



90 PERCENT OF ORGANIZATIONS FAIL TO EXECUTE THEIR STRATEGIES SUCCESSFULLY: A White Paper to Help You Avoid Being a Statistic

In their book *The Balanced Scorecard*, authors David Norton and Robert Kaplan note that 90 percent of organizations fail to execute their strategies successfully. That is an alarming statistic — one that likely includes your organization. The good news is the reasons are well-understood and the solution is proven. This paper uncovers the problem and reveals a solution that will move your organization toward success.

The bottom line is strategic management is not given the same level of commitment and focus as other functions within the organization.

Most organizations are dedicated to ensuring project success, but the same level of focus is not put into strategic success. One study¹ suggests that **85% of leadership teams spend less than one hour per month on strategy, and 50 percent spend no time at all on strategy.** This source also concludes that less than 5 percent of employees have a basic understanding of company strategy.

According to an article in *The Economist*², sponsored by the Project Management Institute (PMI), 61 percent of executives acknowledged that their firms often struggle to bridge the gap between strategy formulation and execution. Only 17 percent of respondents said that implementation was seen as strategic in their organizations.

This lack of attention to strategy leads to both poorly defined strategies and a lack of intentionality in execution. Neither a poorly defined strategy executed well, nor a great strategy poorly executed, will deliver much success. According to the PMI study, most respondents acknowledge poor success rates in delivering their strategic objectives, and the work they do fails to align with the defined strategy.

“Companies fail or fall short of their potential not because of bad strategies, but because of a failure to implement good ones.”³

The impact is a continuous state of working in reactionary mode, missed opportunities, and no clear direction or understanding of what success looks like.

In all fairness, an organization cannot expect to be good at something it does not spend much time on. With the right guidance and framework, any organization can improve strategic planning and execution.

Where It Goes Wrong

Many organizations dedicate time every few years to focus on strategic planning, with mixed results when it comes to implementing long-term goals. Your organization probably has a strategic plan, but can everyone in your organization find it, or recite the main goals and objectives? You are not alone if you cannot. Furthermore, employees are often not part of the planning process, and the plans are not infused into everyday business. As a result, **few can tie in business objectives and growth goals to their daily work.**



For organizations that create strategic plans, a great deal of effort is spent to create a document that is rarely referenced, much less actively used to manage the business. Managers easily become too overwhelmed with the day-to-day fires to keep their eyes on the broader vision. **The plan becomes a monument to visit every couple of years rather than a tool used to intentionally and actively manage and measure success by.**

To self-reflect on your own circumstances, consider how you would answer the following questions.

- How did your organization determine its strategic objectives?
- Which of your recent activities contributed the most to achieving those strategic objectives?
- How do you know?

Strategic Management Lacks a Seat at the Table



An organization plans an offsite retreat to hash out its strategy for the upcoming years, sometimes hiring an outside consultancy to assist. A group of leaders from across the organization spend a few days defining what it wants to be, where it wants to go, and how it plans to get there. A detailed strategic plan is created, some work is enthusiastically planned to get the ball rolling, and for the next few weeks or months the organization is highly focused on those activities. The consultants that helped create the plan are long

gone, leaving the organization to fend for themselves.

Soon thereafter, the organization falls back into reactionary mode, mired by the day-to-day busyness of just trying to keep up. Many can no longer even find the strategic plan document, much less remember what is in it. The strategy is all but forgotten until the next update cycle comes along. A document was created, but a living plan to intentionally execute was not. Does this sound familiar?

For many organizations, strategy is a visitor that stops by every few years, not a dedicated function within the organization. The consequences are devastating.

Given the rate of failure, it is easy to understand the lack of enthusiasm and commitment to the strategic management process. Strategic planning requires much effort, but it is relatively easy compared to successfully executing the strategy. **When strategic planning is just an infrequent activity performed by a select few people, plan quality suffers, and execution loses focus as the day-to-day fires take precedence.**

The result is wasted effort on a process that proves ineffective. Future strategic planning efforts are met with disdain, rushed through, and not seen as a valuable use of everyone's time and energy. A vicious cycle ensues, which produces lackluster plans that, even if executed well, cannot produce desired outcomes.

