1,000 Small Acts

Implementing Strategy Effectively

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“I think we have the opportunity here to make some pretty poor decisions”

I may be paraphrasing Chris Hadfield here. I think he said there are no circumstances that your actions can't make worse.

But all decisions have an impact. Large or small.

Thee skill is understanding which you are making at any point. And not overthinking small decisions and not second-guessing others.

A company is nothing but a sequence of decisions made by different people at different times and some of our biggest challenges are the consequence of decisions made by others that may no longer be with a company.

Decisions have to be a function of organization strategy not the whim of an individual.

Consistent process and decision-making framework in organizations make better organizations

This presentation is an argument for making decisions greater than the experience or intellect or knowledge of an individual by creating a framework that insists on a common understanding and approach.

Do we even have a strategy?

Ask your organization. Is what they think is a strategy is actually a strategy or a wish list?

Is it actionable? Is it compelling and believable? Does everyone know it?

It doesn’t have to be complex in fact simple is good.

You have to convince yourself and others that this is a sustainable competitive advantage and that the strategy is winning

Then you have to build a high-level plan, it’s okay to change the plan, things change. But just because you know things change is no reason not to have a plan

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Big Acts

Disruption is great when you need to make large changes. Even to change a mindset you must create, not just the dissatisfaction with the current start, but the absolute necessity to build something new and better. You can try and synthetically create urgency, but people know.

Change/stop/create major product lines or services, change location, build new teams. The cost imperative can drive big change, but avoid the small cuts across the board as this creates the death spiral, do something large and meaningful!

You have to create a compelling vision that is meaningful both internally and externally. Massively important if the restructuring has created pain.

Small Acts

It's what everybody does all the time.

Examples of everyday decisions and why they matter

- Buying stationary
- Automatically renewing a contact with a customer or supplier
- My favourite – scheduling a meeting to discuss a subject
- Spending a day trying to fix a particular bug
- Traveling to visit this customer

All decisions have an impact, are they aligned to the strategy? Are your people asking themselves that question before they make the decision?

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Strategic does not equal big and operational does not equal small

Strategic decisions can be big or small. Example – A decision to focus on an existing market rather than expanding to new markets is a strategic decision, it may drive few explicit actions or changes. Strategic review and decisions should happen once a year or when an external disruptive force changes the assumptions.

Operational decisions can be big or small. Examples – A decision to prioritise fixing bugs for an existing customer rather than building new features to land a new client is an operational decision but it's impact may be huge.

Operational decisions happen all the time – never let an operational decision effect strategy and never discuss Strategic and Operational at the same meeting. People get confused!

How Empowered do we want our people to be?

The risk of empowerment is disarray, costs can over-run and poor outcomes result

But centralized decision-making results in slow organizations that become decision bound and can often not be attractive to new staff.

Definition – Give everybody in the organization the tools, information and accountability to make all decisions for which they are responsible. And to make those decisions as close to the point of impact.

This rarely happens sometimes for good reason.

An organization has to decide what level of empowerment they want to enable. Decide the rules and be consistent in implementation.

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Roles and Responsibilities

The job title is just the start. Most job descriptions are poor - overlap, missing items and platitudes

Good decisions cannot be made in an environment where people don't know what they are responsible for.

A RACI exercise is essential at the C level of an organization and desired at middle management

It has to happen every time there are major organization changes.

What good decisions look like

Build a decision-making framework. Agree it at a senior level. Communicate it broadly. Mandate its usage.

This has to be a formal document.

Without this reference you will have an organization making decisions on what it thinks best.

Inputs and outputs – you have to know all the inputs and understand the potential output

Financial model for decision making. Not too complex, if it doesn't make sense on the back of an envelope it won't make sense on a massive spreadsheet.

How do we test a good decision?

- Economic (financial costs, expected income, pro-forma P&L, IRR or NPV)
- Strategic alignment
- Dependencies
- Organizational alignment
- Organizational happiness (yes, I really mean this)

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What is more important than what I am doing?

Prioritization

- Part of the decision-making framework
- Always competing priorities and resource conflict
- If there is no resource constraint there's too much resource
- Cost of the decision
- The risk of making no or a poor decision
- The impact to the organization – financial, organizational

A process with a name on it isn't a process

Processes -

- Even small companies need them, large companies lose the ability to ignore them.
- A process with a name on it isn't a process
- Provides a check and balance for decision making
- Holds people accountable.
- If there is a need to defer a decision – personality types come into play here.
- What will we know later that we don't know now?
- What is our plan to find that out?
- When are we returning with the answer?
- Great opportunity for mentoring

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Accountability and the vital role of luck!

Companies that fail are full of smart people doing the right thing

Successful companies can make poor decisions

Outcomes matter but can be disconnected from decision making

Input Information and actions have to be understood

Could we or should we have known?

Could we have done this differently to get a better result?

Post-mortems rarely happen and even less likely to be seen as positive

- Must create an organization based on transparency and trust

To goal or not to goal?

Management by objective – why it optimizes locally and can result in poor overall outcomes. You get what you goal. Be very careful about what you ask for.

Why annual goals and performance reviews are just plain dumb, but a goal that takes a year could be good.

- Long term and short term
- Personal and company
- Never more than five including one personal goal.
- Incentives should align to decision making

Monthly 1on1 with open discussion so much more positive.

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Doing the right thing all the time

Why we should aspire to it knowing that it's an unachievable goal

Review of key things

- Strategy – have one
- Operational Plan, build one, change as necessary
- Empowerment is a strategic decision on how empowered we want our people to be
- Roles and Responsibilities, do a RACI, stick it in a draw.
- Decision making framework – everybody has to know it and live it.
- Processes are needed but should not be burdensome
- Hold people accountable for the things that they control

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