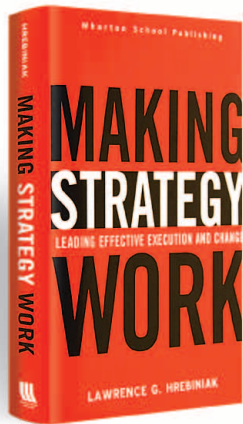




Executive Book Summaries®



Leading Effective Execution and Change

MAKING STRATEGY WORK

THE SUMMARY IN BRIEF

Formulating strategy is difficult. Executing it throughout the organization — that's even harder. Without effective execution, no business strategy can succeed. Unfortunately, most managers know far more about developing strategy than they know about executing it — and overcoming the difficult political and organizational obstacles that stand in the way. In Making Strategy Work, Lawrence Hrebiniak offers a comprehensive, disciplined process model for making strategy work in the real world. He shows why execution is even more important than many senior executives realize, and sheds new light on why businesses fail to deliver on even their most promising strategies. He also offers a systematic road map for execution that encompasses every key success factor: organizational structure, coordination, information sharing, incentives, controls, change management, culture, and the role of power and influence in the execution process.

By Lawrence G. Hrebiniak

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What You'll Learn In This Summary

✓ **How does a company's strategy drive its selection of an optimal structure?** In general, the greater the company's "relatedness" across products or services, the more likely it is that the company will centralize.

✓ **What is the relationship between culture and execution?** Culture reflects and affects the ownership that individuals feel for execution-related goals. A company's levels of management commitment and ownership are excellent predictors of executional success.

✓ **Why does good execution begin with good strategy?** It's not true that "good execution can overcome bad strategy." Typically, poor strategy results in poor outcomes and major frustrations as managers work long and hard in futile attempts to execute that which is not executable.

✓ **How do incentives and controls support strategy execution?** Incentives motivate behavior to achieve the execution outcomes you want. Controls provide feedback about performance, thus reinforcing execution methods, providing corrective mechanisms, and facilitating organizational learning and change.

MAKING STRATEGY WORK

by Lawrence G. Hrebiniak

— THE COMPLETE SUMMARY

Strategy Execution Is the Key

Execution is a disciplined process or logical set of connected activities that enables an organization to make its strategy work. Without a careful, planned approach to execution, strategic goals cannot be attained.

Execution can itself be a source of competitive advantage. If there's a series of internally consistent, integrated activities, imitation is extremely difficult if not impossible.

Consider how Southwest Airlines executes its lowest-cost strategy: no baggage transfer, meal service or boarding pass; only one type of airplane; and incentives for fast turnarounds at the gate. It's not impossible to copy Southwest, but it's extremely difficult for competitors already committed to different routines and methods.

Why Execution Is Often Handled Poorly

Despite its importance, execution is often handled poorly because of the following reasons:

- **Managers are trained to plan, not execute.** Execution is learned in the “school of hard knocks,” with many mistakes and frustrations on the way to successful results.
- **Some top managers believe that implementation is best left to lower-level employees,** who then get the blame if things go awry. But execution is not trivial: It defines the essence of managerial work. It demands ownership at all levels of management.
- **Planning and execution are highly interdependent.** The greater the interaction between “doers” and “planners” — or the greater the overlap of the two processes or tasks — the greater the likelihood of successful execution. Planning and doing should be simultaneous: Managers must be thinking about execution as they're formulating their plans.
- **Execution usually takes longer than formulating strategy.** As conditions change over time, it can be hard for managers to focus on and control the execution process. The longer execution takes, the more likely that unforeseen circumstances will derail it.
- **Strategy implementation always involves more people than strategy formulation.** Communication down the organization or across different functions becomes a challenge. The more people who are involved, the harder it is to execute strategy effectively. ■

The Execution Challenge

The following are eight areas of challenge to strategy execution. They are also areas of opportunity: Handling them well guarantees executional success.

