Mind the Gap

The Four Essential(S) for Guaranteed Execution and Lasting Value

JIM EATON, KINGDOM PARTNER SOLUTIONS

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Thomas Edison once said, "Vision without execution is hallucination." If this statement is accurate then most organizations never reach their ideal destination as only 10% successfully manage to implement their strategies on a consistent basis.[1]

So what lies at the root of such execution failures? What are the corrective actions leaders and organizations need to implement to overcome such inconsistent performance and grow their enterprises? Unfortunately, the tyranny of the urgent, the whirlwind of daily activities, and the rat race chase for quick monetary returns too often prevents organizations from working "on" their business to reverse such trends. Inherently, a gap is formed from which organizations rarely emerge. But there is an answer. Four Essential(S) have been proven to be the root corrective actions needed to "mind the gap," end strategic hallucination, and drive unparalleled growth results. What follows are the characteristics and best practices that must be implemented to ensure guaranteed execution and lasting value today and forever.

Serve

> ***"Just as the Son of Man did not come to be served, but to serve, and to give his life as a ransom for many." (Matt. 20:28)***

Why is it that more than 20,000 books have been written on leadership, yet 77% of respondents to a 2012 National Leadership Index Survey[2] said that the US has a crisis in leadership? Why did 86% of respondents to a 2014 Survey on the Global Agenda[3] think that there is a leadership crisis in the world today? Why is it that 30% of Fortune 500 chief executives in the last 20 years have lasted less than three years on the job[4]… all with factors and major reasons that have little to nothing to do with competence, knowledge, or experience?[5] The various explanations appear mostly to do with hubris, EGO (also known as, "Edging God Out"), and a lack of emotional intelligence (i.e., not understanding how your behavior influences others). Truly, our country and the world desperately need a different leadership model and reference book – Jesus Christ and the Holy Bible. For the greatest leader of all time gave us clear instruction how to behave in John 13:14-15, "Now that I your Lord and Teacher, have washed your feet, you also should wash one another's feet. I have set you an example that you should do as I have done for you."

So how can we best execute on Jesus' command? There are five characteristics and best practices of servant leadership[6] that offer a clear direction:

1. **Servant's Heart** (Right Identity – Seeing oneself as a servant) - Cultivating selflessness: Not I, but Christ; not about me, but about the organization and the people
2. **Serving and Developing Others** (Right Motivation – Serving God by serving others) –Practice of empowering others for their development
3. **Consulting and Developing Others** (Right Method –Relating to others in a positive manner) – Involving others in decision-making

4. **Inspiring and Influencing Others** (Right Impact – Inspiring others to serve a higher purpose) –Challenging others to strive for excellence; teaching the need for constant self-development

5. **Modeling Integrity and Authenticity** (Right Character – Maintaining the integrity and authenticity) – Walking the talk regardless of the costs

Strategize

> ***"In all labor, there is profit, but merely talk leads to poverty." (Prov. 14:23)***

In addition to earlier quoted statistics, less than 10% of strategies formulated by organizations are effectively executed.[7] Further, 64% of business leaders lack confidence in their company's ability to close the gap between strategy and execution.[8]

Apparently the term "strategize" takes on different connotations and brings different results for most organizations and executives. Clearly there exists a disconnect in most organizations between strategy and execution. The following methodologies will eliminate this disconnect:

Habakkuk 2:2 notes, "Write the vision and make it plain so that the person who reads it may run." Strategic plans must be developed with the involvement and engagement of the entire leadership team, rather than simply being dictated down to the troops by the CEO. Such plans should include a complete visual of where the organization is internally and externally, usually via a SWOT Analysis (Differentiating Strengths; Internal Weaknesses; Short and Long Term Opportunities; and External Threats)."Executable" strategic plans, however, must also include an Impact Analysis (High to Low Importance Rating) of the identified Strengths and Weaknesses in relation to the organization's ability/capacity to achieve its identified Opportunities, as well as to combat its identified Threats. Once completed, the organization can then and only then "objectively" determine its top two or three Annual Growth Initiatives. There should never be more than three as it has been proven that the more organizations try to accomplish, the less they actually accomplish.[9] Unfortunately this is a typical cause of the aforementioned disconnect because it requires organizations to go against their age old wiring and "focus on less" so strategic growth can truly be achieved. Finally, Initiatives must be SMART (Specific, Measurable, Aligned – with Vision and Mission, Realistic, and Timely – achievable within 12 months). They must also include defined and prioritized strategies and the names of those agreeing to be responsible for their execution.

