



Albu *on* Strategy

Summer 2010

4 “Rules of Engagement” that Drive Strategic Success

I believe there is always something new we can learn by meeting and speaking with people of varied backgrounds and experiences. In a recent conversation with a friend, I was very impressed with the way in which he had made strategy management the centerpiece of decision-making for everyone in his company. Essentially, strategy is a part of everyone’s day-to-day responsibility, and that is the ultimate level of strategy management we should all strive for. And how do you get to that level of strategy management? By following four basic “rules of engagement” that will make strategy management work for you.

Communication – It all starts with a very basic responsibility of every CEO... clearly communicating the strategy to everyone in the organization. It is in essence the core element of successful strategy management. Strategy needs to be communicated at all levels (to the company, departments and one-on-one), and repeated often to the employees, reminding them of the current situation and overall strategic direction of the company.

Alignment – A relatively simple management principle is to ensure activities and goals are linked to the

strategic initiatives. This does not happen by accident. It requires a disciplined approach to “cascade” the Vision, Mission, Strategic Initiatives, Goals and Tasks down through the organization systematically. Employees are motivated and energized when they understand their role in strategy implementation.

Commitment – Leadership is about empowering people to use their skills to get things done effectively, and getting buy-in from managers and employees on key strategies. Engage your employees in the process of building the implementation plan and they will take ownership of the goals and tasks.

Accountability – Creating an accountability-based culture focused on results is vital to ensuring great strategy execution. You create this culture by having processes and measurement criteria in place that clarify expectations for individuals and teams. An accountability-based culture happens when individuals hold themselves accountable for results.

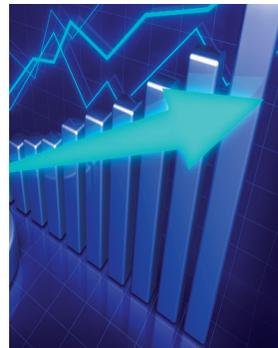
On average companies only realize 60% of the strategic plan value. Would you like to increase the odds of success? We can help you. Give us a call.



Is Strategy Static or Dynamic?

Good strategy management is all about having a robust strategic plan and a strong implementation process. However, in reality strategy management requires constant tweaking (meaning refinements over time) as the learning process evolves and market realities are clarified.

This can be illustrated by a recent client experience. In creating strategy, which was to be more customer centric in key channels of distribution, it became evident that there were important gaps in the information needed to clarify the details of the strategy. Although management agreed on the overall strategic direction to become a customer centric organization, the details of the strategy were not



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Dear Friends,
Regular readers of this newsletter already know that if there is one thing more important than developing a sound business strategy, it is managing that strategy so every individual in the organization understands it, buys into it, and accepts shared responsibility for its implementation.

In this issue, we focus on successful strategy management. In our lead article, we discuss the challenge of keeping strategy central to the day-to-day activities and goals of every individual in the organization.

If you are concerned that your business is not implementing your strategic plan swiftly enough or effectively enough, our Recommended Reading will give you new insight into the relative impact of the “three Ps” – Pace, Process, and People – on the speed and success of strategic implementation.

The most effective strategic plan must be robust but dynamic, allowing for continual adjustment as competitors rise and fall and economic conditions change. Our third story highlights a new tool for managing strategy execution in an evolving business environment, and invites you to learn more.

The mere fact that your business has survived the last two years is a tribute to its strength and your management skills. If the economic climate in your industry is changing, however, it may be helpful to obtain a third-party view of what is really going on and how your company can better adapt to new challenges. *Albu Consulting* stands ready to help. We will welcome your call.

Sincerely,
Dick Albu, President





RECOMMENDED READING

Strategic Speed: Mobilize People, Accelerate Execution

By Jocelyn R. Davis, Henry M. Frechette Jr., and Edwin H. Boswell

This recently published book reinforces the opportunity to improve performance through strategy management principles and our strategy execution management system. The book focuses on business executives' concern that their companies are moving too slowly to maintain a competitive edge. The authors conducted a major research study to uncover the real keys to achieving what they call "strategic speed". They surveyed 343 senior leaders and conducted 18 case studies. What did they discover? Focusing just on pace and process leads to only superficial speed (lots of activity, but little forward motion). To achieve "strategic speed" implementing strategies both quickly and well – people need to be a key ingredient in the success formula.

