Who), plus a clear overview of the way you deliver unique value to your customer (the How) using your value chain*



# A different visual from IKEA



# What does a strategy map do?

- First ... *You choose WHO your client is and decide WHAT (strategic drivers) you are going to offer them (unique value)*
- Second... *You order your strategic drivers (WHAT) into a coherent story that is easy to repeat*
- Third... *You define the success currency (measures) and define how much you want (targets)*
- Fourth... *You cluster major actions into groups (Initiatives)*
- Fifth... *You define the individual contributions that drive performance (individual objective setting)*
- ... and only then the real work starts.*

What's the difference between a **business model** and an **operating model**?

# Business Model

- Clear choice **WHO** you are going to serve
  - | a unique value proposition for a customer segment
- Clear choice **WHAT** you are going to serve
  - | the distinct activities of the value chain

# Operating Model

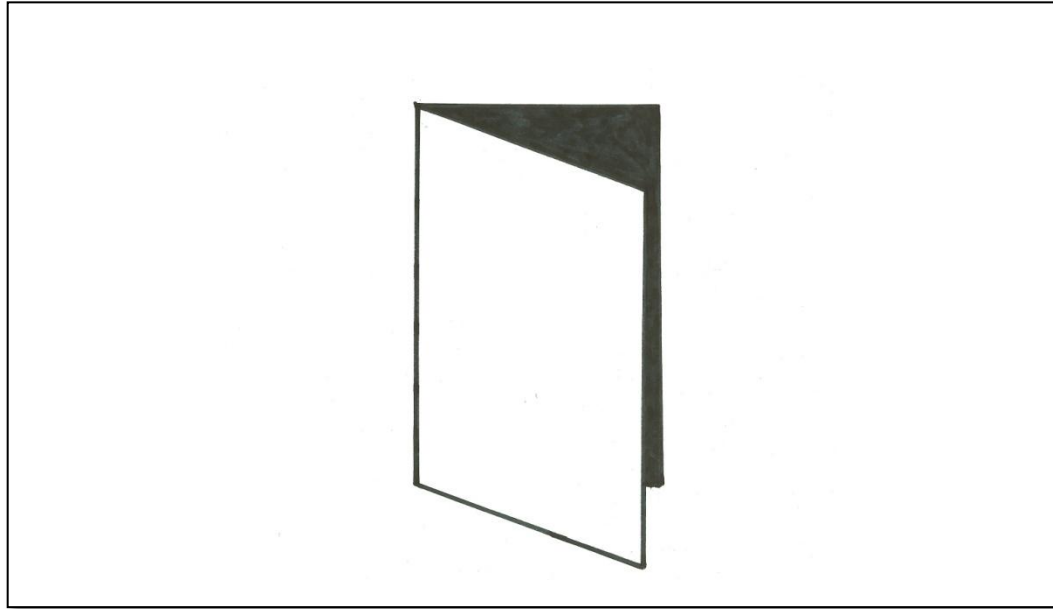
- **HOW** you are going to organize your internal activities to successfully deliver what you promise in your business model

# Challenge your operating model

1. Get it on paper
2. Mastering the matrix = organisational design
3. Include size and growth rate in the equation
4. Dare to change the power balance
5. A necessary topic at your next management team meeting
6. Rotate
7. Steer projects together
8. Take care of strategic planning.
9. Relationship-building takes time
10. Learn to live with it
11. Who's the boss?



# Bad Guy Complexity



Paper Folding Experiment

**“If you had a sheet of paper, and folded it in half 50 times, how thick would it be?”**

# Paper Folding Experiment

The answer: about 100 million kilometers, which is about two thirds of the distance between the Sun and the Earth

The best way to get me **ANGRY!**  
**VERY ANGRY!!**

*“Oh, but this action demands only 1 hour  
... every quarter  
... from each employee”*



1 hour every quarter in a company with 1000 employees  
=  
2.6 full time equivalents !

*“Any intelligent fool can make things bigger and more complex.  
It takes a touch of genius – and a lot of courage – to  
move in the opposite direction”*  
- Albert Einstein

# The Rule of 150

Groups bigger than 150 people need formal structures.

