Pursuing Execution Excellence
Goal Setting and Cascading Challenges in a Matrix Organisation

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The Strategic Execution Framework

The 7 Key Components of Execution Excellence

1. Drive Strategic Clarity through the Organization
2. Apply a Framework to Assess Execution Capabilities & Create an Execution Roadmap
3. Establish an Enterprise Portfolio Management System led by a Strategy Execution Office (SEO)
4. Rapid Integrated Execution Planning to Address Cross-functional Interdependencies and Change Management
5. Develop the Organization’s Strategic Leadership & Execution Competencies and Skills
6. Implement a Disciplined Execution Process of Continuous Improvement
7. Link Performance Measurement to Strategy and Execution

Challenges Recognized. Solutions Identified.
Building Capability in General

Level 5
Innovating
Implement continual proactive improvements to achieve business targets
- Capable processes
- Perpetual innovation
- Change management

Level 4
Predictable
Manage process and results quantitatively and exploit benefits of standardization
- Predictable results
- Reuse/knowledge mgt.
- Reduced variation

Level 3
Standardized
Develop standard processes, measures, and training for product & service offerings
- Productivity growth
- Effective automation
- Economies of scale

Level 2
Managed
Build disciplined work unit management to stabilize work and control commitments
- Reduced rework
- Repeatable practices
- Satisfied schedules

Level 1
Initial
Motivate people to overcome problems and just “get the job done”
- Mistakes, bottlenecks
- Ad hoc methods
- Hero worship

Strategic Performance Management via the “SEO”

Strategic performance management

Business strategy | Program management | Operations and support
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Project Portfolio | | |
Initiation Planning Execution Control Closure | |

- Strategy Execution Office Key Roles:
  - Translator of strategy – organizational clarity to build engagement and coherence
  - Project/Initiative portfolio planning, goal setting and execution management
  - Facilitating effective integrated program planning and goal setting
  - Interdependency and interface management role
  - Enabling better strategic decision-making and issue management during implementation
  - Builds the quality and continuous improvement process for the enterprise
  - Provides foundation for more effective strategic performance management

Challenges Recognized.
Solutions Identified.
Strategic Process Management Objectives

The Matrix Missing Link

Challenges Recognized. Solutions Identified.

Brand Realization

Challenges Recognized. Solutions Identified.
The Linkage Process

1. Define Market Metrics with Brand by Product Line
2. Translate to Organizational Goals
3. Define Functional Objectives Required to Achieve Goals
4. Determine Projects Required Along with Project Objectives
5. Link Project Objectives to Process Performance Criteria
6. Design the Process Metrics to Achieve Strategic Outcomes
7. Reconcile Functional Objectives and Process Metrics
8. Cascade Laterally to Set Individual R&R Performance Criteria

Why Scorecards Fail

• No clear business strategy to link measures to
  - Strategy is not clearly understood
  - The original annual goals and objectives are not valid
  - Incomplete metrics - those that are not monitoring the uncertainty of the external environment on key things
  - End state success not defined well - lack of goal clarity

• Too many measures obstruct good judgment
  - Some non-financial measures do not have quantitative linkages to the financial results
  - Measures that you have no control over
Why Scorecards Fail

- Measures don't reflect value drivers
  - Strategy mapping is not used to create coherence and causal linkages
  - Measures tied to individual compensation may be mis-aligned culturally
  - Many organizations do not have business models that simulate for causality let alone have core process maps
  - Must understand the value creating set of activities that produce some competitive edge

Why Scorecards Fail

- Reliance on control features which are not rooted in the organization
  - Non-financial measures can't be rolled up
  - There is no realignment process/resources in place to adjust when it is necessary
  - Accountability process does not include the metrics or the systems they require
  - How are metrics tagged to variances in performance
  - Getting buy-in and ownership is sometime ignored as part of the change process

Challenges Recognized.
Solutions Identified.
Why Scorecards Fail

• Metric definition does not equal metric execution/implementation into the system
  – How to achieve a metric "the means" may not be known at the time the target is set
  – Even when causality exist, there in an unknown or un-quantifiable time lag between actions and impact
  – Numerical targets may be counter-productive for sustainable performance due to compliance mentality

Why Scorecards Fail

• Too many org changes
  – Changes in key personnel/management team
  – Short-term financials vs long-term changes
  – Planning cycles not in sync with rate of flux
Key Learnings about Objectives, "Targets" and Metrics

- What does each of my customer’s want?
- How can we design systems and processes that can respond quickly to what they want?
- Measures must help understand and improve the performance of the system
- Measures must relate to what the customer values
- Measures must be in the hands of the people that are doing the work
- Cascading vertical and lateral in a matrix organization is effective

Dream what you dare to dream.
Go where you want to go.
Be what you want to be.

Ralph Waldo Emerson