1. **Developing a model to guide execution decisions or actions.**
2. **Understanding how the creation of strategy affects the execution of strategy.**
3. **Managing change effectively — including culture change.**
4. **Understanding power or influence and using it for executional success.**
5. **Developing organizational structures that foster information sharing, coordination and clear accountability.**
6. **Developing effective controls and feedback mechanisms.**
7. **Knowing how to create an execution-supportive culture.**
8. **Exercising execution-biased leadership.**

Overview and Model: Making Strategy Work

Successful execution involves decisions about strategy, structure, coordination, information sharing, incentives and controls. These decisions take place within an

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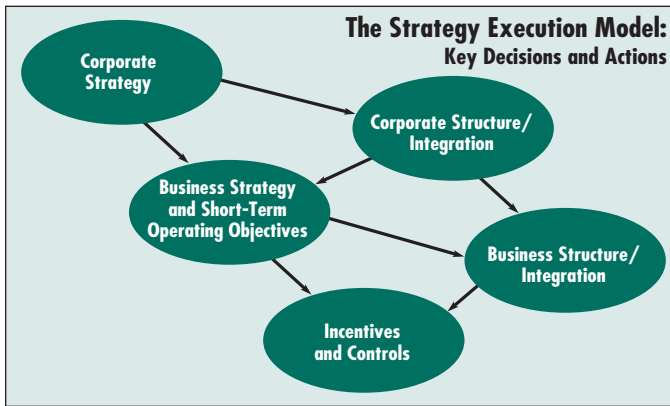
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Overview and Model: Making Strategy Work (continued from page 2)

organizational context of power, culture, leadership and the ability to manage change. To understand how to make strategy work, we need to understand the interactions among these key decisions and contextual forces.

The model above shows a logical flow of execution decisions and actions. This is not a one-way process: Execution involves participation and communication up and down the organization, as well as lateral flows of information and coordination across operating units. Execution leads to organizational learning, so the flow includes feedback loops, and the *controls* portion comprises feedback and change.

Strategy

Strategy refers to corporate decisions about what businesses or industries should make up the organization's portfolio; whether the organization should diversify or vertically integrate; and how resources should be allocated across operating units, given differences in competitive conditions and growth possibilities across industries.

Corporate structure is the organizational arrangement created in response to the demands of corporate strategy. Why is an optimal structure so important to execution? Consider the case of diversification as a growth strategy. Mergers and acquisitions are big business. In 2003, \$1.2 trillion in mergers were consummated by investment banks.

The sad truth, however, is that corporate mergers often don't work. Between 1985 and 2000, 64 percent were marked by a drop in shareholder value because companies often fail to create the appropriate organizational structure to support the merger or acquisition. They can face tough choices, as Disney did after it bought ABC.

Should corporate leave its acquisition as a separate, independent profit center, or should it meld it into an existing division or function? It's the age-old question of centralization vs. decentralization. Different businesses must be sufficiently independent to respond quickly to markets, com-

petitors and customers. Yet they can't be so independent as to create an unnecessary duplication of resources and destroy all chances for synergy or scale economies.

The result of decisions about structure is that different units focus on different tasks or specialties. To achieve unity of effort and to combine the activities of these diverse units, companies must pay formal attention to integrative methods and mechanisms. Thus, *structural integration* refers to business processes that coordinate corporate functions with business-unit operations.

Business Strategy and Execution

A business strategy focuses on products, services and competition in a given industry. Emphasis is on industry analysis and on external forces as the business positions itself for competitive advantage.

The business unit must also pay attention to its internal resources and capabilities as it tries to create skills and competencies that differentiate it from competitors.

Business-level strategy is vital to the success of corporate strategy. Poor strategic performance at the business level detracts from the company's ability to achieve its goals, while good performance helps make corporate strategy work. Even with independent, stand-alone businesses, strategy is constrained by prior corporate decisions. Resources, for example, are allocated to businesses as a function of their role in the portfolio — but if they don't meet corporate performance expectations, their allocations will suffer.

Business-unit strategy is also limited by corporate decisions about organizational structure. Centralization of structural units, such as R&D, constrains a business, because decisions about needed resources are made by a corporate function elsewhere in the organization. For example, operating units in the old AT&T depended very much on Bell Labs, a corporate R&D unit.

Aside from constraints posed by corporate, there are two aspects of the business strategy that affect its execution and must be handled well. These are:

- 1. The type of strategy and the demands it places on the organization.** A business unit's decision to achieve cost leadership will create demands on the company's investments, resources and capabilities. The corporation must make capital investments in technology and manufacturing to drive down the variable cost of goods sold. To achieve economies of scale and scope, it must meet demands for standardized products and high production volume. It must also develop incentives that reward cost reductions.

