



Lost in Translation

Why Great Strategy Doesn't Always Equal Great Performance

The Survey Results of Goals, Strategies and Execution for Atlantic Canadian Business Teams

By Michael DeVenney
Bluteau DeVenney and Company Inc.



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1. Introduction and Executive Summary

We work in a reactive rather than a proactive environment – we have great intentions but are not so great on follow-through. Up front, business leaders determine great strategies with clear expectations for results and assign accountability so everyone knows who does what – but then something happens. Something gets lost in translation.

Between great strategy and great performance a disconnect occurs, wherein Atlantic Canadian business teams feel only about 69% of their intended actions become actual results.

We are not alone. A recent Harvard Business Review study indicated that organizations on average deliver only 63% of the financial performance expected from their strategies. The study showed that 37% of our hard work was just wasted with no results and only 15% of our strategies actually delivered the expected results.

What happens to sideline most strategies is shown in our survey. Although Atlantic Canadian teams thought their leaders did well at involving them in strategic discussions, setting clear goals and defining accountability for delivering results with a view to the future, organizations stumbled in the daily grind of executing.

The lowest ratings were given to leadership for measuring the impact of strategy, providing regular time to review and assess progress, and allocating energy and resources to actually match the strategy. Organizations were seen primarily as tactical (managing the day-to-day operations and responding to fires) as opposed to strategic (balancing the short-term and long-term to achieve sustainable competitive advantage).



Organizations rarely track performance against strategic plans. In fact, studies show that less than 15% of companies make it a regular practice to compare actual results with expected performance. Over 85% of executives stated they spend less than one hour each month discussing their ongoing strategy with 50% spending no time at all.

Strategies are rarely the basis for not achieving the desired results. Strategies most often fail due to poor execution where things that are supposed to happen just don't happen.

How prevalent is this lack of follow-through? Think about how many meetings you attend that have no real outcome or resulting action.

The answer lies in the two commitments an organization and its leaders need to make – measuring against strategy and taking time for strategic reflection.



Poor execution means we lose money, waste time and energy, and disappoint clients. Most people responding to the survey felt they did not work in a way that was relaxed, confident and positive. The survey results show that teams are disillusioned with strategic planning and want an investment to be made in supporting the delivery of results.

From our survey, we see Atlantic Canadian business people looking for leadership to invest time to build confidence and performance.

How do Atlantic Canadian organizations execute on strategy? Does potential translate into performance? The answers – as shown in our survey of Atlantic Canadian business people in assessing strategy and execution – are not well and not so much.

Results from the survey indicated that most business people felt they worked in a reactive environment where strategy was talked about up front; however, resources and time were not allocated to follow through on delivering against the strategy. Leaders talked about the future and accountability but time was not provided to assess and measure performance.

Teams become mired down in the tactical jobs of daily work. Great goals were set, but people fell off the wagon and lost confidence in the plan, then scrambled to manage fires and cover short-term requirements and focus on what was in front of them. Organizations become short-sighted in regards to strategy.

The highest ranking given in the survey for strategic leadership was for understanding and appreciating the consequences of achieving or not achieving the strategic goals. However, the overall rating for Atlantic Canadian business of strategic execution is 69% - a C plus.

Organizations in Atlantic Canada did relatively well in three main areas:

1. Providing clarity of the consequences of meeting and not meeting strategic goals
2. Involving the team in the strategic planning process
3. Assigning accountability for project management and results

Expectations were clear – there was a forward-thinking approach. Strategy started off on the right footing but got sidetracked out of the gate.

Several challenges were cited in the survey as to why execution lagged, namely:

- There is no time in business daily schedules to review and reflect on progress. The daily grind takes over and work becomes transactional rather than strategic.
- There is no real commitment to and ownership of strategic goals and results. There is talk about accountability but people get distracted with other projects and new ideas are added that are not part of the original strategic plan. We go off course.
- There is no measurement of progress on the strategic drivers (we typically measure financial data). Clear goals and expectations were set but no assessment was provided to give perspective, maintain momentum and make decisions to stay on track.



The main culprit is lack of time invested in measuring and assessing progress to the strategic plan. What is needed is a way to maintain focused and proactive strategic thinking and acting, a way to work in a more relaxed and reflective manner to build confidence and performance, and a way to allocate time better to actually save time. If we stopped being so busy, we would achieve better results.

As General Norman Schwarzkopf said, “It’s not that we don’t know what to do, we just don’t do it.” The impact of not investing our time to support the execution of strategic plans is financial performance below potential, higher turnover of talented team members and lower productivity taking more people to do less.

