

# Introduction

- Deploying a strategy, sometimes called strategy implementation or strategy execution, is one of the most critical steps in the strategy process.

## Lyft

- Consider strategy execution for Lyft. Logan Green and John Zimmer started Zimride in 2007, but then expanded into local ride sharing in 2012 with Lyft.
- Building an app and creating systems and processes that worked were challenging, but these were not the only challenges. They had to persuade riders to try this new alternative to a taxi service, persuade drivers to be willing to work for a new platform, navigate regulations and compete against companies like Uber. Although Lyft has succeeded in getting the service running, costs have consistently outpaced revenues.
- Having the idea is one thing, turning it into a profitable business is a different matter.

## Execution is key

- Successfully deploying a strategy requires a distinct set of tools. The tools of implementation guide leaders in:
  - Successfully acquiring and assembling necessary resources
  - Designing the right organizational structure
  - Hiring, training, and motivating the right people
  - Understanding and mitigating the critical risks that could undermine their strategy
  - Establishing the right organizational processes,
  - and deploying metrics and monitoring systems to make sure the strategy is running as it should be.
- Effectively deploying strategies consumes executive time, energy, and attention.

## Examples of successful strategy implementation

- While other US manufacturing companies struggled in the early 21<sup>st</sup> century, Lincoln Electric shined and survived ups and downs better than others. Much of their sustained performance can be traced back to their strategy implementation and execution.
- Since its inception, Lincoln Electric adopted unique incentive systems that motivated employees to embrace the company strategy of delivering innovative and top-quality equipment at a reasonable price.
- They also share company profits with employees during good times, and guarantee employment during difficult times. These practices lead to intense employee loyalty, which results in lower turnover and lower overhead costs.
- Additionally, leaders at all levels support a culture of transparency, inclusion, and respect. This means that employees have never felt the need for a Union.
- We could go on and on but suffice it to say that they have brilliantly customized their systems and practices to be internally consistent and aligned.

## Strategy deployment models

- Academics and consultants have proposed numerous strategy deployment models over the years. They all emphasize at least two critical forms of alignment:
  1. External alignment - what we do aligns with our external environment and
  2. Internal alignment - our internal policies, practices, tactics, etc., integrate and work well together.
- One common deployment model, McKinsey's 7-S model, helps strategic leaders consider how their internal structures, systems, leadership styles, shared values, skills, and staff are all aligned with strategy. Other models, such as the Galbraith Star Model, reinforce the idea that alignment is essential to implementing a strategy. When everyone rows together the pace of progress toward a strategic vision is faster and more certain:
  - Strategic human resource best-practices, organizational design philosophies, decision-making models, and culture building strategies can be implemented to empower employees and ensure that their best-efforts fully support the strategy.
  - Risk-management systems and operational best-practices approaches such as Kaizen and six-sigma can help ensure that time and money are not lost through inefficiency, waste, and mistakes.
  - Tools such as the balanced scorecard and routine planning and review processes help strategic leaders to keep the strategy and implementation on track. By monitoring and managing long-term, medium-term, and short-term metrics to track performance, leaders can identify and address key problems and opportunities.
- Unfortunately, since businesses and their environments are constantly changing, we may find that just as we start to deploy our new strategy we need to describe, diagnose, and develop again. The tools of strategy deployment are critical in these stories.
- It is impossible to predict how long any company will continue to win in the market. Great strategists use the full complement of strategic tools to determine what to do next.

## Conclusion

- As you become more familiar with the tools and frameworks of strategy, you will become more proficient at quickly and instinctively moving through this cycle.