Conclusion:

We have to scale strategy execution for size



# Bad Guy Complexity

AS IS

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*Current Treat Level*      0 1 2 3 4 5 6 7 8 9 10

Combat  
Plan

.....

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# Cascade your Strategy: Key Learnings

1. The Balanced Scorecard is a popular management instrument to cascade strategy
2. Detail your team objectives using four simple questions
3. The Balanced Scorecard is not the end goal, so don't stop the execution cascade.
4. Having a strategy map isn't the same as having a strategy
5. Know the different between a business model (WHO & WHAT) and an operating model (HOW)
6. Complexity: do we walk the simplicity tightrope?
7. Combat strategy: Rule of 150 + clean up

# Read. Share. Do.



SEH      Balanced Scorecard, p191



TES      Complexity, p113



Article      101 Balanced Scorecard tips (SlideShare)



Canvas      Write down your Team Objectives



Canvas      Combat plan Complexity

## MODULE 5

# Measure your Strategy Progress

**Re-measure: the value of KPIs is overrated. Learn a different approach to measuring success**

—

**Find out how to clean your dashboard and keep only those indicators that matter**

# Are we using KPI's the right way?

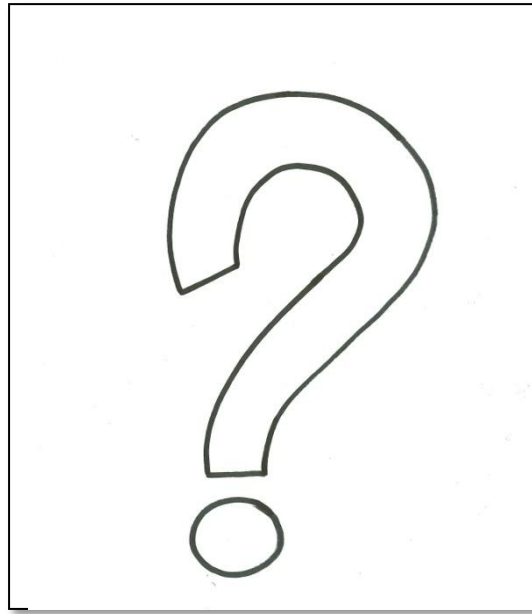
*“What’s the value of measuring speed if you are driving in the wrong direction”*

# First: draw a finish line





## Second: identify signposts



Marathon Experiment

**“What’s the best way for marathon runners to predict the time on their next marathon? “**

# Yasso 800m

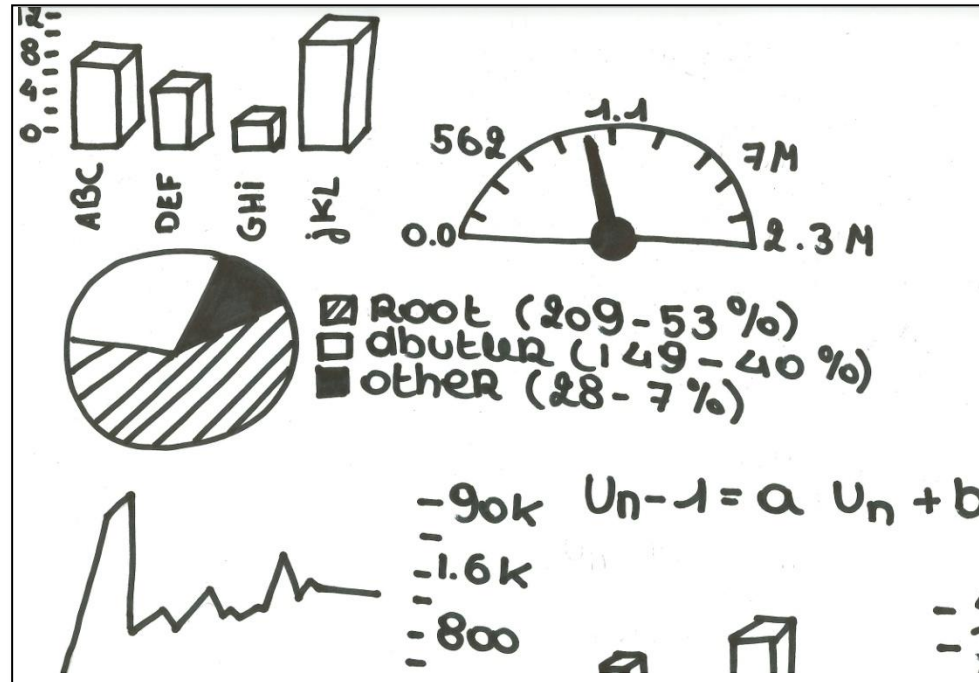
Your time in minutes and seconds for a workout of 10 times 800 meters (2 laps) with equal recovery time, is the same as the hours and minutes of your marathon time.