Common Reasons for the Lack of Strategic Management Support:

- It is time-consuming and everyone is too busy
- It is complicated and not well understood
- Reality rarely matches the plan, so why bother
- Strategic plans are obsolete in an Agile world

The preceding statements represent a Catch-22. If the organization has enough strategic focus, perhaps there will be fewer fires to react to, yet it is the overwhelming workload keeping organizations from making strategy a regular part of daily business. Not having enough time is an indication the organization is trying to do too much; it lacks strategic direction. “Shiny object syndrome” is dangerous. However, the right strategy, at the right level, provides crucial focus for any organization, whether Agile-minded or traditional.

Creating the plan is only the beginning. What makes it effective is getting the entire organization invested to actively use it and make it part of its culture. Strategy needs a seat at the table.

Many Strategic Plans are Not Strategic

When strategic management is not routinely woven into everyday business, organizations should not expect to be great at defining strategy. The natural tendency is to think of strategy in terms of actions, activities, or projects instead of outcomes, but those things merely help you achieve your strategic objectives. During the planning process, the urge to jump into specific activities leads to more of a to-do list than a strategy.

The ideas that bubble up during planning sessions are usually great ideas worth doing, but they skip over, and therefore lack alignment with, any true strategic objective. What is omitted are the desired outcomes. Why should such-and-such be done? What will the completion of that activity increase, reduce, or improve?

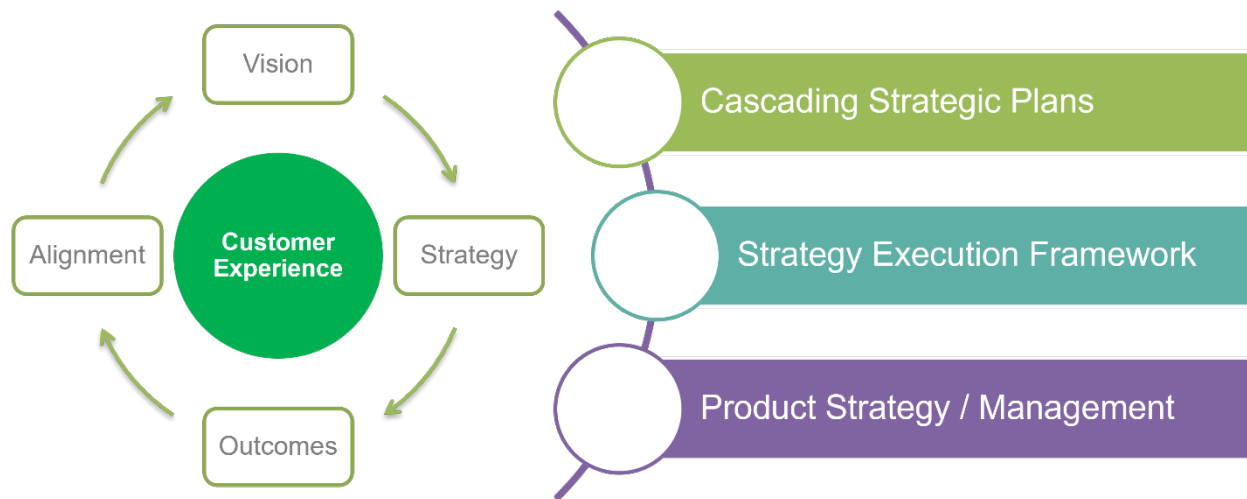
Activity-based plans measure success by the completion of defined actions instead of how the actions impact and drive a desired outcome. Even the best execution will not bring fruitful results if the foundation of the strategy is weak.

No one knows the organization like those who lead and work in it, but it is hard to separate activity from strategy for those in the trenches. The organization is great at defining operational plans but may need some help developing a strategic perspective. The key point to remember is that it's not about what you do, it's about what is achieved as a result of what you do. It's about the mission's strategic outcomes.

Effective Execution

Successful organizations continuously pursue better ways to discover and deliver the next right thing. The next right thing, for any level of an organization, is what will produce or lead to the highest value outcomes, which helps achieve its overall strategic objectives.

Throughout this section, you will learn how cascading strategic plans matched with a solid execution framework and a focus on product management is the key to closing the strategic execution gap.



Empower a Dedicated Strategic Management Team

Dedicated teams, and many times offices, are built around project and portfolio management. Why is strategic management not receiving the same level of attention across those organizations? **Successful organizations view strategic management as an ongoing, dedicated enterprise function rather than as a periodic activity.** Strategic management should be part of the culture, and a dedicated strategic management team keeps strategy in focus.