- 2. The need to translate strategy into short-term, measurable operating objectives and action plans.** A business unit's everyday objectives and performance metrics must be consistent with its strategic goals and plans. All too often, people well down through the organization are unaware of how everyday objectives, activities

For additional information on how Wal-Mart executed its cost-reduction strategy, go to: <http://my.summary.com>

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Overview and Model: Making Strategy Work

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or performance metrics relate to the business strategy. Sometimes they're even inconsistent with it.

To accomplish the necessary integration, you should use management-by-objectives programs or their offshoots, such as the Balanced Scorecard. These will help integrate long- and short-term business objectives.

Business structure is also key to the execution of strategy. Business-level strategy and short-term operating objectives affect the choice of business-unit structure. Different businesses in the same company can face very different competitive situations and thus require different structures. Never impose the same structure on all businesses or divisions simply because they're part of the same organization. Avoid this execution error at all costs.

The structure of a business should reflect, and be driven primarily by, the nature of its strategy. At GE, for example, GE Capital and Jet Engines, two different divisions, are in two completely different industries. Each has a strategy to cope with its competitive situation.

Integration

Integration is relevant to execution at the business level, since individual businesses must develop their own ways of achieving coordination across operating units or functions. *Transferring knowledge within the business is vital to strategic success.* In addition, if people aren't committed to the execution with which they've been charged, if they're rewarded for doing the wrong things or if they're not personally involved in the outcome, execution can fail. *It's critical that the organization rewards the right things, including previously defined strategic and short-term objectives.*

You also need *incentives* and *feedback*. Fine tuning of plans, objectives and implementation methods is more often the rule than the exception. But ineffective market and customer surveillance, poor information about organizational performance, and the inability to act on feedback from the marketplace surely spell disaster for execution efforts.

Context

The strategy execution model occurs in an organizational context, and is susceptible to four kinds of environments:

1. Change management. As a rule, people resist change. Some organizations manage change better than others.

2. Culture affects much of what goes on in organizations. Culture can affect the problems or opportunities on which managers focus. It helps define performance outcomes and determines how work gets done, what behaviors are valued, how mistakes are treated and what management styles are appropriate. Culture reflects and affects the ownership that individuals feel for execution-related goals. A company's levels of management commitment and owner-

ship are excellent predictors of executional success.

3. The organization's power structure. Those in power identify external needs or opportunities, define new markets and customers, and determine the company's direction. They create strategy. Power differences affect the formulation of strategy as well as key execution decisions and outcomes. Those in power decide on resource allocations to individuals and organizational units that affect execution efforts. If those in power don't support the execution plan, the success of the plan clearly is jeopardized.

4. Leadership climate. The climate leaders create is just as important as leadership. This climate extends up and down the organization, since most managers are both leaders and followers. They create and react to climate.

A disciplined approach to execution lays out the logical order of execution decisions and actions, and shows the variables essential to a solid execution plan. ■

For additional information on why CEO Edward Zander had to change Motorola's culture, go to: <http://my.summary.com>

The Path to Successful Execution: Good Strategy Comes First

Good execution begins with good strategy. For example, postage meter company Pitney Bowes followed a disciplined strategy of related diversification and its counterparts didn't, fueling its successful performance.

Four critical aspects of strategy and planning affect the success of your execution. These are:

1. The need for sound planning and a clear, focused strategy. The key components of corporate strategy are portfolio analysis, diversification and resource allocations to businesses.

Sound planning means evaluating the existing situation and the potential consequences before making any major move. Resource allocations, for example, must assess the levels of risk that corporate leaders and stakeholders can comfortably assume. Poor planning can have many — and potentially fatal — effects on execution. Perhaps needed resources won't be forthcoming for businesses in the portfolio that could grow into stars. Or a failed diversification could affect the entire organization.

The goal is a strategy that leads to competitive advantage. Success depends on the company's ability to understand its industry and competitors, and to develop capabilities that lead to a favorable competitive position.

2. The importance of integrating corporate and business strategies. Corporate and business strategies must be consistent with and support each other. Yet many situations can prevent this consistency and support. These situations include the following:

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The Path to Successful Execution: Good Strategy Comes First

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● **The role of the business is unclear.** Corporate treats the business like a “cash cow,” but the business sees itself as a potential star that should receive an infusion of capital and not be “milked” dry.