The survey respondents ranked organizations low in several key areas:

- The impact of strategic plans and decisions are not measured on a timely basis
- There is no regular time set aside for assessing strategic progress
- There are no written work plans as to how people will actually achieve strategic goals

It seems we hope our strategies will work out. Hope is a great inspiration but not much of a strategy.

Organizational leaders in Atlantic Canada need to allocate time on a regular basis to review, assess and reflect on strategic plan progress in order to make informed and coordinated decisions to stay on track. Leaders also need to measure the drivers of strategic plans and link metrics and accountability for ongoing ownership of results. We not only need to assign accountability, we need to measure it.

One of Peter Drucker’s foundation themes was measurement – what gets measured, gets done – what gets measured, gets better. When you measure, you can compare – when you compare, you can compete – when you compete, you can succeed.

Like any great golf swing, it does not stop at hitting the ball, it only stops at the end of the follow-through. The survey showed that Atlantic Canadian businesses make a great start at strategic planning but need to focus on the follow-through to really connect and deliver.

2. Background and Mechanics of the Survey

In the autumn of 2007, Bluteau DeVenney & Company informally surveyed business people in Atlantic Canada. The objective was to assess how well organizations executed on plans and strategic goals.



The survey asked respondents to rank the level of their leaders and teams experienced in execution across twenty-six (26) different aspects of strategic planning and taking action. For each statement, participants were asked to provide a ranking between 1 and 10 (1 being the least effective and 10 being the most effective) for the specific strategic success attribute.

Results were received electronically and confidentially. Participants ranged from professionals, salespeople, managers, supervisors and executives with participants from both the public and private sectors. The participants belonged to organizations that were both for-profit and not-for-profit in nature and comprised a diverse range of situations.

Respondents answered all questions and consideration was not given to age, gender, or size of organization. Responses were tabulated internally by Bluteau DeVenney & Company with no adjustments made to the participants' scoring.

3. Priorities for Executing on Strategy

Translating strategy to performance is clearly a challenge with the survey respondents providing an overall score of C+ to Atlantic Canadian organizations for executing on strategy. There is talk of the future and where business will grow but then distractions take the eye and strategy gets lost in tactics. The end result is a business environment that is more reactive than proactive and not delivering on potential.

Respondents to our survey ranked their leaders as being most effective in setting the course. Leaders provided clarity of direction, expectation and consequences – accountabilities were assigned and learning from past mistakes was discussed.

The five most effective aspects of strategic leadership from our survey are outlined in the following table, (the rank showing the level of success as a percentage).

Area of Strategic Leadership	Rating
Understanding and appreciating the consequences of delivering/not delivering	76%
Working to the future and learning from the past	75%
Involving the team in the strategic planning process	73%
Assigning accountability for project management and results	72%
Clear expectations for results	71%

However, the overall ranking of strategic leadership effectiveness was only 69%. No rankings for any leadership attribute were ranked higher than a 76%.

Leaders were assessed as providing a reasonably strong start with the pre-game talk being on target. The pressures on leaders and organizations today create a great focus on the short-term. Everyone is measured on the results they are providing now. Leaders have to deal with impatient stakeholders, rapidly changing external factors and greater levels of uncertainty. It seems that leaders get distracted from the pre-game strategy as does the entire organization.



The demands and pressures from various stakeholders and the very public responsibility for results on leaders can naturally create a short-term focus. There is just not enough time to sit and reflect and think about what is really happening. The focus on delivering results can generate a narrow perspective – the full context of the situation may be missed. A narrow perspective limits potential and performance – fires occur regularly, innovation happens elsewhere and talented employees leave.

The paradox of sustainable leadership effectiveness is to take time rather than succumb to the pressures of today’s demands. A leader’s time needs to be balanced between delivering in the short-term and building over the long-term.

For comparison, the areas of poorest strategic leadership effectiveness from the survey are outlined in the following table.

Area of Strategic Leadership	Rating
Energy and resources spent in the right areas	65%
Working in a relaxed, positive and confident pace	64%
Measuring the impact of decisions on a timely basis	64%
Regular time for assessing progress	63%
Written plans that outline how people will achieve goals	63%

Another area which received poor scores affects the overall organization – effectiveness at scheduling and blocking time was ranked as a 65%.

The allocation of time and investing the right time are key levers to performing to potential.

