A Road Map for Successful Strategy Execution

How do you successfully execute strategy? It's not just about making rational economic decisions. Effective strategy execution demands something more. This article lays out a road map for strategic leadership, illustrated with the wisdom and experience of Federico Minoli, the globally renowned "turnaround artist."

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As General Manager (GM), your role is a constant challenge. Your company may be performing below expectations; an external threat to your business model may be looming on the horizon; or maybe you spot a market opportunity and are wondering whether you should jump on it. Your excitement may be tinged with panic, because the complexity of your work -- and the potential consequences of your decisions -- will impact thousands of lives. Your company may need some change, but where should you start? With your strategy? But having the best strategy is of little use if it can't be implemented. Should you start by tackling internal resistance? Or reviewing the composition of your team? Should you convene a board meeting to clarify your goals or ratify them later on? Meanwhile, your inner voice is asking: do I have what it takes to succeed?

These questions highlight why strategy execution is an increasingly sought-after skill in management. For instance, a 2017 Henley Business School survey of 446 managers and directors from 51 countries revealed that strategy execution was the second most important development priority for executives and senior managers, moving up a place from 2016.

What makes the GM job so tough is there's no all-purpose manual to study, apply and follow. The technical knowledge that served you well as a functional manager is of little or no use in resolving the trade-offs involved with making and acting upon the corporate-level decisions that GMs have to face. Your abilities, and the challenges you have to deal with, are part of a personal journey that will be different from the journeys of other GMs, because it is an expression of who you are and the situations you have to face.

Federico Minoli, a globally renowned turnaround manager, puts it bluntly: "Strategy execution is quite chaotic. Success will come from getting your hands dirty, talking to people on the shop floor, and being humble enough to admit what you don't know. All your beautiful plans and spreadsheets will fail if they are not attached to reality."

Overwhelmed? Don't worry, we're here to help. Together with our colleagues in the Strategic Management Department at IESE, we've developed a road map for successful strategy execution. Use it to guide you through your next challenge, but treat it like a doctor's protocol -- a structured reference that still requires critical judgments and on-the-spot adaptations to be made in light of on-the-ground realities. Throughout the article, Minoli interjects doses of wisdom and realism: "You have to have a direction," he says, and that's what we endeavor to give you. "Then you can enjoy the journey, wherever it takes you."

Strategic Leaders: More Than Just Managers

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Through our research, we discovered that successful GMs don't see themselves simply as managers, but rather as strategic leaders, which we define as a leadership style not limited to making rational economic decisions (valid as they are) but one that reconciles the hard and the soft aspects of strategy execution in a single, holistic process.

All too often, GMs behave purely as hard strategists, analyzing the competitive landscape and sending out orders, like generals to their troops. The problem with single-minded rational management is that it can lead to business strategies that aren't actionable, because they fail to account for human, organizational and political dynamics. At the other end of the spectrum lie those GMs who just focus on interpersonal relations. These touchy-feely managers risk losing sight of the bottom line, leaving the firm vulnerable to competitive threats or the next economic or technological shock. You need to be a fusion of both, if you want to be able to execute strategy effectively.

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