Support

> ***"The plans of the diligent lead surely to plenty, but those of everyone who is hasty, surely to poverty." (Prov. 21:5)***

Unfortunately, 85% of executive teams spend less than one hour per month discussing strategy while only 5% of their workforces even understand their organization's strategy. In addition, 60% of enterprises do not link budgets to strategy.[10] Given these statistics is it really a surprise that such a low percentage of strategies developed are actually executed? What's really sad is the enormous opportunity cost with regard to employees, customers, shareholders, expansion plans, brand development, and the Kingdom of God when strategic growth initiatives are not accomplished year over year. The following can fix this:

Execution must become a cultural competency in organizations. It must include a support process of accountability complete with clear and agreed primary job responsibilities for its leaders and employees. It must also include measurable goals, first and foremost tied to the strategies linked to the aforementioned Annual Growth Initiatives. Most importantly, it must include frequent follow-through and communication between management and staff personnel about these agreed and measurable attributes. The follow-through and communication must include reviews of Core Value (internal behavior) adherence and other strategic or relational issues/opportunities that have arisen since the last one to one and/or leadership team meetings. But can more meetings really be added to the already typical hectic environment surrounding most enterprises? Steven Covey's Time Management Model depicts how we can get it done! It starts by minimizing the seemingly "urgent" but "not important" (Quadrant III_ interruptions in our lives (e.g., emails, phone calls, non-value added meetings, popular activities, etc.). Instead, we must substitute the seemingly "not urgent" but truly "important" (Quadrant II) business attributes (e.g. employee training, preparation and planning, personal and professional development, relationship building, new opportunities recognition, etc.). By so doing we can be successful in linking and synchronizing strategy to operations and to the people who are going to implement the strategy.

Then we must also fulfill the final Essential(S).

Share

> ***"Now to the one who works, his wage is not credited as a favor, but as what is due." (Rom. 4:4)***

Lee Iaccoca of Chrysler fame once said "Start with good people, lay out the rules, communicate with your employees, motivate them, and reward them. If you do all those things effectively, you can't miss." Still, statistics show that only 25% of managers have incentives linked to overall strategy.[11] This happens because year over year, leaders and organizations simply repeat the same old typical reward programs based on such attributes as hard work, tenure, attitude, past bonus levels, and across the board payouts, most of which have virtually nothing to do with the execution of their agreed strategic plans and corresponding budgeted financial performance. We can do better and here's how:

Financial incentives (assuming there is available free cash flow to share) must be linked to the accomplishment of the aforementioned agreed measurable goals in support of the organization's Annual Growth Initiatives. Peter Drucker and many other renowned leadership experts have been credited as saying "what gets measured is truly what gets done." By determining achieved performance results for leaders and staff in relation to their agreed measurable goals, "objective and fair" performance based, incentive compensation can be determined and paid, thus motivating even higher levels of performance in future periods to come.

Summary – Guaranteed Execution and Lasting Value

So how can execution and lasting value be guaranteed? Quite simply, when all of these *Four Essential(S)* are implemented well and implemented fully into the culture of an organization, in a mutually inclusive rather than mutually exclusive manner, it is a "can't miss" scenario not only for the year ahead, but also for the life of the enterprise. And as our new reference book also promises,

> ***"Where there is no revelation, people cast off restraint; but blessed is the one who heeds wisdom's instruction" (Prov. 29:18).***

[1] Forbes; IBM White Paper on Planning and Implementation (October 2012).

[2] National Leadership Index survey; published by the Center for Public Leadership at Harvard Kennedy School & Merriman River Group (2012).

[3] World Economic Forum Survey on the Global Agenda (2014).

[4] Ray Williams, International Coach Federation, "Why Leadership Development Fails to Produce Good Leaders" (December 2013).

[5] David L. Dotlich and Peter Cairo, Why CEOs Fail: The 11 Behaviors That Can Derail Your Climb To The Top And How To Manage Them (San Francisco: Josey-Bass, 2003).

[6] Summary from Blanchard & Hodges (2003), Maxwell (2005), Spears & Lawrence (2004), Best Practices in Servant Leadership published by School of Global Leadership and Entrepreneurship – Regent University (2007).

[7] *Fortune Magazine*

[8] OnPoint's Strategy – Execution Gap Study.

[9] Chris McChesney, Sean Covey, Jim Huling, The 4 Disciplines of Execution: Achieving Your Wildly Important Goals. (April 2012).

[10] Paul R. Niven, *Balanced Scorecard Step-by-step: Maximizing Performance and Maintaining Results* (2002).

[11] Ibid.

About the Author

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