Suffering from Mediocre Execution? A Few Reasons Why

Mediocre execution and how to overcome it. The big challenge is translating strategy into daily execution. TBM CEO Bill Remy identifies common challenges and how to overcome them.

For decades now manufacturers have been working to become faster, from order receipt to delivery, from concept to new product launch. Today, speed remains an over-riding operational and market objective that has only accelerated with consumer expectations for next-day delivery and instant gratification.

Aside from suppliers and some other external partners, the ability to move faster and become more agile is only limited by your internal capabilities. That stems from an inner drive to keep getting better, improving processes, and maximizing value. With this in mind, why do so many companies get stuck with mediocre execution? Why do they stop getting better and faster?

It's not strategy. Most business strategies are pretty good. They're based on solid analysis and directionally correct. Goals are specific, measurable, and attainable. In fact, strategies tend to vary little between business competitors.

So what separates everyone else from those businesses that keep getting faster? What separates them from the profit and growth leaders? Execution is the obvious answer. The root cause of many execution problems is internal. They're self-inflicted. Companies suffer from mediocre execution because of things leaders do, or don't do, within their organizations. For example, they frequently make decisions or changes in one area without considering the impact on people or potential unintended outcomes.

Common Land Mines of Mediocre Execution:

1. Leadership pursues too many strategies, priorities and initiatives.
2. Companies aren't measuring what matters. They track too many KPIs, monitor lagging KPIs,and have conflicting metrics and incentives.
3. Leadership fails to review progress on a regular basis and doesn't respond quickly to issues when they arise.

Overcoming such pitfalls starts with forging a much stronger alignment between expectations and outcomes. It's not enough for company leaders to have a vision of the company's strategy and objectives. Everyone has to work toward it every day, but first they have to understand them.

A long-term study of business execution published last year in Harvard Business Review reported that 60% of companies don't link resources and budgets to strategy, and only 25% of managers have incentives linked to their organizational strategy. The problem isn't frequency of communication. Nine out of 10 middle managers feel that the strategy is communicated frequently enough.

The primary failure is translating what the strategy means into daily execution. Any sense of direction became less and less clear the deeper the researchers looked into organizations. For example, only 16% of front line supervisors and team leaders report that they really understand corporate priorities.

In my next post, in addition to communication and alignment, I'll share some of the key elements of effective execution based on our experience working with our clients. *Source: "Why Strategy Execution Unravels—and What to Do About It," Harvard Business Review, March 2015.*

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