● **Inappropriate performance metrics.** Poor communication and planning processes ensure that corporate and business-unit people won’t agree on key performance measures. A related problem is when corporate holds all businesses accountable for the same performance measures, even though the businesses are in different industries.

● **Battles over resource allocations.** Some businesses feel neglected or that there is too much centralized control over scarce resources and not enough entrusted to them.

● **Differing assessments of business performance.** If a business feels that it’s been assigned an inappropriate strategy or role in the corporate portfolio, it will regard the assignment of performance objectives as invalid or unrealistic. The prognosis for future planning is bleak, as business-unit people may feel the need to “low-ball,” “play games,” “change corporate’s expectations” or “prove them wrong.”

The Strategy Review

To address these problems and improve communication, many major companies have found it useful to employ a strategy review. Corporate and individual businesses should agree on the role of individual businesses in the corporate portfolio and game plan, resource conditions and constraints, and business strategy and operating goals.

It’s especially important to understand not only the numbers, but what’s behind them, so that the individual business can have realistic and agreed-upon performance measures.

Note also that the process is interactive and adaptive, with corporate and business strategies regularly reviewed to determine their continued relevance and feasibility.

3. The need for measurable objectives. Since many managers operate in the short term, successful execution depends upon the translation of strategy into short-term operational metrics that are related to long-term needs, that can be used to assess strategic performance, and that help the organization achieve long-term strategic goals.

To realize long-term goals, you must manage the short term well. A particularly important short-term objective: *define and communicate the operational components of your strategy.* Execution will definitely suffer if strategic needs are not translated into short-term metrics that are consistent with your strategy. You must be able to accurately assess your progress against a plan.

The Balanced Scorecard provides a framework for translating strategy into operational terms. It also helps develop and communicate short-term objectives in

financials, customer service, internal business processes, and learning and growth, and it attempts to link these objectives to company strategy and long-term goals.

4. Understand the demands of strategy and successful execution. Strategy makes demands on an organization’s skills, resources and capabilities. To ignore these demands will surely result in poor execution.

Since each corporate strategy requires a well-established, specific set of skills, be cautious of making huge strategy changes in a short time. Don’t try to pursue a new strategy with old capabilities. Furthermore, each business unit’s capabilities must be consistent with and supportive of the overall strategy.

The Demands of Global Strategy

A global strategy requires management to develop the right resources and capabilities to compete effectively in world markets. The key concept here is a *coordinated* global strategy, derived from the sharing and leveraging of skills and capabilities across national boundaries.

To execute a global strategy, a matrix structure — with worldwide product and local geographical components — is the design of choice. It’s simply not true that “good execution can overcome bad strategy.” Typically, poor strategy results in poor outcomes and major frustrations, as managers work long and hard in futile attempts to execute that which is not executable. Vague strategy and constant changes in strategy have the same frustrating results. ■

Organizational Structure And Execution

Structure affects real costs and benefits. Different ways of organizing affect outcomes, but creating the right organizational structure is a real challenge.

A spectacular negative example is General Motors and its massive but failed attempt, back in the 1980s, to reorganize into two car groups. Most employees and managers had no idea that such a large-scale change was in the offing and were shocked when it occurred. Would their jobs change? Would layoffs occur? The uncertainty was unbearable.

Top management was largely silent on the connection between strategy and structure. How would the changes help GM solve its problems in product quality, cost and organizational effectiveness? The logic of the restructuring was missing, unclear or poorly communicated.

It would be difficult if not impossible to coordinate and create subordinate goals — or to assign responsibility and accountability in a case like GM’s. The company had enjoyed long years of success with relatively independent entities — some of which were abolished overnight.

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Organizational Structure and Execution

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Other companies have failed on a similar scale — companies run by bright, experienced people. Perhaps some of the poor performance may be attributable not to managerial incompetence, but to the sheer difficulty of the task itself.

The biggest structure-related challenges to execution are:

- **Measuring the impact of structure on execution.**

What are the costs vs. benefits of different structural forms? How are costs and benefits measured? How does the company's structure affect actual costs or measurable benefits? What results can reasonably be expected from different organizational forms?

A dedicated organizational structure allows for quick responses to customer needs or industry changes. Even if divisions are organized functionally, the focus derived from attention to one customer, product or geographical region facilitates and enables coordination around a common goal, customer or output. The costs of divisional structures include the duplication of scarce resources.