For example, if you can run 10 times 800 meters in 3 minutes and 20 seconds with 3 minutes and 20 seconds of recovery, this predicts that you can run 3 hours and 20 minutes for your marathon.

Conclusion:

Find lead indicators that show you the way to success

# Player versus Coach



What dashboard do you need?

# Canvas Exercise #4 “Finish Line & Sign Posts”



Summarize your strategy in a motivating finish line:

Finish Line: .....  
.....  
.....

Identify your lead indicators:

1. ....
2. ....
3. ....

# Measure Strategy Progress: Key Learnings

1. A finish line tells us *when* we are successful and motivates us. Signposts tell us *how* to be successful
2. First, draw a finish line to show everyone what winning looks like. Successful strategists choose a challenging, but realistic finish line that captures the strategy core
3. Identify a limited set of signposts – the lead indicators - that predict success at the finish line. This feedback mechanism helps people take the right decisions along the way
4. What's the dashboard look like? Think player and coach

# Read. Share. Do.



TES Finish Line, p45



TES Sign Posts, p53



Canvas Draw your Finish Line



Canvas Select Signposts (by Job Family)

# MODULE 6

## Choose Projects Set Objectives

**Beyond SMART: how to set great objectives for yourself  
and others**

---

**Why most companies struggle with strategic projects and  
what to do about it**

# Initiative Management

- Improve initiative management in your organisation, division or team.
- Identify the five fundamentals, select one or more of the proven tips provided and get to work.
  - Collect, select and prioritise the right initiatives
  - Optimise your resource allocation and planning
  - Develop your project managers
  - World-class project and program management
  - Manage your strategic initiative portfolio

*“Initiative prioritisation doesn’t mean distributing all available resources to all known projects”  
– Volker Voigt*



# Canvas Exercise #5 “Project on 1 Page”



Select 3 projects and detail:

1. Project Background
2. Problem Statement
3. Objectives
4. Deliverables
5. Core members
6. Assumptions / constraints
7. Issues / risks

# Boost individual objectives setting

1. Promote benefits / not mechanics
2. Keep it simple
3. Set goals for goal setting
4. Develop the necessary skills
5. Make sure the top also have individual objectives
6. Make sure it all adds up
7. Don't be too SMART
8. Don't assume a yes is always a yes
9. Get the leadership objectives right
10. Build a feedback culture
11. Monitor the quality

# Do I break the strategy chain?

Ask yourself the follow 5 questions:

1. Do I understand the overall strategy?
2. Do I understand the objectives defined on the organisational level above you?
3. Do I communicate the strategy to my team / stakeholders?
4. Do I visualise the link between lower – and higher level objectives?
5. Do I take responsibility to align objectives across hierarchical levels?

# Great objectives: 3 focus areas

**The right  
objective**



**Awareness  
&  
Acceptance**



**Res-  
ponsability**

*“What’s your contribution to  
the overall strategy”*

*“Do you understand the  
strategy and your  
contribution? + do I get a  
YES?”*

*“What are both of you doing  
to improve performance?”*

# Choose projects/Set Objectives: Key Learnings

1. Initiative management is the point where organisational performance meets individual performance, where people are added to the equation
2. Secure the outcome of your initiative management exercise. Make a solid link with the individual objectives and keep the strategy cascade flowing
3. Individual objective setting is the final step of your strategy cascade – therefore a crucial ingredient for successful Strategy Execution
4. Setting challenging goals that motivates is one of the best things you can do to improve performance
5. Great goals = 3 focus areas

