My previous post reviewed some of the root causes of mediocre execution. They include not considering the enterprise-wide impact when making decisions, too many strategic priorities, tracking the wrong KPIs, failing to react to issues as they arise, and poor employee understanding of the leadership vision and direction. I recently presented at the Generis American Manufacturing Summit. This blog post is a summary of ideas discussed during that session.

Here are Six Best Practices of Companies with Effective Execution

1. **Execution Starts and Ends with Culture.**
Execution can be autocratically driven from the top. The problem with this approach—which undeniably works in the short term—is that when leadership changes, the organization often falls apart. An execution culture consists of management systems, behavior and drive. The practices and behavior detailed below all support a culture of execution that does not exclusively depend on the direction and capabilities of a single-minded leader.

2. **Establish and Reinforce Core Management Systems.**

   Execution is about delivering on the strategy every day. Management systems first translate the business strategy into annual goals. They then help leadership establish and communicate what’s important and what the targets are. Those goals must be mapped to KPIs, key deliverables and responsibilities, followed by the allocation of resources. Daily management practices relentlessly monitor performance and remove barriers to achieving the targets.

3. **Focus on the Outcomes, Not the Tools.**

   Whether they fall under lean, Six Sigma or a hybrid approach for reducing waste and variability, the specific tools don’t matter. Companies that execute their strategic plans put less emphasis on the management and process-improvement tools, and focus more on the targeted outcomes. Management’s challenge is to build people’s capabilities and create an environment where people ask the right questions, understand how to use the tools and know which ones to apply when.

4. **Relentlessly Follow the Plan-Do-Check-Act Cycle.**

   The plan-do-check-act cycle is as relevant and powerful today as it was when it was first popularized by W. Edwards Deming back in the 1950s. Not only does this day-to-day business incarnation of the scientific method help organizations refine and solve problems, it develops people and builds a culture of problem solving.

5. **Agility and Flexibility Are Mandatory.**

   Speed is everything when it comes to establishing a competitive edge while hitting cost and margin expectations. Companies that execute well never let off the gas. Leaders constantly communicate and clarify expectations and responsibilities. To enhance responsiveness and flexibility they empower managers to make decisions with an understanding that perfect is the enemy of speed. It’s better to start implementing an 80% effective solution today rather than to wait until a perfect solution can found.

6. **Hire for Grit.**
People are obviously the foundation of any culture. One of our clients that excels at execution recently shared that they tended to hire current and former athletes, team-oriented people with the drive to train and compete and win. Psychologists describe this personality trait as “grit,” which is characterized by perseverance, resourcefulness and a passion for achieving long-term goals. Those are six core elements of effective execution.

What would you add?
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