



Making Strategy Work



As a leader in your organization, the development and successful implementation of long-term strategy is one of your key responsibilities. Does your strategic planning process give you the results you desire? This is the fourth in a series of brief articles that offer best practices in strategic planning.

People

“Culture eats strategy for lunch...” A catchy phrase coined by the CEO of a major pharmaceutical company, yet it captures the fact that great strategy requires effective team execution. Think of examples when great thought, planning and toil went into conceiving and implementing just the right strategy, only to find results were not as expected. Virtually every company in the world, every not-for-profit organization, and every faith-based institution has had the same experience. What begins in the minds of leaders as a “strategy” problem becomes an “execution” problem. No strategy, no matter how brilliantly conceived, can produce expected results in the absence of a culture that executes well.

Culture simply defined is *the way we do things around here*. The *way we do things*, by definition, is the sum total of behaviors evident in the organization. And these behaviors are normative indicators of the values espoused and embraced by the organization. Therefore, it stands to reason that *values govern behavior and behavior determines performance*.



Values govern behavior; behavior determines performance.

To better understand the model, consider this example: Many organizations embrace *service* as a core value. If both leaders and employees value service, this value leads to the belief that service is important and that service makes a positive difference in working with each other, as well as with customers. This belief inspires employees at all levels to think about how they might tangibly demonstrate service, and it governs their choices about whether they serve the customer's wants and desires or their own – and whether they serve their fellow employees' needs, or focus on their own preferences, desires, or ambitions. Right choices result in observable and measurable behaviors that delight customers and support, affirm and motivate other employees. Collectively, the behaviors determine specific performance – performance that develops trust and encourages innovation on the part of employees while creating loyal and satisfied customers – and ultimately results in outstanding execution and significant return-on-investment.

Positive corporate cultures – cultures that can accomplish a worthy mission and execute well the appropriate strategies – evolve from values formally embraced and intentionally modeled. Such cultures do not happen by accident. They require intentional effort on the part of the leaders who are aligned in intent and behavior. Positive cultures must be built both from the top-down and the bottom-up, saturating every aspect of work life. They must be established through intense leadership development initiatives and through training programs that target every level of the organization.

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Key questions for leaders:

- *Do you understand and embrace the competitive power of corporate culture?*
- *Do you view culture as a key element of corporate strategy?*
- *Considering the corporate values that determine your culture, does your leadership team understand the difference between intent and practice?*
- *Does your leadership team realize that creating the desired corporate culture is vital to your success?*
- *What tangible leadership development programs have you launched to demonstrate leaderships commitment to building the desired corporate culture?*

Straight Path Management's mission is to help business and nonprofit **leaders** successfully tackle their **top strategic opportunities and challenges** in order to **realize vision**. We welcome your comments on this article. For more information, please visit us at www.StraightPathManagement.com (for profit companies) or www.Mission-Impact (nonprofits). Our colleague Davis Taylor specializes in helping firms strengthen culture and may be reached at davis.taylor@taiinc.com. Prior articles in this series, "Making Strategy Work," are available on our websites.