# Read. Share. Do.



SEH Initiative Management, p145



SEH Individual Objectives, p41



Article Great Project Managers Facilitate Choices



Canvas Identify 3 Must Win Projects



Canvas Select 3 individual Objectives

## MODULE 7

# Create Awesome Habits

**Learn 5 things successful people know about habits and  
apply this for your own success**

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**Why 88 percent of the people don't succeed in building  
great habits and what you can do to be part of the happy  
few**

**YOUR BUCKET LIST**

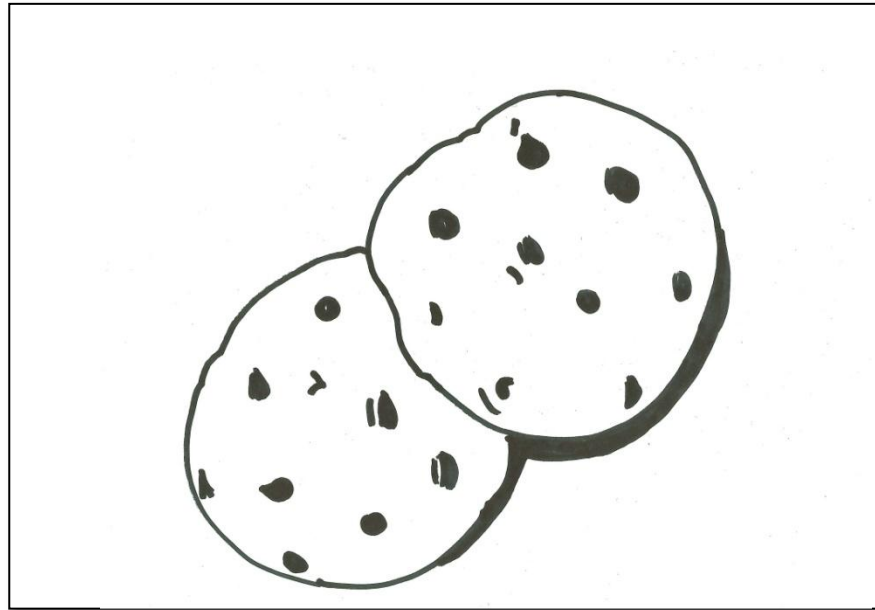
1.	<input type="checkbox"/>
2.	<input type="checkbox"/>
3.	<input type="checkbox"/>
4.	<input type="checkbox"/>
5.	<input type="checkbox"/>

Why 88 percent of the people don't succeed in building great habits





# Bad Guy Willpower Depletion



Cookies Experiment

# How to combat Willpower Depletion?



Christmas Experiment

**Implementation intentions help combat Willpower Depletion**

# What do you think this quote means?

“Culture eats strategy for breakfast,  
every day”  
– Peter Drucker

# Culture is....

...automated decisions (habits) shared by a group

What are **the habits** you need to  
change or develop?

*“You can never have an impact on society  
if you have not changed yourself.”  
Nelson Mandela*

# Canvas Exercise #6 “+2/-2 Habits”



Identify new habits & old ones that need to go

+

1. ....

2. ....

-

1. ....

2. ....



# Bad Guy Willpower Depletion



AS IS

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*Current Treat Level*      0 1 2 3 4 5 6 7 8 9 10

Combat  
Plan

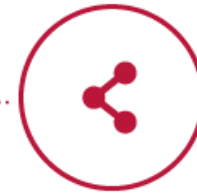
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# Create Awesome Habits: Key Learnings

1. Willpower Depletion: each decision we take demands mental strength and when there're too many decisions to take, our reserves run out. *We become tired.*
2. Habits are nature's way of combating Willpower Depletion. Habits help us to protect one of our body's limited resources—rational decision-making. By automating small, repetitive decisions—such as what we do first in the morning, how we drive to work, or tie our shoe laces—we safeguard our mental energy.
3. Culture = automated decisions (habits) shared by a group.
4. For each individual objective, we should define a set of routines to avoid Willpower Depletion.
5. To develop habits, we need Implementation Intentions in our agenda.



