



The CEO Challenge for April 2009

“We have a great strategy but have trouble executing it.”

Have you had this thought lately?

“This year we’ll include a wide range of employees to assist in developing our revenue strategy. People will feel involved, they’ll fully understand the reasoning behind why we’re moving in this particular direction, and they’ll have ownership of the strategy. In fact, this is so important we’ll even hire an outside facilitator and conduct the strategy sessions off-site so there will be no distractions. The result will be a well thought out plan for moving the company forward. Perfect.”

Not really. Because, as we all know, the **challenge of implementing that strategy** is what trips us up. We put a great deal of time and energy into developing a strategy, but daily tasks, emergencies, and problems cry out and divert us from strategic initiatives. Six months down the road we’re sitting in a meeting struggling with familiar issues, and the great strategy we developed is long forgotten or ignored.

A DANGEROUS PROBLEM

With the current speed of change, innovation and competitive pressure, an inability to execute efficiently and reliably is deadly. Companies that, in the past, survived by moving at a comfortable pace are becoming roadkill in the global marketplace.

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A Chief Revenue Officer (CRO) is responsible for crafting a sound revenue strategy based on solid principles **AND** the successful, timely execution of that strategy. A CRO is responsible for **results**. To get those results, a CRO must, must, must focus on execution.

WHAT GETS IN THE WAY?

The core competencies of execution don't conjure up sexy or exciting work. Those competencies are:

1. Clarity
2. Consistent discipline

Execution is all about understanding **human dynamics** and then artfully applying **clarity** and **consistent discipline**. Process is important, but human motivation lies at the heart of our ability to execute successfully.

THE SOLUTION

Here's a step-by-step solution to help you execute the strategies you've developed for your company. The first step is CLARITY; the second, DISCIPLINE.

Improve Clarity

1. **Clearly articulate the PURPOSE of your strategy so everyone understands the benefit.**

We all need to understand WHY something is being done in order to fully get behind it. Take the time to explain the entire business situation from your perspective. Remember that your own perspective is broader than that of your employees.

This step isn't as obvious as it sounds. In our personal lives, if we come home and tell our spouse we want to go out to eat tonight, it sounds simple. However, without understanding purpose, the outcome is a crapshoot. Do you want to go out to dinner because you're hungry (go to the local restaurant with fast service and big portions), because you want to socialize with friends (plan which friends you want to call and schedule something that works for all), or because you want a romantic night out with your wife (give her time to primp and reserve a quiet corner table)?

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In your business, let's say your strategy is to re-bundle your product or service into a new offer. The PURPOSE for that strategy could be:

- The existing product has become a commodity and margins are falling OR...
- The re-bundled product will lessen the risk for our buyers and give us a competitive advantage OR...
- We can charge additional for the ease of use this bundled product creates for the buyer OR...
- The re-bundled product can be sold through a well established channel thereby increasing our market reach.

These WHYS are very different, so explain what your strategy means for the big picture. Articulate the threats facing the company so your team is crystal clear on the rationale and approach.

2. Draw the direct line between the strategy and the initiatives for achieving that strategy.

It's dangerous to assume that people will naturally make the connection - make sure it's clear to your entire organization. People need to understand how their job and their actions affect the outcome. They'll not only be more engaged, they'll even come up with surprising suggestions and improvements to reach the goal.

For example, let's say this is your strategy:

Re-bundle our product or service into a new offer *because*

We can charge additional dollars for the ease of use this bundled product creates for the buyer; then the initiative to implement the new costing program is necessary *because*

We must make sure we stay competitive with our pricing while also getting a higher margin than the traditional product so we need accurate and up to date costing models.

This type of clarity helps everyone understand the part they're playing in helping the company achieve the revenue strategy.

3. Limit the number of goals or initiatives.

Clarity requires laser focus. Yet one of the most common mistakes is to have **so many** projects and **so many** important tasks that in the end none of them happens. Prioritization is difficult when employees have numerous complicated objectives. Instead of creating a laundry list, limit that number to the **critical few**. Accept the fact that important things will be left behind, but that's better than failing to achieve the critical few.

