

HOW TO WIN WITH ANY STRATEGY

Stick
with
It

Mastering the Art of Adherence

FROM THE BESTSELLING AUTHOR OF
ENGAGING THE HEARTS AND MINDS OF ALL YOUR EMPLOYEES

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Chapter 4 - Start with Strategy

While the key factor in winning is the ability to stick with your plan, it makes sense that you start with the best plan possible. Our experiences working with clients on strategic planning and execution indicate a direct correlation between the simplicity of a plan and the chances of adhering to it. A theme we hear over and over again is, “Give us three steps, and we will knock ’em out. Give us a three-ring binder, and it will sit on the shelf.”

It is important to start with a simple, clear and well-thought-out plan, whether you are developing a corporate strategic plan or setting your department’s strategy. Why stack the odds against yourself with an overly complex or unclear plan? Our goal is to have clients articulate their plan in a just few pages. **If you are going to work on a plan, your plan should work for you.**

Management journals, books and articles are filled with countless approaches to strategic planning. The definitions for the various components of a strategic plan can be debated endlessly – a vision vs. a mission, initiatives vs. tactics, goals vs. objectives. So rather than use valuable client time debating definitions or working through a complex planning process, we cut through the clutter by answering six simple questions about your business or team (depending on your level in the organization). Think of these questions as the “CliffsNotes” version of planning. Craft clear answers to these questions, and you’ll be off to a strong start. Don’t be deceived by the simplicity of the questions. They require deep thought, good supporting data and honest discussion in order to articulate concise answers. And remember, the questions apply to leaders of an organization, a regional office, a department or a small team. Every leader should answer these six questions for his/her function.

Six Simple Questions for a Winning Plan

1. Why do we exist?

What promise are you making to customers? Which wants, needs, desires, pains or problems do your products/services solve? The answer to this question should rarely change since it reflects the core of your existence. Keep your answer real and relevant, because people can only commit to what they understand and your leaders must be able to own and live the answer. And, keep it simple. Anything more than a sentence might be too long to remember and too long for employees to really connect with.

Consider how your function or organization makes life better for others. Your answer should stir the emotions. So it should not be a project goal (too time-restricted), financial target (not emotionally compelling) or a specific strategy (too narrow). People don’t get emotionally charged about a “10 percent net profit,” a “20 percent return on investment” or a “30 percent increase in market share.” Your answer to this question should give your employees a reason to be excited about getting up and going to work every day, a reason to dread Fridays.

Your answer should also guide your team members in making daily decisions that support the core reason for existence. One of the most powerful psychological human needs is the need for meaning or significance. We all want to contribute to something bigger than ourselves. When it comes to your plan, meaning precedes motivation. Give your team a connection to something meaningful, and they will provide discretionary effort.

Here is how a few winning organizations and teams have answered the “why do we exist” question (but don’t be restricted by their structure or wording).

- Google – To organize the world’s information and make it universally accessible and useful.
- Bristol-Myers Squibb – To discover, develop and deliver innovative medicines that help patients prevail over serious diseases.
- Coca-Cola – To refresh the world, to inspire moments of optimism and happiness, to create value and make a difference.
- National Motor Club – We provide peace of mind and convenience for our traveling public.
- A customer call center – We brighten the day of each and every caller.
- An information technology department – We improve personal productivity.
- A purchasing department – Ensure all company products are made with the best raw materials available.

Your team’s purpose may not be apparent at first glance. For example, DW Distribution is a regional building products distributor in its third generation of family leadership. Their leaders experienced a common challenge when answering this question. Like many companies, it was easy for them to describe *what* they do instead of *why* they do it. Their initial response to this question was, “We just move these products from point A to Point B on time.” While, in fact, that is what they do, there was also a deeper “why.” Since many of their products were used for new home construction, their ultimate answer was, “We distribute building products that help the American dream come true.” Now, that’s a purpose worth working for! If you have a clear, brief description of what you do, consider adding to the end of that statement the words, “so that...” or “in order to....” You will find that it makes for a much more meaningful and emotionally compelling answer.

2. Where are we going?

The answer to this question should be a forward-looking statement that inspires your entire team, from customer-facing operations to back-office support. It should connect today’s tasks to tomorrow’s promise. Know that the answer may change over time to drive constant learning and innovation.

Fossil is a worldwide watchmaker and also one of the fastest-growing lifestyle brands with its line of American vintage watches, accessories, clothing and shoes. Jennifer Pritchard, president of retail for Fossil, has led its retail growth to 418 stores worldwide with a vision of being a distinctive lifestyle brand. Pritchard has been a client for several years and shared her perspective on this question: “If you don’t invest the time to know where you want to go, you will never be in a position to get there. It is in the development of your plan that you take the first real step towards making it a reality. Once you have your ‘where,’ you get to work on the ‘how.’ If you try to skip answering the ‘where are we going’ question, you won’t know what you need to do or whom to bring along on the journey.”¹⁸

Here are some other examples of answers to the question, “Where are we going?” Note that some of the examples are from the same companies and teams for which we gave examples to question #1.

