Strategy or Implementation . . . Which is Harder?

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Both strategy and implementation are important to a successful business. However, too many times we see the strategy being given less detailed attention than that of the implementation phase.

Obviously, both are important to do well to be a successful business. However, too many times we see the strategy development phase being given less detailed attention than that of the implementation phase.

"Accepted wisdom" in many mid-sized and large companies is that strategy is the easy part and implementation is the more difficult part. We would agree that both are difficult but would wholeheartedly disagree that strategy development is easier. On the contrary, if strategic planning is done extremely well, if anything, that fact makes implementation much easier.

We have all heard that one cannot catch and pass a moving train unless one is going faster than the train itself. Well stagnant companies try to do this when considering the "best-in-class" competitors.

It's called BENCHMARKING!

Benchmarking takes a "still shot" of this competitor and tries to duplicate it. The "best-in-class" competitor didn't become the "winner" by standing still in a time capsule. The winner became the winner by constantly retuning its already very good strategy by... pushing and expanding their envelope sphere. They don't stop and rest on their laurels. Winners know no rest.

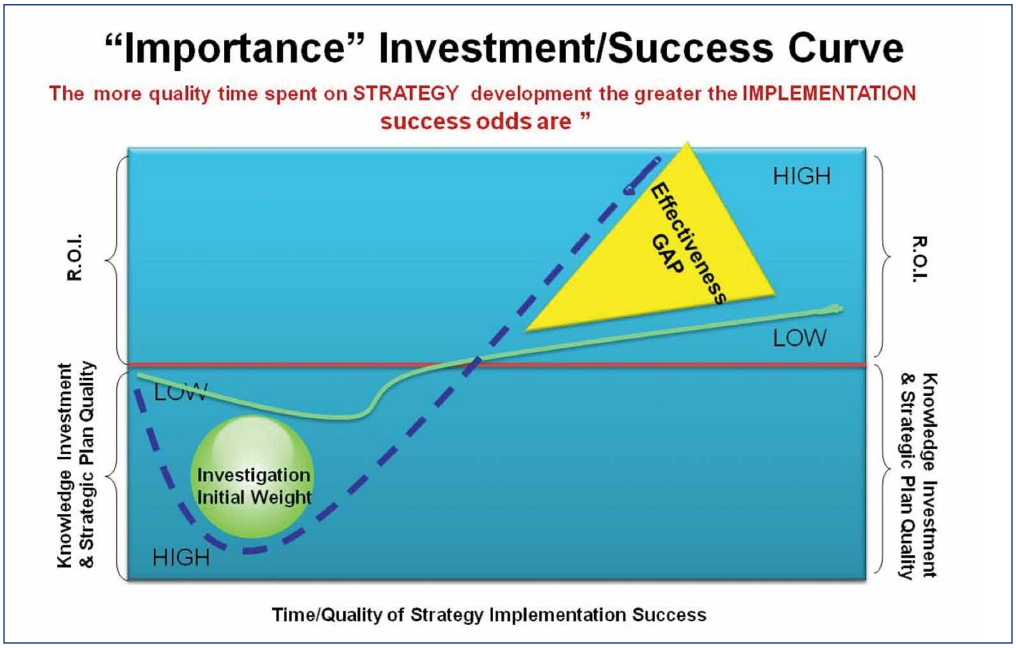
Winners see the changing basis for competition. Winners accurately assess the changing nature of their customer ......stagnant players miss it.

Benchmarks are good tools to use, but just one of several tools available. Two other tools must be learned and used effectively to stay successful:

- Reinvent the existing competitive space you are in by changing in some fundamental way ......the rules of engagement .....the basis for competitive advantage within an existing industry and,
- Create fundamentally new space .....so you satisfy a need that customers were not completely aware they needed.

Future understanding

What we're saying is create the future, don't just forecast it. The biggest challenge in creating the future is NOT predicting it. There's not



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just one future out there . . . . there are several. It's not about predicting which future is going to occur that will be your environment. Instead, the goal is to try to imagine a future that is credible . . . the future you can create.

We must remove ourselves from thinking of the future through a forecasting exercise and trying to identify some particular future. Instead, think through the discontinuities . . . . the things that drive change then, understanding these discontinuities try to construct a point of view about the unique opportunities we might create.

You have the elements

Whatever one needs to know to create the future one can know. By definition, whatever Facebook needed to know, it knew. Whatever Google needed to know, it knew.

No proprietary data

There is no proprietary data about the future. However, there exist very different levels of understanding about the various factors that are going to open possibilities for industry revolution. The data are there for everybody, but there is an enormous difference in people's abilities to build imaginative compelling new opportunities out of that understanding.

In the "Organizational Hierarch" triangle above we have two basic divisions: senior management at the top and "employees" below them. Where in that pyramid do you find the least genetic diversity when it comes to radically different ways about the future of an industry? And where in that pyramid do you find managers who have most of their emotional equity invested in the past? It's at the top.

The next question is crucial to believe and act on: Whom do we give the primary responsibility for strategy setting and direction? Answer: The guys at the top. It's no wonder we don't gain creativity in this process. Therefore, allocating strategy setting is one of the huge dilemmas that we have, especially in large and mid-sized organizations.

Other issues, which cannot be covered in detail here, are:

1. Under commitment
2. Over commitment
3. A deep sense of restlessness with status quo.

Under commitment usually is descriptive of an organization that is reactive versus pro-active, many times misreading the opportunity's success subtleties.

Over commitment is when significant resources are placed in play far in advance of having enough detailed information about a particular opportunity. An example would be Lilly Industries in the early 1980s, committing major resources to develop water-based industrial coatings based on EPA's initial goals for achieving VOC maximums. Lilly was successful in being first to market with these new WB coatings, however, EPA moved the commitment dates further out in time, thus creating a sales void while allowing Lilly's competitors to catch up technically.

Having a deep sense of restlessness with status quo is an essential cultural part of the discipline of successful company's DNA. ***CW***