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4. Write your revenue goals in SMART format and make them public.

Specific - Measureable - Achievable - Resourced - Timely.

If a visitor walks into your organization and randomly asks different employees what the most important things are for the organization to do this year, every person should be able to answer that question without hesitation. By writing your revenue goals in SMART format, you provide absolute clarity for everyone on your team.

- **NOT A SMART GOAL:** Launch our new re-bundled widget.
- **SMART GOAL:** Launch our new re-bundled widget by August 2009 with a gross margin of 52% and revenue of \$1m from the product by year-end.

5. Deliver a vision of the outcome to everyone in the organization.

You know in your mind what success looks like. Help others see it and they'll be much more proactive in helping you get there. Draw a detailed picture to help them understand exactly what success means. For example:

- Will your existing product disappear quickly or phased out in 3 years?
- What's the profile of your new customer? What does (s)he do at work and what's important to him/her? What problems does our product solve?
- How will your internal culture need to change?
- Will you be opening or closing offices?
- Will employees receive additional training or learn a new skill?
- Will you be adding employees? What kind?

Remember that the unknown is a frightening place and usually results in resistance, either passive or obvious. When humans don't know what to expect, we tend to visualize the worst.

6. Align all parts of the organization so that everyone supports the strategy.

A revenue strategy belongs to the entire organization, not just to the marketing department or the sales department. Yet misalignment is one of the most common and dangerous issues we see; if teams are not working together, they're not working toward the same objective.

You can uncover alignment issues by asking questions such as:

- Does the CFO know that the current compensation plan will drive behavior in a way contrary to what the strategy requires?
- Does HR understand the right behavioral style to hire now that the buyer profile has changed?

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- Is the new “messaging” you’ll need for the re-bundled product clear to customer service and the receptionist and the delivery driver?
- Does manufacturing know that the buyer's expectations are being set for a faster delivery time?

Your entire organization needs to be aligned to support and execute your strategy.

Consistent Discipline

Now that we've addressed clarity, we'll focus on discipline.

First, let's take a look at human nature. Why is Weight Watchers so successful and why is there a growing industry of fitness trainers? After all, we know what we need to do to lose weight; we know how to run and lift weights. We just need help with **discipline** -- schedules, accountability, tracking, positive reinforcement.

Your employees need the same thing.

1. Break the plan down into manageable chunks.

No strategic plan is complete without detailing milestones, tasks and owners. Each project leader should create a written plan that describes:

1. How (s)he is going to achieve the goal;
2. Important milestones for the year;
3. 120-day detail with task owners and deadlines.

The 120-day plan becomes a rolling plan that's updated every 4 months as the work progresses.

2. Track and metric everything.

How are you doing this week, next week, the following week? If the CRO is reviewing updates and progress regularly, (s)he is, by that very act, focusing the organization on what is important. If you believe (as we do) that people want to do well in your eyes, they'll focus on the things that you care about. Show them you care! Make sure you're checking and tracking results, not just activities.

3. Provide the resources needed for success.

Weight Watchers doesn't just give us our goal and say “good luck!” They provide recipes, meal planners, a book to track points, a point guide....

Executives often hand out goals without asking, “What will you need to make this a reality?” Yet before you establish a goal, you need to know whether the resources are even available to accomplish it. By asking this

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question, your managers can identify resource issues upfront. And if you give managers what they need, you erase excuses and make accountability real. Don't wonder **whether** they can succeed - make **sure** they succeed.

4. Hold people accountable.

This isn't difficult if you've followed steps 1-3. Without those steps, it's impossible. After all, how can you hold someone accountable for a goal that wasn't clear, wasn't measured, didn't have a clear path forward, or wasn't adequately resourced?

FOCUS ON STRATEGY NOW!

Without strategy, you don't know where you're going. However, don't leave it there. A few years ago I sat beside a CEO at a fancy New York City dinner and heard him utter in frustration "I keep moving forward and throwing these things behind me, and then I found out that no one was catching them!"

Don't wait for someone to catch. Manage the process with persistent clarity and discipline.

*** Please share your thoughts and experiences with us at the URL below ***



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