# Read. Share. Do.



TES Willpower Depletion, p126



TES Implementation Intentions, p137



Canvas '2+ / 2-' Team Exercise



Canvas Add matching habits & fit into agenda



Bad Guy Battle Plan Willpower Depletion

## MODULE 8

# Motivate People to Reach the Finish Line

**Raise micro-commitment: learn about the crucial execution battles and how to win them**

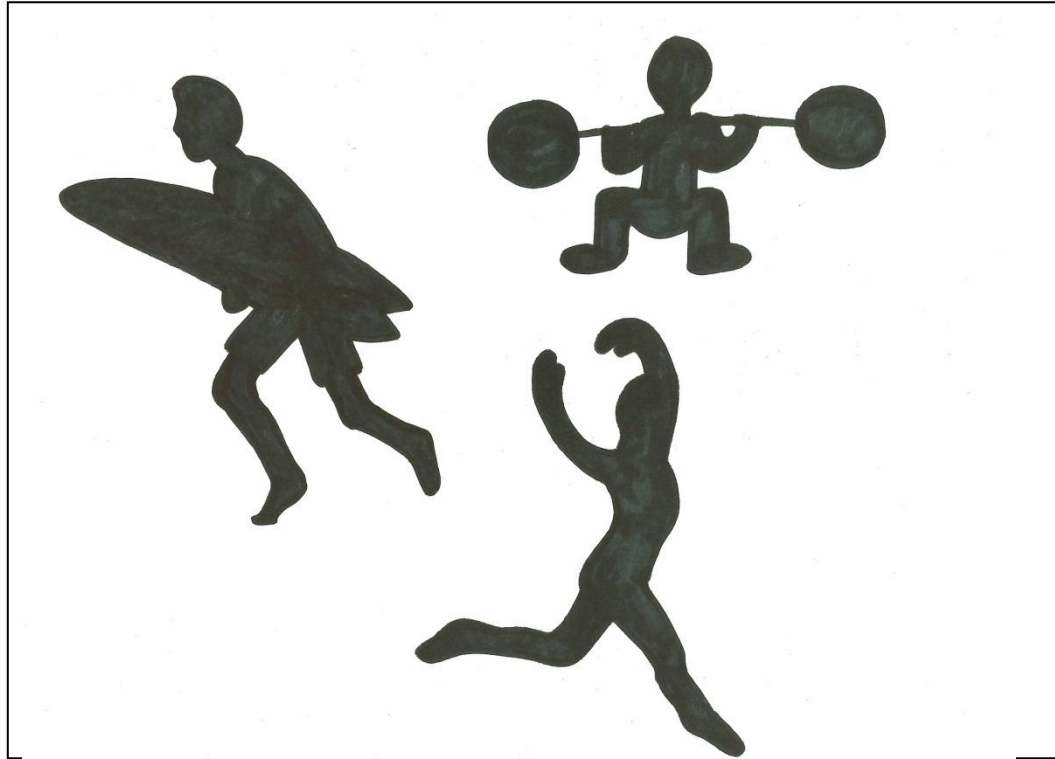
—

**Why Change Management will become more important and how to become really good at it**

YOU DON'T HAVE TO  
DO IT, ANNA.  
JUST SAY YES SO  
I CAN TELL MY  
BOSS YOU WILL DO IT.



FROM THE BOOK THE EXECUTION  
SHORTCUT, BY JEROEN DE FLANDER  
ILLUSTRATOR: PAUL VERHOESTRAETE



What's the biggest sport accomplishment from the 20th century?

# Bandura's Theory

- |                      |  |
|----------------------|--|
| 1. Past Successes    | <i>"I've done it before, so I can do it again"</i>   |
| 2. Modeling          | <i>"If he can do it, I can do it as well"</i>        |
| 3. Verbal Persuasion | <i>"You can do it!"</i>                              |
| 4. Emotional Arousal | <i>"The discomforts I feel are just discomforts"</i> |



# Bad Guy The Pygmalion Effect



The Army Experiment



# Bad Guy The Pygmalion Effect

AS IS

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.....  
*Current Treat Level*      0 1 2 3 4 5 6 7 8 9 10

Combat  
Plan

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# Don't assume a 'yes' is always a 'yes!'

