

# 10 Reasons Strategies Fail

by Vistage speaker **Michael Canic**

Why do so many business strategies fail? From IT implementations and acquisitions to process management initiatives and customer focus projects, the outcomes are distressingly similar. If you want to play the odds, bet on failure.

Most business leaders have fresh ideas, good intentions and a willingness to take action. So why is it so hard to turn strategy into reality? Here are 10 of the most common reasons:

## **1. The goal isn't clear**

Fuzzy goals lead to fuzzy outcomes. While it seems obvious, many organizations simply don't articulate the specific goal of a business strategy. If the goal of your customer intimacy strategy is to form deeper customer relationships, that's fuzzy. If the goal is to increase customer retention by 10 percent and grow annual revenue per customer by \$10,000, that's clear. Here, deeper customer relationships may be the mechanism to achieve the goal.

## **2. The goal isn't compelling**

The "why" provides the impetus to achieve the "what." If the goal is a nice-to-do rather than a must-do it's unlikely to happen. What makes a goal must-do? The prospect of a big win. *If we can supply 10,000 units in 30 days then MegaRetailer will make us a preferred supplier.* What else makes a goal must-do? The prospect of avoiding substantial pain. *If we can sell 10,000 units in 30 days then BigBank will let us keep our doors open.*

## **3. Too many goals**

When everything is a priority, don't be surprised if nothing gets accomplished. Many so-called strategic plans have too many goals, objectives, success drivers, strategies, initiatives and so on. Worse, it's not clear how these various appendages are linked. Is it any surprise these plans sit on shelves and collect dust? Choose to do fewer things much better.

## **4. The plan is vague**

Many plans are simply a brainstormed list of things to get done by unspecified people at indeterminate times. A plan with specifics outlines who will do what by when. It takes into account the sequencing and timing of tasks, activities and resources.

## **5. People aren't engaged in the planning**

When the bigwigs come down from the mountain with the plan, how much buy-in do you think they get? Little? None? Resistance? Buy-in without engagement is virtually impossible. If you want people to be engaged, they need to have a voice in the planning process. That means either a voice at the front end of the process – focus-groups being one example – or a voice after the *draft* plan is created. When people are involved in the process and encouraged to provide input they feel engaged. This doesn't mean that strategic decisions are made democratically. They're not. It's about respect. Are they asked? Do they feel heard? Effective planning is done through people not to people.

## **6. The cultural implications are overlooked (yet again)**

Quick: Do projects more often fail because of technical reasons or cultural reasons? An overwhelming majority of managers we've surveyed identify cultural reasons. Similarly: is more time and energy devoted to planning the technical implementation or cultural implementation of projects? You guessed it – a similar majority say the technical implementation. There is a mountain of evidence in the business literature that supports these insights. One might think that organizations would have connected the dots by now. Sadly, neglecting the cultural implications unwittingly undermines technically sound plans. If you want to make implementation work, then carefully align the processes, structures and systems that impact and enable people.

## **7. Progress isn't measured and managed**

Ever notice how plans placed in the spotlight flourish while those left in the dark shrivel? Any plan worth executing is worth tracking. A monthly meeting with a tight agenda can quickly determine what actions have been taken; what progress has been made; what will be accomplished over the next month and by whom, and what, if any, challenges have emerged. This builds commitment, accountability and confidence in the process.

## **8. The plan lacks flexibility**

Reserve the right to do what makes sense. Plans are based on assumptions that can change over time. If they do change, then the plan may need to change. A quarterly "recalibration" meeting is a good forum to test your assumptions and determine which, if any, have changed. The meeting may result in either a revalidation or redesign of the plan. It ensures the plan stays real and relevant.

## **9. You lack the right people**

Some of those nice people who work for you may not be the right people to get the job done. That statement makes you uncomfortable, doesn't it? If you are truly committed to winning, however you define it, then at some point you have to take a long, hard, honest look at the capabilities of your people. Point them in the right direction, support them, develop them – give them a fair chance to succeed. But if they can't get it done, then your responsibility is to get people who can.

## **10. Failure is met with indifference or an inquisition**

Your response to failure sends a clear message about your commitment to winning. Just as importantly, it sends a message about your credibility. Do you ignore a failed initiative and move on to the next big thing (which conveys that you really weren't that committed and you shouldn't be taken seriously)? Do you look for scapegoats (which communicates that you don't take personal responsibility and can't be trusted)? Or do you first look in the mirror, take responsibility, then publicly commit to getting it right, and effectively engage your people to make it happen? Your choice speaks volumes about who you are as a leader.

As a former football coach who helped lead a university team to a national championship I, learned an important lesson. There's a big difference between the will to win and the will *to do what it takes* to win. It's critical that you understand the difference. Ask yourself the question: How committed to winning are you?

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