BRIDGE THE GAP BETWEEN PLANNING AND EXECUTION

Every organization plans. Few successfully execute. Your leadership teams are capable. The problem is they are stretched too thin to provide the proper focus to develop and manage an effective strategy. They just need a little help. A dedicated strategic management team, focused solely on strategy development and execution across the enterprise bridges the gap between planning and execution, and **enables your leadership teams to transition from reacting to strategic-minded intentionality.**

Developing an effective strategy has its own challenges. Executing well is much more difficult. Effective strategy execution requires:

- Cultural shifts, training, and commitment.
- A consistent enterprise communication strategy - infusing strategy into the culture.

- An intake process that aligns work with the strategy from teams up through the enterprise.
- Aligning employees' competency development plans, and their personal goals and incentives, with strategic objectives.
- Actively testing and adapting strategy to keep pace with changing environments, using data and metrics to drive decisions.

The strategic management team is the central point for coordinating and driving strategic initiatives, but ownership of strategy execution should be shared across your organization.

DRIVE A STRATEGIC FOCUS

A strategic management team integrates a proven strategic management framework into the daily operations of the organization as a dedicated business function. Doing so more clearly defines the organization's vision, mission, and strategic goals on a regular basis, and identifies suitable measures for success as well as the initiatives to achieve the most important objectives.

The IntelliBridge strategic management framework supports enterprise-wide visibility, awareness, commitment, and cooperation while also providing alignment across all levels. The framework facilitates sound strategic planning, organizational change management, and creates a proactive culture that strengthens overall enterprise performance.

IntelliBridge Strategic Management Framework

Strategic management is the *continuous* process of strategy analysis, creation, execution, and monitoring to ensure the organization is always pursuing the next right thing.

Strategic management answers 4 key questions:

- Where is the organization at this moment?
- Where does it want to go; what does it want to achieve?
- How will it get there?
- How will it know when it's successful?

Many organizations opt for the do-it-yourself approach for defining and executing strategy. Perhaps it is to save money; perhaps they believe it is not that difficult. The level of success directly corresponds to the level of skill and experience of those driving the process. 90 percent of organizations fail to execute well, so history shows it is not as easy as many think, and it is doubtful that money was saved.

Some organizations hire outside consultants to help define the strategy but are left alone to implement and drive the execution. These organizations fall into the same execution failure statistic. It is also arguable that the strategy left behind by those consultants is appropriate. It certainly does not benefit from *do, experience, learn, and adjust* continuous improvement iterations.

The IntelliBridge strategic management process is an end-to-end support system, led and supported by a dedicated strategic management team that ensures successful roll out, execution, measurement, review, and adjustment.



STRATEGIC MANAGEMENT ROADMAP

For some organizations, strategic management is a new endeavor. Other organizations plan well but need help following through on execution. Some amount of education and training will benefit all. **The IntelliBridge strategic management roadmap provides a consistent path to strategic management success, regardless of your starting point.**

The best strategies are built across the multiple layers of the organization, with each layer (tier) tied into the one above. Starting at the highest level possible (ideally enterprise), the strategic management team facilitates strategic planning using the Balanced Scorecard approach. As those strategic objectives are defined, the team supports planning at the next organizational tier, and helps the organization dive as deep as logically possible. As these activities occur, parallel coordination supports technical and business roadmap development, budgeting, personnel alignment, communications, and knowledge management.

This holistic approach ensures enterprise-wide alignment, shared ownership and accountability, and actively managed performance management. Furthermore, a decisive training and communications effort ensures far more than 5 percent of your organization understands your strategy and how their work supports it. Our goal is 100 percent.