**When your employee says 'yes' to the strategy....  
....what does (s)he really say?**

*I will make the strategy happen, no matter what*

or

*I will work hard (effort ) to implement the strategy*

or

*I see the benefits of the strategy and will contribute to the implementation*

or

*I don't see the benefits but don't want to loose my job*

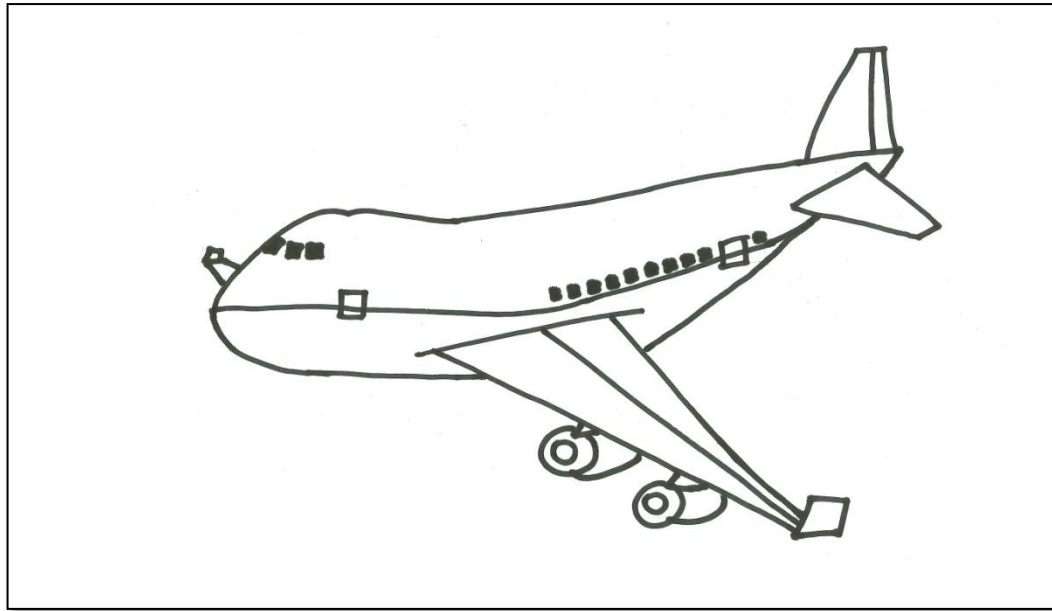
or

*I'm against the strategy, don't want to implement but I don't tell it in your face*





# Bad Guy Mitigated Speech



The Airline Disaster



# Bad Guy Mitigated Speech



AS IS

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.....  
*Current Treat Level*      0 1 2 3 4 5 6 7 8 9 10

Combat  
Plan

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# Motivate People: Key Learnings

1. The Pygmalion Effect is *a leadership phenomenon*. If we want to increase strategy success, we have to reconsider the relationship we have with *all* our team members.
2. Tweak the environment to *boost micro-commitment*. We should offer only Big Yeses ourselves and challenge others to do the same.
3. We can help travelers climb the Micro-commitment Ladder by making 'no' an acceptable alternative for the fake yeses.
4. Make a NO acceptable. Combat Mitigated Speech. Empower individuals to challenge decisions effectively.
5. Finally, *boost belief*. We've seen that it's possible to make runners run faster and soldiers fight better. Surprisingly, the key to success is belief.

# Read. Share. Do.



TES Bandura's Theory, p98



TES The Pygmalion Effect, p103



TES Mitigated Speech, p89



Video Don't assume a 'Yes' is always a 'Yes'



