Tracking Success

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Tracking Success: part 5 of the 'Execution Excellence' series

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FOCUS Management *has produced a five part series on tackling the many challenges corporations face associated with strategic execution – the number one issue facing CEOs according to a recent study by the Harvard Business Review.*

In Part 1, you were introduced to a disease called strategy "executionitis", which can be deadly for an organization… it is certainly bad news for equity owners whose return on investment depends on its companies' strategies being successfully and efficiently deployed. This article is about an effective antidote-—clarity, alignment and commitment to:

- The strategic focus and direction
- Individual accountability

When you have lots of both, you get "Great Execution of What Matters Most" or execution excellence.

In **Part 2**, we discussed clarity of strategic direction and in **Part 3** the importance of clarity of individual work. **Part 4** outlined the process of connecting decision making authority to accountability because ***responsibility without authority = frustration and failure***.

This final part of the series deals with tracking successful execution.

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Plans whether they are long range, annual, or project based have very short shelf lives. No matter how well your plan is developed; no matter how much thinking went into its construction; no matter how many contingencies are built in; no matter how many flow charts were created…things will go wrong. Stuff happens both externally and internally. Often uncontrollable, often unpredictable.

Remember Murphy? He is still alive and kicking. Murphy's Law says that if things can go wrong, they will and usually at the worst possible time. I like O'Brian's Law. He said that Murphy is an optimist.

So how do we minimize the impact of Murphy and O'Brian? By setting up methodical and systematic, yet easy to use, ways of monitoring execution. But first you need to decide what is it that should be tracked? In Part 2, 'Fuzziness is the Enemy of Execution', SMART goals and objectives were used to sharpen the focus of what specifically needs to be done and achieved. Those metrics provide two ways of tracking progress: leading and trailing.

Leading metrics will warn you that something is about to go wrong.

Watching your auto's fuel gauge is an example of a leading indicator. The engine stopping is a trailing indicator. A few business examples:

# of sales prospects is a leading indicator. $ sold is a trailer.

Customer loyalty is a leading indicator for customer retention.

Days sales outstanding (DSO) is a leading indicator to over extending the line of credit.

Effective execution depends on having a balance of leading and trailing indicators. An audit at the OUTSET of the execution period will help to avoid finding out, too late, that end results will not be achieved. How many last minute efforts have you been involved in to meet month end or year- end objectives. What was the cost? What were the results? Who was fired?

KISS (keep it simple stupid) is another principle of effective tracking.

Start with 3-5 top level leading and trailing indicators that are directly related to the results that really matter. "The strategic few; not the lucky dozen" as one of my retailing clients calls them.

When managers were asked if they could rely on their colleagues to deliver all of the time, only 9% said yes.

All key players should have access to the actuals vs objectives on a 24/7 basis and should be able to see how their co-workers are doing on achieving the indicators that will influence each other's ability to meet the enterprise-wide goals.

A recent HBR article says that when managers were asked if they could rely on their colleagues to deliver all of the time, only 9% said yes. When the question was changed to 'most of the time', the response was 50% which is about the same confidence level in external suppliers. Early visibility is the prerequisite to collaborative solutions.

More on visibility.

While most companies are sensitive to the financial information they share with employees, especially privately-owned enterprises, it is very important to create meaningful score cards that are shared with all employees. All employees should be provided SIMPLE charts/graphs to let them know at a glance if they are winning or losing. This idea is at the heart of most process improvement/lean approaches.

Support functions (Accounting, IT, HR, Legal) need scorecards on how they are servicing their internal clients who in turn are serving paying customers. Service Level Agreements are not the private domain for external customers and should be used to create leading and trailing indicators for internal service providers.

Green, yellow, red.

Everyone knows what those colours while driving and walking our streets and highways. They provide us the authority for actions. When used with effective tracking here's what the colours mean:

Green: we are on track to meeting our success metrics (leading and trailing).
Yellow: we are off track but with effort we can get back on track.
Red: the target was missed. We could reset the target if still important.
Using the colour system a page of statistics can be assessed in seconds.

Frequency of check point meetings should allow for early detection and correction.

Quarterly check point meetings do not normally qualify unless there have been more frequents interim/mini check point meetings using meaningful data: leading and trailing indicators supported with real and accurate data. If you can't measure it, drop it or find out how to get the data, even if it's subjective.

Using metrics to set objectives that can't be accurately measured is a waste of time and energy. And worse yet it misleads managers and their teams to think they are in control.

So in summary here is the process that will get your organization into the Great Execution of What Matters Most Quadrant:
Focus on the #1 Obstacle to strategy execution: UNCLEAR DECISIONS AND ACTIONS.

Being clear on your accountabilities and the authority you have for making decisions is fundamental to strategy execution. While training, processes and systems are important aids to getting things done they will not tell you if what you are doing is relevant to implementing the plan. Neither will traditional job descriptions, culture change or employee engagement efforts.

This is not an indictment for those initiatives, far from it. They are key components to benchmark level management but they are not a substitute for getting execution roles and goals clear and aligned both vertically and horizontally throughout your business. Then fanatically track the leading and trailing indicators of success. The colours will tell you what to do next.

I'll close with a story of Vince Lombardy who is best known as the head coach of the **Green Bay Packers** during the 1960s, where he led the team to three straight and five total **National Football League** championships in seven years, in addition to winning the first two **Super Bowls** following the **1966** and **1967 NFL** seasons. Lombardi is considered by many to be one of the best and most successful coaches in professional football history.[2] The NFL's **Super Bowl** trophy is **named in his honor**. He was enshrined in the **Pro Football Hall of Fame** in 1971, the year after his death.
At the beginning of every new season, at the first training camp Lombardi started by stating the obvious to pro football players: "Gentleman the goal of this game is put this football", as he held it high in the air, "on the other side of the opponent's goal line. Do you all understand that?"

And that started grueling training camps that became famous for either making or breaking football players. He started with the fundamentals that all his players would have learned in their high school football. The training ended when they could execute the playbook, flawlessly.

I believe that the real testament to Lombardi’s coaching techniques came from the lips of opposing coaches when they said, “We know the plays that he is going to use, we have studied the tapes, but the problem is that we can’t stop him”, and that I believe is the real definition of strategy execution excellence.

When your competition can’t stop you.