The authors build the case that the successful companies learned to "slow down to speed up". Companies sometimes confuse operational speed (moving quickly) with strategic speed (reducing the time it takes to deliver value). Faster companies utilized a speed formula of: Pace + Process + People (The 'people' factors requiring the most attention).

Findings showed that strategically fast companies paid attention to these three people factors:

- **Clarity** – A shared, clear understanding of

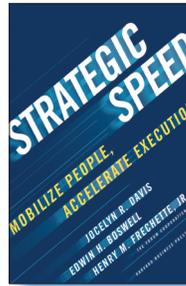
the situation and the direction the company is heading.

- **Unity** – Whole hearted agreement on the direction and the need to work together to move ahead (collaboration).
- **Agility** – Being open to different ways of achieving the agreed direction (bias for action).

Through the use of case studies the authors illustrate how to use four leadership practices to enable strategic speed in your company:

- **Affirm strategies:** Ensure everyone knows the destination and wants to go there
- **Drive initiatives:** Create real momentum and behavior change
- **Manage climate:** Increase confidence, motivation and teamwork
- **Cultivate experience:** Harness employees' insight and capture learning

Is it worth investing the time to "slow down to speed up"? The authors' research shows that faster companies demonstrate 40% higher sales growth and 52% higher profit growth than do their slower peers. If you are at all interested in leadership and strategy, this is a book you don't want to miss.



Albuinfo

Albu Consulting is a strategy management consulting firm dedicated to helping businesses develop robust plans and strong implementation. We work with owners, Boards, CEOs and leadership teams to bring out the best in companies.

Our goal is to help clients achieve sustainable profitable growth over the long term by:

1. Optimize resource allocation by focusing on high priority, value-added initiatives, while eliminating wasted time and money on low priority activities
2. Creating an effective and efficient organizational culture, increasing collaboration and communication, eliminating silos and building an accountability-based culture
3. Enhancing management's decision making process, making better decisions with more confidence over the long term
4. Creating a culture of continuous improvement with a willingness to change

Founded in 1994, Albu Consulting is recognized for its content and industry expertise, and for delivering results that create value over the long term. Collaboratively with our clients, we provide practical and actionable recommendations that are rooted in sound, best-practice business principles, and industry knowledge. Here is what one of our satisfied clients had to say:

"Albu Consulting's skilled, hands-on approach worked well to draw out and engage both family and non-family alike. Their follow through was complete, and not overbearing, allowing us to work and develop at our own speed. We are happy to have their assistance and would strongly recommend Albu Consulting."

**Alexander S. Guida III, Chairman,
Guida Milk & Ice Cream**

Please contact us directly for a confidential discussion about the challenges you face, or if you know of someone that might benefit from our services, we would welcome the referral.

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“ The long-range (plan) is largely made by short-run decisions. Unless the long-range is built into short-range plans and decisions, the most elaborate long-range plan will be an exercise in futility. ”

– Peter F. Drucker

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yet crystallized in their minds. Therefore, management accepted the fact that there would be a learning phase in which the strategic plan would continue to evolve and improve.

Our objective is to develop robust plans with our clients while also making sure they have a strong, dynamic implementation plan. Over the years we have coached our clients on a paper system to manage execution, and this has served our clients well in the past. Today's market realities require a more

dynamic strategy execution solution. That solution is KEYNELink, an online strategy execution management system that clarifies, aligns and engages the organization. It provides management a dynamic platform to learn and adjust strategies to make them better, while creating an organizational culture of commitment and accountability focused on results. You can learn more about KEYNELink at <http://albuconsulting.com/keynelink.html>. If you'd like to see a demonstration of KEYNELink, please call us.