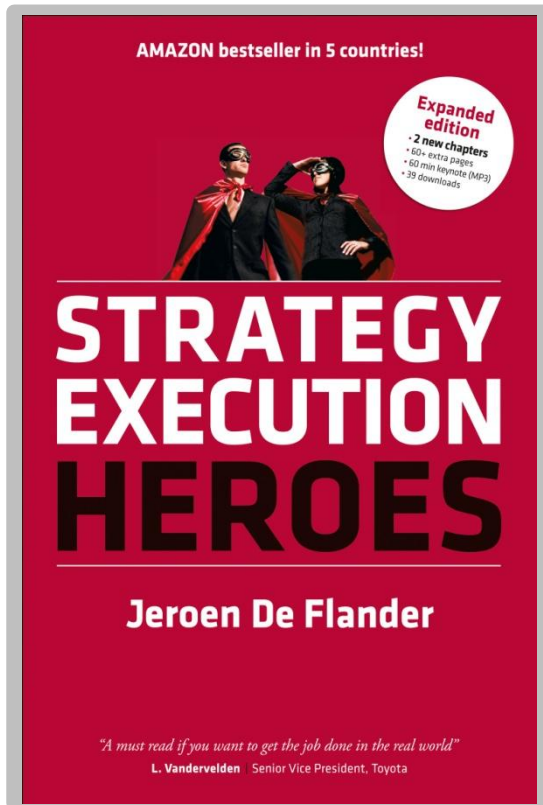
Bad Guy Combat Plan Mitigated Speech



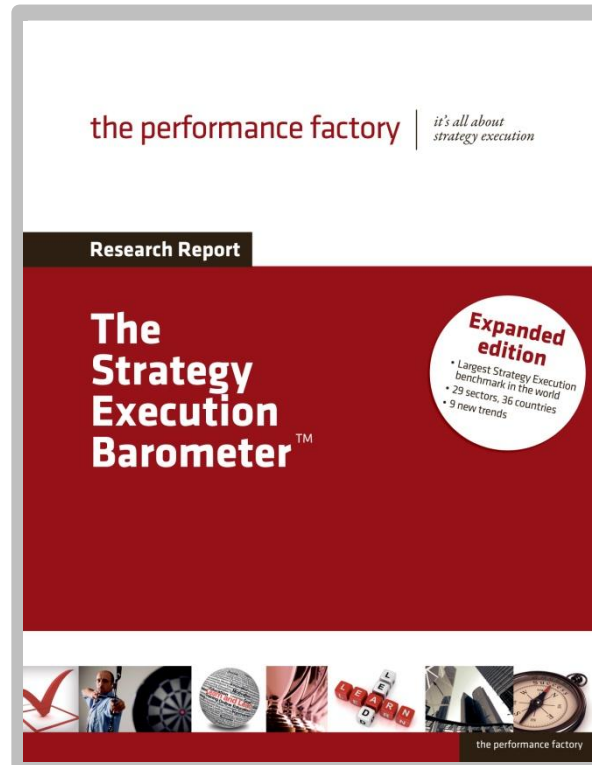
Bad Guy Combat Plan The Pygmalion Effect

# The execution challenge – our contribution

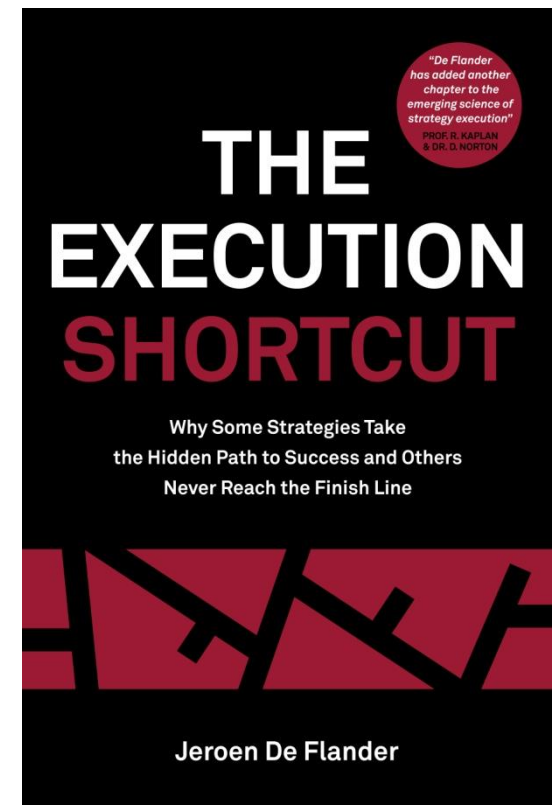
300+ Useful  
Implementation Tips



Actionable, Up-to-date  
Benchmark Information



Beat the 7  
Execution Villains



# Jeroen De Flander – Strategy Execution Ambassador



Read his weekly article on [LinkedIn Pulse](#)