Leaders need to place emphasis on providing an integrated basis for measuring progress to support accountability and in investing regular time for consistent and reflective communication with the team on the progress of the plan.

Examples are often given to air flights that are off course 90% of the time yet always land at the destination – because the pilot uses key measures to consistently assess status and bring the aircraft back in line. If you leave Halifax for Toronto, you rarely end up in Thunder Bay. The same combination of metrics and time to assess is needed in business today.

It may seem an oxymoron but leaders need to invest time to save time – and increase results both in the short term and long term. More importantly, the time needs to be spent on the right things.

To be engaged, employees need not only clarity of expectations and accountability of their contribution to the big picture but regular feedback on progress and evaluation of how they are doing. Engaged employees want to own and achieve strategic goals and be part of a winning team – not a team that is always frantically trying to catch up. They need to have perspective of their progress and how all the pieces are fitting together across the organization.



Atlantic Canadian leaders need to strategically invest time in delivering on strategy; it is not just talking about goals. Future leaders also have to provide the support for their organizations to deliver, building their confidence not only in the plan but in the business.

4. The State of Strategy Execution Today

Most businesses have ambitious plans for growth – few ever realize them. Strategy at many organizations is almost completely disconnected from execution.

A study completed for the Harvard Business Review in 2006 reported that organizations follow-through on only 63% of their strategic plans. Where does the lost performance go?

- 8% is lost to inadequate or unavailable resources (plans made without assessing readiness)
- 5% is lost to poorly communicated strategy
- 5% is lost to not clearly defining the actions required to execute the plan
- 5% is lost to poor senior leadership
- 4% is lost to unclear accountabilities
- 4% is lost to organizational silos – teams not working with each other
- 3% is lost to inadequate performance assessment
- 3% is lost to other reasons

Performance is lost to a great extent due to poor investment of time – not taking the time to clearly coordinate measures and accountability and not investing time to follow up and review progress.

A further study reported that an astounding 85% of executive leadership teams spend less than one hour each month discussing strategy and assessing progress. Even more stunning, 50% of these teams confessed that they did not spend any time at all meeting to review strategy and progress.

Organizations that manage strategy well and perform in an above-average way for desired results behave differently. Top executive leaders meet their teams once each month for four hours or more to review performance, assess progress and make adjustments to strategy and execution. Managing the strategy measurement and reflection process is a core function of the strategic leader.

Execution is a systematic process of discussing how to do something, what needs to be done and what has happened, always asking questions and following through to ensure accountability.

Execution is a straightforward process – you get what you measure for. Time is needed in two key areas of strategic leadership.

- Time is needed initially to link metrics to strategy. Too often, all that is measured is financial results. Most strategic plans become little more than budgets allotting resources with results to be achieved such as revenues, cash flow and earnings. Budgets never say how to do it and often have little to do with reality. Metrics that support performance need to be linked to the actions required to generate results – the strategic drivers that will create the results (not the results themselves). Leaders need to ask, “What do we need to do well to execute on this strategy?”
- Time is needed each month to update the strategy and assess the metrics. Measures of strategic drivers will include targets and milestones to provide perspective for decision-making. In basic terms, a few hours each month need to be invested in asking what is working, what isn't working and what do we need to do from here? A regular monthly strategic review meeting resolves challenges, assesses new opportunities against the strategic plan and assesses the capabilities required for further growth.

The common refrain to investing time is that “we are so busy now, we don't have any time.” The focus is on making decisions quickly when the emphasis should be on making timely decisions. We would rather rush through a decision and then spend our time later to go back and correct the situation than spend a little more time up front to make the right decision. Studies show that the return on strategic thinking and reflection meetings is generally about four hours of time saved to each 15 minutes of meeting – a return of sixteen to one.



Strategic leaders provide a compelling vision and clear expectations with accountability supported by practical and focused metrics that measure the actions that will create results. Strategic leaders also take the time to review the progress.

The art of strategy is to identify and excel at the critical few processes and actions that are most important to building sustainable competitive advantage. What gets measured gets done.

Strategic measures provide the basis for effective communication, alignment, ownership and performance.

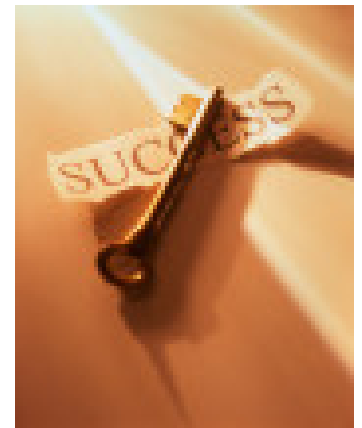
5. Where Leaders Need to Invest

What do teams need to do in order to translate strategy to performance?

