

# **Business Strategy Execution: 4 Reasons Why Your Company's Strategy Isn't Working**

**By Scott Glatstein**

There are many different value-creation strategies your company can follow to marketplace success. Perhaps your organization's differentiating strategy is:

- Offering outstanding customer service like Nordstrom.
- Trading on an upscale image like Mercedes.
- Positioning yourself as the low-price leader like Wal-Mart.
- Leveraging individualized customization like Dell.

Your business strategy defines your company's intent. In essence, it's a promise – a promise that defines what your organization intends to deliver to its customers and the marketplace. But articulating a good strategy is only the beginning. It's the strategy's *execution* that determines whether an organization can turn good intentions into profits.

## **Poor Business Strategy Execution Is Destroying Business Opportunities**

Companies invest so much time, energy and finances into identifying market opportunities and developing the perfect differentiating strategy to exploit them. Yet the vast majority of these business efforts fail. Quite often, companies and organizations blame their business failures on poor strategy. However, in most cases it's not the strategy or plan for approaching the marketplace that should be blamed. It's the implementation of that plan and the company's inability to "keep its promise" that causes the enterprise to falter.

In fact, several studies confirm that poor execution is the number-one reason businesses fail in today's marketplace. David Norton, author and professor at Harvard Business School, tells us that **less than 10% of all business strategies are effectively implemented**. This means that poor marketplace execution of the strategy is often the culprit, and not the strategy itself. This is a wake-up call for all business executives.

## **Here Are Four Primary Reasons Why Your Strategies Aren't Living Up To Their Full Profit Potential:**

### **1. The strategy fails to recognize the limitations of the existing organization.**

Marketplace strategy makes huge demands on an organization's capabilities and resources. While your organization can certainly transform its capabilities over time, there is a limit to how far and how fast. Recognizing what your organization can realistically deliver before crafting a new direction is essential to your business success.

### **2. Employees don't know how the strategy applies to their daily work.**

Most companies don't communicate strategy broadly or effectively to their employees. If, for example, your strategy is to offer the best service, what does that really mean? What does it

mean to your salesperson on the street, to your customer service representative in the call center and to your marketing manager at headquarters? If your employees don't know how the go-to-market strategy affects their everyday work, they aren't likely to implement it properly.

### **3. The organization's business systems or processes can't support the strategy.**

It's difficult to implement a new strategy without changing the way the organization works. Does the workflow across your various departments and divisions support your marketplace intent? Can your systems and tools meet the demands of the new strategic vision? Pursuing a new strategy with old capabilities is a recipe for disaster.

### **4. Performance metrics and rewards are not aligned with the strategy.**

Is your organization communicating that it wants to be a service leader, but instead it rewards its customer service reps for keeping calls short? Or are you creating measurement tools that make employees feel good about their performance but don't really measure the company's key success factors. Metrics and rewards must tie back to the specific employee behaviors sought – behaviors that support your company's strategic vision.

These issues share one common theme – your organization's preparedness to implement the go-to-market strategy you have created. Strategy has to be more than a feel-good presentation shared with your managers, shareholders and the media. It has to be woven into the fabric of your organization.

Your employees need clear direction and the tools and processes necessary to support them. You need to "activate" your strategy. **Strategy Activation** is the new bridge that spans the chasm between strategic intent and marketplace implementation. It takes "what" an organization wants to do and defines "how" it is going to do it. It ensures that every employee drives the promises made to the marketplace across every customer touchpoint every day. Without this, your strategic vision will remain a presentation and nothing more.

### **About the Author**

Pioneering Marketing Strategist, Scott Glatstein, President of [IMPERATIVES, LLC](http://www.imperativesllc.com) can help you turn your market opportunities into record-breaking profits by bridging the traditional gap between executive-level strategic vision and organization-wide execution in the marketplace. For a FREE Special Report that will help you avoid strategy execution disaster so you can profit in the marketplace, go to <http://www.imperativesllc.com/publications.html>