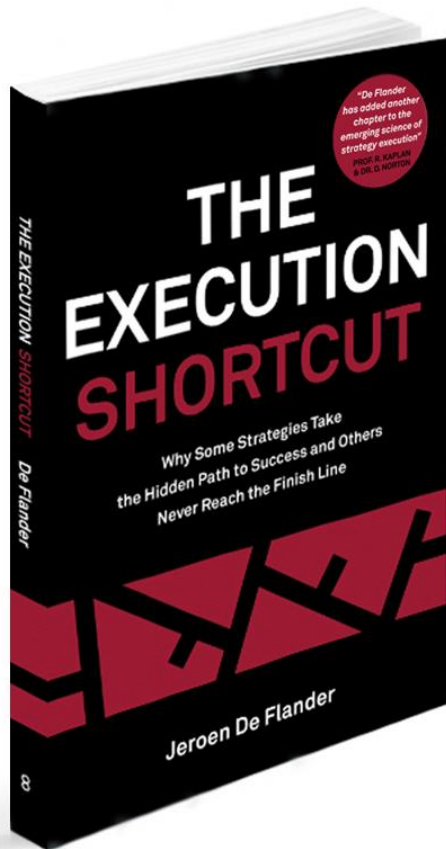
[Jeroen De Flander](#) is one of the world's most influential thinkers on strategy execution and a highly regarded keynote speaker. He has shared the stage with prominent strategists like Michael Porter, Bob Kaplan & Roger Martin and reached out to 25,000+ leaders in 40+ countries. His first book *Strategy Execution Heroes* reached the Amazon bestseller list in 5 countries and was nominated for Management Book of the Year 2012 in the Netherlands. His second book, *The Execution Shortcut*, reached the #3 spot in its category on Amazon.

He is co-founder of *the performance factory* – a leading research, training and advisory firm specialized in Strategy Execution.

He has advised 75+ companies including Atos Worldline, AXA, Bridgestone, Brussels Airport, CEMEX, Credit Suisse, GDFSUEZ, Honda, ING, Johnson & Johnson, Komatsu, Microsoft, Nike and Sony on various strategy and strategy execution topics.

To book Jeroen to speak at your next event or to run a strategy execution seminar for your company, please contact him through his blog [www.jeroen-de-flander.com](http://www.jeroen-de-flander.com) or [jeroen@jeroen-de-flander.com](mailto:jeroen@jeroen-de-flander.com). [Follow him on LinkedIn.](#)

# The Execution Shortcut



"De Flander has added another chapter to the emerging science of strategy execution."  
-- **Prof. Robert Kaplan, Harvard Business School & Dr David Norton**

"The Execution Shortcut is a fantastic read! It is full of wonderful advice and practical examples and explains in a clear and engaging style how to get your ideas or strategies implemented."  
-- **Costas Markides, Professor of Strategy & Entrepreneurship, London Business School**

"This book explains in an engaging way how Just Do It's don't come automatically. It only happens when the mind is triggered, the heart inspired, and willpower strengthened."  
-- **Bert Stevens, Vice President Europe Operations, Nike**

"The Execution Shortcut offers a great roadmap to win in the new reality of business."  
-- **Jorge Inda Meza, Global Director of Strategic Innovation, AB InBev**

"This book gives brilliant tips on execution excellence."  
-- **Atul Jain, Senior Vice President, Samsung**

"The Execution Shortcut is a must read for every leader who wants to boost strategy commitment and guide others through the implementation maze."  
-- **Caroline Hillegeer, Senior Vice President Strategy, GDFSUEZ**

"I can recommend this book to any leader."  
-- **Patrick Bodart, Principal Director, European Patent Office**

# Strategy Execution Master Class

Jeroen De Flander

[Jeroen-de-flander.com](http://Jeroen-de-flander.com)

## Thank you

[www.the-performance-factory.com](http://www.the-performance-factory.com)