



Media release

Business strategies still failing to deliver: Yet the solution continues to be ignored

Monday March 31, 2014. In today's intense business environment that provides very little room for failure – execution – the core component of business strategy implementation continues to be the Achilles heel of many of Australia's companies argue Converge Consulting (Converge) Co Founders and Principals Ty Wiggins and Wayne Condon.

“Formulating the strategy is often regarded as the easy component of the process with the execution and implementation extremely difficult to execute well and effectively. There are many reasons for this failure, but ultimately it simply comes down to a lack of buy in, engagement and a sustained commitment over time by all stakeholders within the organisation, with employees topping the list,” claims Wiggins.

Condon maintains that the true test of strategic engagement is ultimately measured by how an employee understands, relates to, translates and can apply the overarching business strategy to their role, client interactions and day-to-day tasks.

Employees are so often starved of adequate information related to strategy. They are inundated with messages from their company but rarely does this information relate directly to the strategy or strategic development within the business. As a result they are often frustrated in their inability to select actions inline with the strategy.

Converge research has revealed that in far too many instances, employees, even those one or two levels down from the CEO, have little knowledge about the strategy, or what they can do to help with its successful execution. Employee surveys in this situation consistently reveal a common group of underlying factors that include –

- No shared belief in the business goal
- No understanding of the importance of the goal
- No sense of ownership or responsibility
- No sense of belonging or being part of team
- No appreciation of the benefit the goal will deliver for the business

Wiggins continued, “The essence of a high level of strategic engagement is the ability of employees to translate the strategy into meaningful real time decisions that they can make daily in their role, confident that their decisions are not only aligned with the company's strategy but are helping to move the business forward. Ultimately, the impact and success of strategic engagement comes down to communication.”

Converge research has identified the following key drivers of an organisation having a low level of strategic engagement –

Lack of a strategy
Lack of application

Lack of awareness of the strategy
Lack of agreement

Lack of understanding
Misaligned Culture

Therefore, for a strategy to be effective and successful, it must combine the vision, structure, resources and culture supported by a detailed action plan that articulates allocation of responsibilities and delivery timetable.

Both Wiggins and Condon stress that there is no one size fits all solution that is applicable to every business and circumstance across Australia, but they do offer the following key ingredients needed to facilitate a successful strategy engagement.

Top of the list is **Remuneration** as an organisation must acknowledge, reward and support the behaviours, decisions and actions that fit with the strategy.

Induction and Training is next as an organisation that fosters a high level of strategic engagement has a supporting culture would make it a key part of the induction process to say, "Here at company X when we use the terms mission, vision and strategy this is what we mean and our mission/vision/strategy is..." This not only creates a high level of understanding but also communicates what it is.

Regular Review & Consistent Communication follows as the days of the annual strategy planning process are gone. The business environment moves too fast for businesses to just look at their strategy once a year.

Converge maintains that strategy should be reviewed at least quarterly and part of maintaining a high level of strategic engagement would be for the business to reaffirm the strategy at every meeting and organisational get together. In addition, the management team should make the strategy part of the agenda on every monthly or quarterly meeting and they in turn should do likewise with their staff.

Finally, the importance of **Graphic Representation** cannot be underestimated and once structured around a measurement tool could be represented by asking – is this relevant, is it just good communication or good execution by another name?

Many argue that the frontline staff don't need to know the overarching strategy, they just need to know what they need to do. It could also be argued that similar to military operations, you don't involve every soldier in the strategy discussions; you simply give them their specific instructions which they follow.

Converge contends that whilst this may be the case, the soldiers at least know who they are fighting and what they should do when they encounter them. Wiggins and Condon believe that many employees don't even know this much!

"Strategy lessons from the military give good evidence of what happens when the people at the frontline are unclear about the strategy – lives are lost. Yet in many businesses employees work every day with this lack of awareness and understanding of the overall strategy – and worse, it is regarded as an acceptable practice.

"The real value and effectiveness of a high level of strategic engagement is the building of trust which in turn underpins engagement and engaged employees take ownership and understand what needs to happen in order to make a difference for the business," concluded Wiggins and Condon.

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