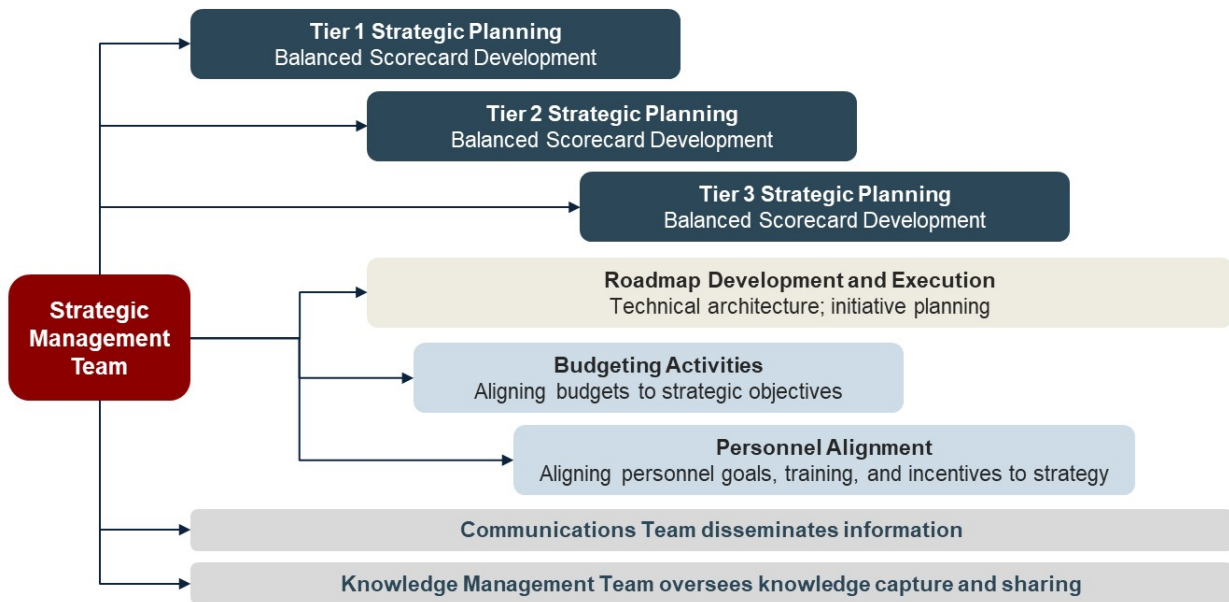


Exhibit 1: Strategic Management Roadmap

THE BALANCED SCORECARD APPROACH

The balanced scorecard is a strategic planning and management approach that organizations use to:

- Communicate what they are trying to accomplish.
- Align the day-to-day work that everyone is doing with strategy.
- Prioritize projects, products, and services.
- Measure and monitor progress towards strategic targets.

The name “balanced scorecard” comes from the idea of looking at all the factors involved in successful delivery, such as people (learning and growth), internal process, financial benefits, and stakeholder outcomes.

Balanced Scorecard development methodically builds via the following progression.



Vision / Mission — your destination and your current purpose

Before you can define a strategy, you need to know where you are and where you are going. Any good framework starts here to define your North Star.

Strategic Themes / Results — high-level focus areas and outcomes

Strategic themes, many times known as goals, are the three to four high-level focus areas, or pillars, that support your vision and define your strategic results or desired outcomes.

Strategic Objectives — verb-based, endless, actionable, and measurable

Many organizations jump from goals (themes) straight to project-based actions and activities, skipping over the objective. A strategic objective in the Balanced Scorecard is something you want to improve, increase, reduce, etc., that you measure progress against, whereas the specific activities done merely help to achieve that objective.

Strategic objectives focus on why you want to do those activities — what the desired outcome is.

This is the step where the Balanced Scorecard shines as it looks to balance objectives across people, process, financial, and stakeholder concerns. As the government-focused strategy map below demonstrates, people support processes, which promotes better financial stewardship, which supports delivering to stakeholder and mission needs.