- Craft a strategy scorecard which identifies the eight to twelve metrics that will measure the drivers of success for performance
- Set the agenda for monthly reviews to review and reflect on progress

On a bottom-line basis, we recommend that leaders invest six to eight hours initially to establish strategic measures and then invest two hours each month with their teams to review and reflect on progress.

Strategic leadership needs to incorporate principles from the sales process (and sales is a game of numbers – the right numbers). Initially, as in any sales prospecting meeting, you take time to establish rapport. For leaders, the prospects are their teams. Time spent initially understanding where the teams sit will be well rewarded. To achieve the expected results for the leader's strategy, find out first from teams what their challenges are in performing, what they see as their best opportunities to contribute to strategic success, what capabilities they will need to perform at their best and what results do they need to see to own the strategy. What are the benefits to the team to achieve the strategy?



Crafting a strategic scorecard to measure the drivers of success is critical for a high-performing team. Your ability to set specific measures for your goals, keep an accurate record and track your performance will assure your success.

Measuring is not just about keeping score – measuring the right things drives positive change.

In measuring your progress – and it is about your progress and not what someone else sets for you – you increase your persistence and motivation in three ways:

1. You increase your **commitment** by putting the scorecard on paper
2. You see **completion** of targets and milestones
3. You have **closure** on what is working and what isn't working for you

We are often too quick to judge isolated events as failure – your own scorecard provides perspective to see events as they actually are – learning steps in our progress to our goals.

Your scorecard provides planning and target-setting, measurement and reflection.

- A. You first use your scorecard to plan and set targets enabling you to **quantify expectations for results** giving clarity, **identify the key actions you need to take** to achieve the results providing focus and **establish a visual progress** for follow through support and motivation.

- B. You update your scorecard regularly, **translating your own personal vision of success into real actions. You link goals with measurable strategies.** You can use your scorecard to communicate the true essence of your strategy, **align other people's tasks to support your momentum** and **enhance insights and learning** from your actual progress.
- C. Your most important outcome of measuring is reflection. When you measure and then pause to reflect on the results of your measurement you can **honestly assess what has worked and what hasn't worked** and **move forward positively**, making changes where necessary.



You use your scorecard not only for your own results but also for your organization's results:

- You gain clarity and consensus about expectations
- You achieve focus on what each person has to do to contribute
- You develop better leadership and management
- You ensure strategies are working
- You educate the group and gain valuable insight
- You set reasonable and balanced targets
- You align actions with meaningful success

We work in complex environments and an accurate and continually developing understanding of our goals and actions is vital for success.

You use and develop your scorecard over time – it grows with you and your success.

1. You see which measures have the most impact and are working for you.
2. You see which measures need to be modified.
3. You see which new measures should be added to fit your progress.

You have to build it and use it. **Your scorecard provides the instrument to navigate the path to future success.**

Along with clarity as to what your strategy is and what your team's needs are, and a focused scorecard to measure progress and support accountability, you will also need to invest time each month to review and reflect on the scorecard progress.

The strategy reflection meeting each month provides the time to assess, reflect and improve.

- Talk about the positive – look for opportunities first and then resolve problems and challenges. Some may call it luck, but most successful people look first for the positive and find ways to build on what is working best.

- Provide regular, constructive and honest feedback on performance based on a foundation of measuring the key actions and contributions to results. Discuss the game whether it was won or lost and assess what worked, what didn't work and where to go from here.
- Take time to reflect – what are the trends, what are the greatest accomplishments, and what's out there? It is not just the push to achieve – organizations need to celebrate successes along the way, recognize milestones and enjoy the journey and know what is most important for growth and development.

Investing time each month to review the strategy scorecard and make the best decisions to keep the organization on track yields tremendous returns. With the average organization working at only 63% of potential, the two hours spent each month will hit both the top-line revenues and the bottom-line profitability – focusing teams strategically can increase productivity by more than 200%. That relates to more money, more time and less stress.

6. The Next Steps and Taking Action

Knowledge in action creates results. The survey identified the areas for increasing strategic performance to be: to establish a scorecard to focus the organization and team on the right actions and to commit to a monthly, two-hour strategy review meeting.

The next steps would be as follows:

- Set up a Success Scorecard for the organization, specific teams or departments and for team members. The scorecard identifies the key drivers of success at each level (for overall success), the activities that support achieving results and measures to focus time, energy, and resources and show progress. Scorecards are developed interactively with the team – they are not report cards, they are game-plans.

