Optimizing value creation by planning strategy executions and executing agile strategic plans!

Since the 1960s when firms started to engage in strategic planning – the process of defining the future vision of companies and identifying their goals, objectives, and scarce resources for allocation – it has evolved into an institutionalized praxis for them; an ‘old normal’, of sorts. The rise of strategic planning has been aided by, e.g., expanded access to business education at both the secondary and tertiary levels, heightened focus on corporate governance, the development of the management consultancy industry, and the adoption of culturally sensitive approaches to planning. Strategic planning is essential because, as Yogi Berra puts it, “if you don't know where you are going, you might wind up someplace else”.

Despite helping to define, refine, and revise the business models of firms, strategic planning has somehow contributed to increased strategy homogeneity and planning ritualism amid groups of firms – ostensibly linked to how they practice it. This has somehow created and perpetuated an imbalance that has manifested through the widening of the strategy execution deficit – defined as the percentage of a firm’s strategy or strategic initiatives that remain unimplemented at reporting intervals and/or at the end of its strategic plan period.

An article written in 2017 by Michael Mankins – a partner at Bain & Company, indicates that executives say they lose 40 percent of their strategy’s potential because of breakdowns in execution. The author implies that much of this is because the strategic plans of many firms were flawed from the beginning and insists that firms should take a “Decide-Do/Refine-Do” or “Test-and-Learn” approach. In this model, “Decide” and “Refine” are routine considerations and “Do” or Doing is even a bigger deal. This speaks to agile strategic planning – the development of shorter and more frequent plans which are underpinned by the notion of ongoing experimentation, learning, refinement, and pivoting as organizational and market conditions evolve. The agile approach also empowers business leaders to articulate longer-term visions and pursue them as firm resources, focus, and capacity, as well as market conditions allow.

The firms that shape markets in the twenty-first century are those with agile strategic plans / strategies and low strategy execution deficits / high implementation rates – the combination of which enables them to be responsive to both market threats and opportunities. Firms such as Amazon, Google, and Apple have used agile strategic planning and effective strategy execution to enrich their shareholders primarily through stock price appreciation. So, the agile approach is not a 'walk-in-the park'; it requires a complete rethink of a firm’s strategy-making and executing processes, but it is worth it!

The Strategy Practice Team at Growth Perspectives (GP) advocates the use of agile strategic planning in the Caribbean and African markets and is helping some of its clients to transition from traditional to agile strategic planning. This shift is necessary because in these regions, there is an acute imbalance between the strategic planning and strategy execution activities of firms. Some firms upscale their implementation capacities internally or externally via, for instance, management consultants and organizational collaborations. But the strategic planning activities of most firms are traditional and often oversized whereas their strategy execution activities are undersized. Research in this arena is sparse. However, observations from our strategy practice and insights from the strategy practices of our regional partners indicate that there is an average strategy execution deficit of between 10 percent to 50 percent for firms of various sizes, sectors, and financial capacities.

It is therefore vital that firms prioritize and balance agile strategic planning and strategy execution to drive optimal success and sustainability. This will not only deliver financial benefits to shareholders; it will also generate spillover economic and social benefits to the economies in which they operate. Prioritizing and balancing agile strategic planning and strategy execution involves consistently doing three things very well: **(1) developing robust agile strategic planning and strategy execution frameworks, (2) experimenting and managing strategic changes, and (3) neutralizing strategic threats while seizing emergent opportunities**.

The development of a robust agile strategic planning and strategy execution framework provides a systematic way of analyzing, (un)learning, adapting, changing, and shaping the market environment and living the written values and principles of firms. This framework should allow for the individual and integrated pursuit of defensive, reactive, responsive, and anticipatory strategies. It should involve the creation of a small steering committee of 3 to 7 action-oriented leaders with the authority to recommend, and in some cases make, resource (re)allocation decisions up to certain levels. The framework should also build-in strategy execution within the agile strategic planning process and enable the designing and delivering low or no strategy implementation deficits. In sum, it should enable value creation and distribution at optimal levels and be agile enough to withstand top level leadership change and transition.

Experimenting and managing strategic change should be embedded in the organizational culture and norms; it calls for the development of a growth mindset at least at the board and executive levels. This involves, among other things, the removal or absence of a ‘fear of failure’ culture, strategic risk-taking ‘testing and contesting the waters’, dismantling and unlearning departmental siloed behaviors, reframing low productivity and other bad habits, reimagining engrained customs and systems, learning new systems and knowledge sharing within and across teams, involvement of general staff members in the strategic planning process in genuine or non-symbolic ways, resisting pressures to revert to the status quo and acceding to pressures supportive of positive change, as well as leading organizational change, staff empowerment and accountability initiatives from the front and by example.

Neutralizing strategic threats while seizing emergent opportunities requires advance analytical and intuitive skills, risk assessment and management excellence, strategy prioritization acumen, good timing, diverse strategic perspectives, stakeholder leadership competence, and decision-making prowess. Strategy-makers should know when to, for instance, adopt a defensive strategic posture vs an offensive one and how to jointly pursue these seemingly divergent strategic postures. They should define both product/ service market entry and exit objectives and strategies and adjust them as the need arises.

In closing, according to Bridges Business Consulting, only 2% of US corporate leaders are confident that they will attain 80–100 percent of their strategic objectives. This is astonishing and must be addressed, especially in the Caribbean and Africa where the numbers are even more alarming. An agile approach to strategic planning and strategy execution can help to improve these metrics and reduce the strategy execution deficits of regional firms. Such an approach can also help these firms to defuse threats and convert opportunities faster in this dynamic and ever-changing marketplace. Finally, the agile approach will dismantle ‘group thinking’ and stimulate strategy heterogeneity and differentiation, which will better enable firms to distinguish themselves in markets, increase their innovation outputs, outperform their competitors, and attain and maintain market leadership positions.

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Growth Perspectives Limited (GP) is a dynamic Jamaica-based international management consultancy firm that specializes in strategy formation, innovation enabling, and corporate education. A born global enterprise, the firm is comprised of some of the brightest minds in these areas who have worked for, and added value to, leading organizations around the world. Over 50 percent of GP's consultants speak two or more languages hence, our firm is able to undertake both solo and joint engagements in e.g., English, Mandarin, Spanish, French, Swahili, Hausa, Yoruba, Akan, Portuguese, German, and Japanese.

GP has a growing client base which is mainly comprised of firms, governments, and development agencies across the Caribbean, Latin American, and African regions. The firm has developed a reputation for providing both thought leadership and service leadership. Because of GP's unique synthesis of knowledge, strategy, and technology as well as its relational, hands-on, and tailor-made solution approach to client engagements, the firm receives positive ratings and repeat business from over 90 percent of its clients across countries and sectors.

GP maintains strategic partnerships with best-in-class firms which are based in the Caribbean, North America, South America, Africa, and the UK.

OUR VISION

To help our clients transition to the sustainable growth and development realm, ultimately gaining and retaining market leadership status.