

Valuable News

The News Engine of Valufacture Solutions



Valufacture Solutions are Business Architects; professionals dedicated to the Art and Science of *execution excellence* that achieves results.

"Strategies are failing because they are not being executed well"

Execution Excellence: Achieving the Results Desired

As Organizations begin to finalize their strategic plans over the next month or so, it is only fitting that we dedicate this issue of Valuable News to "**Execution Excellence.**" A quick poll taken amongst senior executives indicated that the execution of strategy, driven mainly by the shortage of talent, is now becoming a major agenda item. Those executives polled suggested that the issue is not with strategy, but rather, the issue is in the execution of the strategy. In short, what executives are telling us is that '**strategies are failing because they are not being executed**

well,' and this is frustrating the hell out of senior executives.

Introduction: The Execution Gap:

Simply, what executives are finding is that the things that are meant to happen are not happening, and this creates a gap between what they want to achieve and the ability of their organization to deliver. In order to narrow this gap, two things need to happen: First, execution needs to be a core element of the organization's culture; and secondly, execution must be seen as a discipline and as such, it must be seen as being very integral

to strategy.

Unless these 2 issues are addressed by senior executives, execution within their organization will be a 'hit-and-miss' affair at best or 'down-right' diabolical at worst.

By focusing on the following 5 core processes, senior executives will ensure that these 2 issues are addressed, that execution excellence will prevail and that their frustrations will certainly be eased.

The 5 Core Processes to Execution Excellence

1. The Strategy Process

The outcome of any strategy process should be a '*realistic* action plan that will reach the company's business objectives.' In order for that to occur, the process needs to include the input of the people who are dealing with your customers. In addition, there needs to be robust dialogue around the critical issues behind the plan and these discussions should attempt to address the following questions:

- » How well do we understand our existing customers and markets?
- » Are our short term and long term balanced?

- » How will the business make money on a substantial basis?
- » What are the important milestones for executing the plan?
- » What is our assessment of the external environment?

2. The People Process

This must be a robust dialogue that has at its core the following:

- » It evaluates individuals accurately and in depth and looks at their ability to execute the strategy.
- » It provides a framework for identifying and

developing the leadership talent within the organization – at all levels

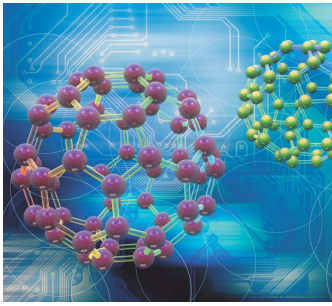
- » It fills the leadership pipeline thereby providing a strong basis for an organization's succession plan.

If your people process does not provide these 3 elements then it is not robust enough. Topgrading your organization from the top down would certainly be a good place to start.

3. The Customer Process

Jack Welsh, former CEO of general Electric, once said that 'the three most important things you need to measure

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“If you are growing customer satisfaction, your global market share is sure to grow too.”

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The Importance of Long Term Cash Flows

in a business are customer satisfaction, employee satisfaction and cash flow. If you are growing customer satisfaction, your global market share is sure to grow too. Employee satisfaction gets you productivity, quality, pride, and creativity. Cash flow is the pulse – the vital sign of life in a company.’ The importance of increasing long term cash flows has driven companies to focus on, amongst other things, sales growth which has elevated the importance of measuring the effectiveness of sales and marketing.

An effective customer process will provide an

organization with the capability and infrastructure to continuously gather ‘actionable’ customer data and use it to drive process improvement and design. Companies therefore need to ensure that they are focusing on the right customers, calling with the right frequency and detailing the right message.

4. The Operations Process

In the development of strategy, there are 3 fundamental flaws that senior executives should avoid:

- » Having a budget process that does not

allow for robust dialogue

- » Having a budget that is built around the results wanted with very little discussion centered around how those plans will be achieved
- » Having a budget process that doesn’t allow for coaching opportunities for people to learn the totality of the business

Avoiding these flaws will ensure the following: First, that there will be a link between strategy and results and the people who have to execute the strategy; and secondly, the plan will be realistic.

The Alignment Process

5. The Alignment Process

Perhaps the 2 biggest challenges that senior executives are continuously faced with are:

- » How to get everyone headed in the same direction with a shared purpose, and
- » How do you integrate the resources and systems of the organization so as to achieve its purpose?

Generally alignment occurs when everybody shares an understanding of the business, its goals and its purpose. In addition, everybody needs to know *how* they are contributing to the company’s business strategy and *how* the strategy is satisfying the needs of the company’s customers. The use of carefully tailored performance measures will enable senior executives to align everyone with the intentions of the business and with the key goals of the various departments.



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