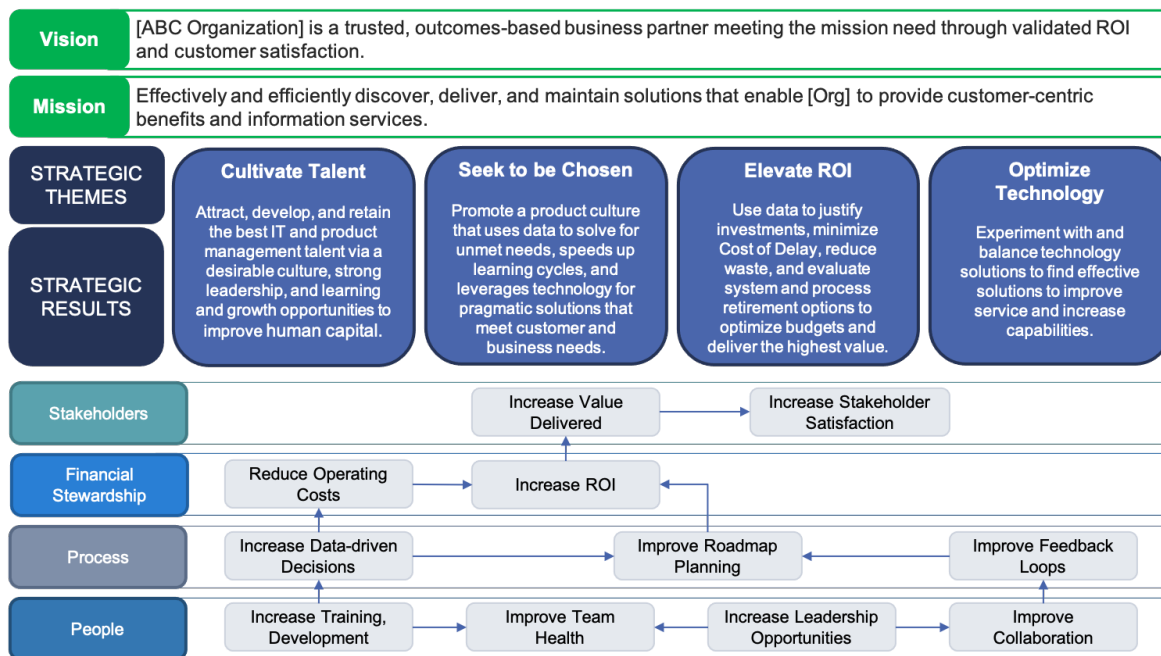


Exhibit 2: Balanced Scorecard Strategy Map

Strategic Measures / Targets — measures against key outcomes

Once you know what to achieve, then it is crucial to define *appropriate* success measures. **Knowing how you measure success focuses the organization** on the initiatives that presume to help move you closer to your target measures.

Initiatives — ideas to pursue to achieve the measures and targets

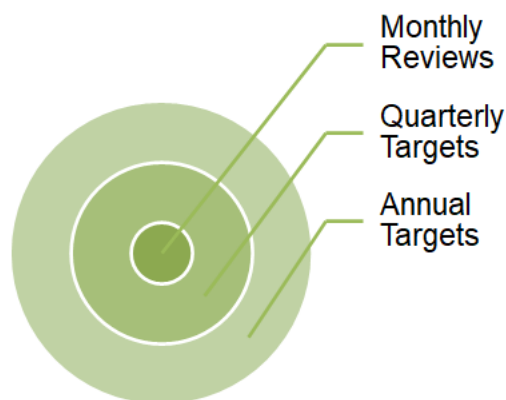
The final step in the strategic planning process is identifying the ideas the organization will pursue, that when completed, aim to move your strategic objective measures closer to your target. Initiatives will constantly evolve as you learn what works and what doesn't. Deciding on the next right things is an ongoing process.

OBJECTIVES & KEY RESULTS (OKRS)

The IntelliBridge strategic management framework successfully leverages the power of **Objectives & Key Results (OKRs)** to bridge the gap between strategic planning and execution.

OKRs are an excellent way to execute strategy by focusing on short, outcomes-driven results.

As teams consider initiative ideas and pursue the target measures for the strategic objectives (1-year outlooks), they employ quarterly OKRs designed to attain a specific outcome verifiable through a small set of key results to validate progress.



Teams across the organization develop and deliver against OKRs as a part of their regular routine to help achieve the broader strategic vision. OKRs help everyone focus on strategic concerns and outcomes in increments they can more easily influence and control, which improves overall strategic focus and execution.

The best part of the OKR process is that everyone in the organization learns to work against valuable outcomes tied to strategy rather than solely focused on backlogs and delivering outputs.