- Zappos – One day, 30% of all retail transactions in the US will be online. People will buy from the company with the best service and the best selection. Zappos.com will be that online store.
- Nike – To be the number one athletic company in the world.
- DuPont – To be the world's most dynamic science company, creating sustainable solutions essential to a better, safer and healthier life for people everywhere.
- National Motor Club – To become the recognized #1 quality service provider benefiting our customers and members.
- A customer call center – To always be in the industry's top 10 percent in response time and caller satisfaction.
- An information technology department – To consistently deliver 99 percent uptime for all business-critical systems.
- A purchasing department – To reduce our company's carbon footprint by 50 percent in the next 5 years.

3. How will we conduct ourselves?

Your answer to this question should reflect your values. It will influence how you design your people systems (e.g., selection, training, promotion, rewards) and work systems (e.g., meeting ground rules, response expectations, decision making, quality control, collaboration, innovation). Consider these value pillars as you formulate your answer: customer, team, individual and excellence. Think about the very few values you hold as core, as non-negotiable. Avoid the typical, long laundry list of values and instead target three to five core values at most. For example, one of *Fortune's* most admired companies, Marriott, boils their values down to: put people first, pursue excellence, embrace change, act with integrity and serve the world. We will elaborate more on values in Chapter 18, “Value Your Values.”

4. What will we do?

Strategies generally revolve around customers/markets, people/organizations, products/services, systems/technology and distribution/sales channels. The answer to this question should address how your team will compete in the marketplace or service other departments (if you lead an internal service function). Consider what you will specifically do (and not do), who you will serve (and not serve) and how you will differentiate yourself. Will you enter new markets, roll out new products, leverage a new technology, consolidate operations, use a new marketing approach, build upon your supply chain, become more operationally efficient?

It is far better to limit yourself to a few strategies and stick with them than to formulate so many strategies that you can't fully execute them. Try to identify no more than three strategies to execute.

5. How will we measure our success?

These measures of success tell you in a quantifiable way if you are making progress executing your plan and, ultimately, if you have fully implemented it. The nature of your strategies will dictate what makes sense to measure: sales, profits per employee, expenses as a percent of sales, employee engagement level, return on equity, market share, customer satisfaction, year-over-year growth, etc. We will address the importance of measurement in Chapter 13, “Balance Your View.”

6. What improvements or changes must we make?

Rarely does a solid strategy enable your team to proceed with business as usual – it should trigger some changes in order to take your performance to the next level. Your answer to this question should describe just a few key initiatives to support each strategy that you outlined in question #4. Let’s assume that one of your strategies is to add services to support your product offerings in order to deepen customer loyalty. Key initiatives might include: identify those services customers perceive as most value added to their product purchase, and test initial service offerings in X markets to measure customer and revenue impact.

Now that you’ve seen the questions, let’s take a look at how a worldwide manufacturer of golf clubs might answer the simple six questions to develop a strategy:

1. Why do we exist?

To bring confidence and winning strokes to golfers across the globe.

2. Where are we going?

We will be a trusted club in the golf bag of 75 percent of the world’s ranked professional golfers.

3. How will we conduct ourselves?

- Innovate in all we do – the big ideas and the little ideas.
- Respect our teammates and the profession we serve.
- Pour our hearts into our work. Every club is a reflection of us.

4. What will we do?

- Penetrate new markets
- Boost brand exposure
- Drive organizational efficiency

5. How will we measure our success?

- Penetrate new markets
 - Increase sales from \$5 million to \$10 million in China and Japan
 - Increase sales by 15 percent in the European market.
- Boost brand exposure
 - Achieve #1 or #2 ranking in all professional player surveys of best brand of clubs.
 - Triple brand impressions in Asian markets by year-end.
- Drive organizational efficiency
 - Reduce manufacturing waste by 10 percent by year end and by 20 percent over three years.
 - Reduce expenses as a percent of sales by 5 percent by year end and by 15 percent over three years.
 - Improve average employee engagement score to 4.5 by year end and to 4.8 (top 1 percent in industry) in 3 years.

6. What improvements or changes must we make to execute our strategies?

- Penetrate new markets
 - Hire new sales leaders for Asia and Europe.
 - Double pipeline of player endorsements in Asia and Europe by year-end.
- Boost brand exposure
 - Sign three new sponsorship deals with top 100 ranked players by year-end.
 - Double number of tournaments for which we are a primary sponsor.
 - Sponsor 10 junior golfers' clinics in each geography.
- Drive organizational efficiency
 - Train all employees on innovation techniques.
 - Review lowest performing products.
 - Implement Passionate Performance engagement model to drive engagement.

Answering these questions (and making corresponding budget adjustments) will get you started with a solid plan you can adhere to. However, your adherence to the plan will suffer unless all team members clearly understand the answers, so we will discuss ways to keep your answers to the six simple questions visible in your organization in Chapter 9, "Keep It Visible." Finally, keep in mind that just as we are spending only one chapter on strategy development and the balance of this book on adhering to that strategy, **winning leaders spend less time on strategy and more on adherence.**

"In real life, strategy is actually very straightforward. You pick a general direction and implement like hell."

– Jack Welch, Former CEO, General Electric



Consulting: Our top-notch consultants deliver cut-through-the-clutter insights that drive results for your team.



Executive Coaching: Our advisors help executives boost team and personal performance.



Speaking: Engage your team with passionate delivery and equip them with practical tools.



Resources: Rapid-read books, multimedia training tools and leadership assessments.



Training: Rely on our certified facilitators (English- or Spanish-speaking) or use our just-add-water training kits for internal delivery.