You can access a template at www.bluteaudevenney.com/images/scorecard.pdf

- Commit to regular monthly progress meetings with teams to assess performance using the scorecard as the structure for discussion. Start with the positive focus, assess performance from the success measures, and reflect on what worked, what was learned and what was done well to decide on what's next.

For leaders, the first step should be to meet with your executive leadership team to review and commit to the strategic plan. The next step would be for the executive leaders to meet with their teams and have a collaborative discussion of what they need to enable them to deliver on the strategic plan. From there, the executive leadership team would meet again to create the results scorecard and then introduce it to the teams. Setting a time and committing to the regular monthly review meetings would be the next step.

Use the Action Commitment form (included at the end of the report) to identify your key insights, outline the actions you will commit to taking and who you need to communicate with to proceed.

7. Questions for Reflection

Ask yourself – and ask your executive team and all your teams – the following questions:

1. What have been the most positive achievements we have realized in our strategic plans? What worked? What didn't work? What did we learn? What should we do differently?
2. What are the three key challenges we encounter in executing on our strategies?
3. What are the three key opportunities to focus the organization on in order to deliver the best results?
4. What are the three key capabilities our organization and teams need to execute better?
5. What are the key results we want to see from greater performance in our teams and organization?
6. How would we feel if our teams performed to their potential?



8. Complete Survey Results

The following table outlines the results from all respondents in each of the twenty-six areas of strategy and execution. The areas of strategic leadership are listed in order of the ranking of effectiveness (measured as a percentage increasing with the level of success).

Summary of Strategic Leadership Effectiveness

Area of Strategy and Execution		Rating
1	Understanding and appreciating the consequences of delivering/not delivering	76%
2	Working to the future and learning from the past	75%
3	Involving the team in the strategic planning process	73%
4	Assigning accountability for project management and results	72%
5	Clear expectations for results	71%
6	We gain buy-in for goals rather than telling and commanding	71%
7	Teams are motivated to grow rather than being pushed or bribed	71%
8	Clear sense of shared direction	71%
9	We finish what we start	71%
10	Realistic completion dates are set for each goal	70%
11	People are clear on their roles, what is expected and report regularly	70%
12	Each team member has clear expectations for goals and results	69%
13	Coordinated business strategies against plan and measured regularly	69%
14	Activities are proactively planned and fires are reduced	68%
15	Projects and actions are prioritized rather than over-committing	68%
16	An achievable numbers of goals are established rather than too many	68%
17	Strategic decisions made based on a clear process against goals and vision	68%
18	Progress is reviewed regularly rather than just when there are problems	68%
19	Each goal has defined and measurable results and is not vague	66%
20	Specific measures for individual and organizational performance	66%
21	Time is effectively scheduled and blocked to get things done	65%
22	Energy and resources are spent in the right areas	65%
23	Working in a relaxed, positive and confident pace	64%
24	Measuring the impact of decisions on a timely basis	64%
25	Regular time for assessing progress	63%
26	Written plans outlining how people will achieve goals	63%
Overall average ranking of organizational strategy and execution		69%



9. About Us

Our company:

Bluteau DeVenney and Company Inc. is a professional firm based in Halifax, Nova Scotia. We offer an innovative mix of coaching and consulting. First we help you identify problems, opportunities and strengths. Then we design solutions to resolve, capture and build – helping you to be more effective and achieve meaningful results.

Our Vision:

Our vision is to support achievers at all levels find and grow their natural and true leadership advantage to accomplish their best results.

Our Mission:

Our mission is to provide an innovative learning forum for established leaders to sharpen their edge and for developing leaders to find their path through practical and actionable coaching and training.

Clients access solutions with us through our three platforms:

- For Leaders Only – for personal leadership
- The Achiever's Edge – for leaders and their teams
- The Hiring Edge – for finding the right people

Through workshops, retreats, conferences, analytics and newsletters we help leaders define their compass for natural leadership and stay on track for their best results.

Please visit our website at www.bluteaudevenney.com for further information.





The Action Commitment Form

Meeting & Date: _____

What are the key insights?

1

2

3

What actions do you agree to take from this meeting?

Who does what by when?

1

2

3

Who do you need to talk to/follow-up with about what and by when?

1

2

3

11. Acknowledgements and Disclaimer

Bluteau DeVenney and Company Inc. thanks all participants who responded to the survey.

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