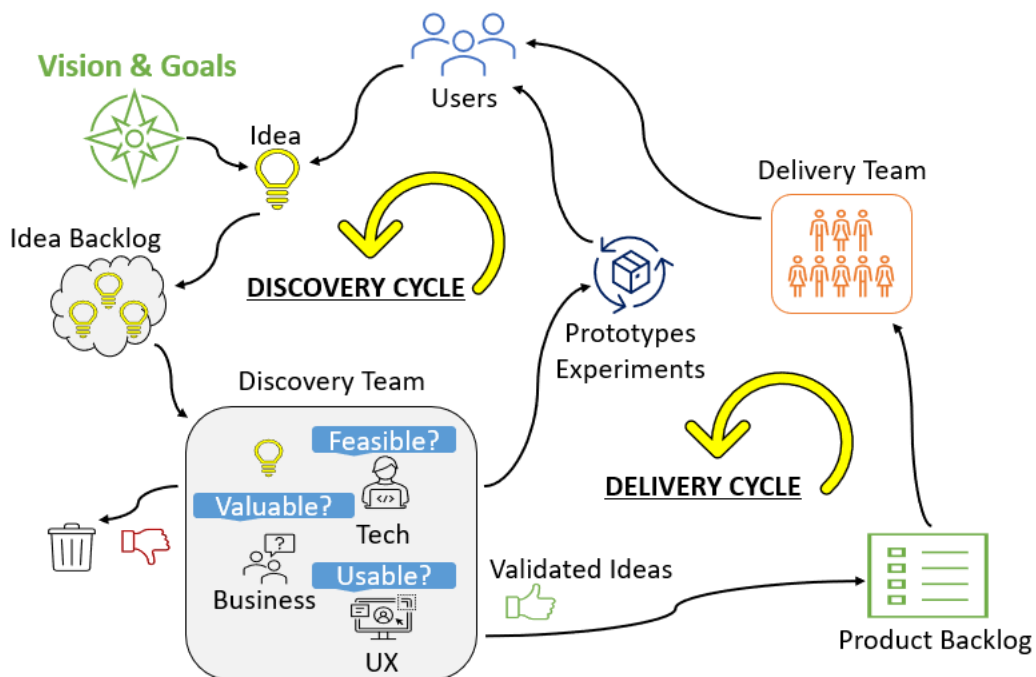
Product Thinking

More and more, organizations support their mission objectives through hardware and software systems (aka products). Teams constantly churn out code to deliver one feature after another, migrations and modernizations drive countless contracts, and new technologies are woven in on a regular basis. Unfortunately, many cannot state what strategic objectives and target measures they are aiming to impact, nor can they validate that impact post-delivery.

Becoming a product-led organization is the final piece to the execution puzzle. Product-led organizations tie into mission strategies to meet strategic objectives and desired outcomes.

The IntelliBridge Product Management Playbook helps teams build product visions and strategies that measure success back to organizational objectives. Leveraging the principles of Agile, product teams continuously discover and deliver to achieve maximum impact to desired outcomes. They know that value isn't in what they do; value is in what is achieved as a result of what they do.

When seeking assistance from the government, the public must use whatever the government agency provides as the means to interact and interface with them. They don't have a choice. But what if they did? What if the user had a choice to use another system (aka product) to receive the same benefits? Would they still choose the government-provided product?



Conclusion

Failing to execute organizational strategy is common — 90 percent fall short. The consequences are devastating — whatever the organization set out to accomplish, is not achieved. The failure rate should be no surprise given that very few people in the organization are aware of what the strategy is, and there is little to no focus on strategy day to day or even month to month. Executing on strategy does not happen on its own by continuing to operate as normal.

Is your organization mostly reactive? Do you feel too bogged down in everyday operations to focus on strategy? Have you wondered if the strategies your organization has defined are the right strategies? Does the idea of having a team by your side, dedicated to strategy, relieve some of the stress and weight off your shoulders? IntelliBridge can help.

Looking for a Strategic-minded Partner?

IntelliBridge applies its proven strategic management framework and “show, not tell” coaching expertise to help organizations become more intentional about strategy. A step-by-step approach guides the organization to a suitable strategy and provides a plan and the support to successfully execute the strategy within Agile organizations.

Reach out to our team today to learn more about how we are using this approach to help our federal government clients United States Citizenship and Immigration Services (USCIS) and National Oceanic and Atmospheric Administration (NOAA), and how we can help you get from where you are today to where you want to go through intentional strategic management.



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ABOUT INTELLIBRIDGE

IntelliBridge delivers IT strategy, cloud, cybersecurity, application, data and analytics, enterprise IT, intelligence analysis, and mission operation support services to accelerate technical performance and efficiency for Defense, Civilian, and National Security & Federal Law Enforcement clients. Whether it's driving change through next-generation modernization; consolidating data centers; migrating customers to cloud-enabled environments; delivering trusted cybersecurity architectures, standing up 24×7 watch centers, or rapidly developing applications using DevSecOps and Agile methods, we deliver measurable results and superior outcomes.

Visit us online at www.IntelliBridge.us.

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