- **Centralization vs. decentralization.** What is the right balance for optimal execution, and what determines it? Included here is the size and role of the corporate center in organizations with both centralized and decentralized units.

Efficiency and Effectiveness

Structural choice depends on what's important to top management, strategically or operationally. Given competitive conditions, industry forces and the company's strategy, a company must choose the right mix of centralized and decentralized structures to optimize both efficiency and effectiveness.

Centralization results in efficiency from the creation of expertise, an organization-wide asset. Decentralization helps the company get close to customers or markets.

- **The relationship between strategy and structure.** What aspects of strategy drive the choice of structure? How does structure affect the execution of strategy?

Commodity product or highly competitive industries usually face price competition, so additional revenues come from lower costs. Organizational structure in these low-cost strategy cases favors the efficiencies and scale economies of centralized, functional forms. These forms are characterized by standardization, volume and repetition, which foster efficiencies from economies of scale and scope.

A company with a focus strategy that is focused on a particular customer, geography or product should decentralize. Even with the predominantly decentralized divisional structure, some centralized staff may be needed to achieve efficiencies across the decentralized units.

A company adopting a differentiation strategy — e.g., offering both high-end and low-end products — should decentralize and devote separate business divisions to each.

Companies in global competition must focus on both worldwide product lines and geographical differences among markets. A common response is the matrix structure, which helps execute a coordinated global strategy. Such a structure maintains a dual focus on product and geography, and combines efficiency and effectiveness.

A company's strategy drives the selection of the optimal structure. In general, the greater the company's "relatedness" across products or services (same customers, same technologies, same distribution channels), the more likely it is that the company will centralize.

Whatever the structure is, successful execution depends on coordination and information sharing across organizational units, and clear responsibility and accountability.

A growth strategy usually requires more decentralization over time. Size has another impact on structure: It often demands that big problems be factored into smaller, more manageable proportions and handled by smaller structural units; the result is decentralization. ■

Managing Integration: Effective Coordination and Information Sharing

Structural integration requires three tasks or decisions.

1. **Determine the kind of interdependence among units.**

There are three kinds of interdependence:

- **Pooled.** This represents a low level of interdependence and little need for coordination, as with sales districts that are self-contained and independent.

- **Sequential.** This is seen in companies with vertical integration or an internal supply chain. Problems in these companies are more likely to affect other units than those with pooled interdependence. Higher levels of cooperation are required.

- **Reciprocal.** This is seen when the actions of each business unit affect many others. Each player is necessary to the solution of a problem, but no one player is sufficient. High levels of cooperation are essential to strategy execution.

Strategy affects structure, and structure in turn determines the type of interdependence. Structure also determines the steps an organization must take to achieve effective coordination and information flows.

2. **Facilitate information sharing, knowledge transfer and communication.**

Many formal and informal factors affect knowledge transfer among those responsible for making strategy work. Formal methods include databases, IT processes, formal roles and matrix structures. But informal methods and processes can also aid or inhibit information sharing.

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Managing Integration: Effective Coordination and Information Sharing

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Good communication comes from the effective use of informal contacts, direct communication and a common language (i.e., clear, agreed-upon metrics and goals).

Any or all of the following can either facilitate or block the communication that's needed to make strategy work:

- *The characteristics of the knowledge senders.* How reliable? How beneficial? Any motivation or agenda?
- *The characteristics of the knowledge users.* Can they understand new information and apply it to organizational goals? Is there any common ground with the sender?
- *The type of information that's being transferred.*

Organizations that have a great deal of tacit knowledge and require an apprenticeship to learn a particular art, such as professional staff work, must be willing to allow time for interaction, discussion and information transfer.

● *The context within which information sharing occurs.* There may be technical problems, or there can be cultural problems. A culture of cooperation based on a common, perceived mission affects execution positively, whereas a culture marked by error avoidance and the need to blame others for poor results has a negative effect on execution.

3. Clarify responsibility and accountability. Make sure key decisions and actions are clear and unambiguous. Without responsibility and accountability, effective coordination and cooperation simply won't occur.

If you focus on these three issues, you'll generate both the organizational structure and integration methods that will make your strategy work. ■

Incentives and Controls: Supporting and Reinforcing Execution

Incentives motivate behavior to achieve the execution outcomes that you want. Here's how an organization can use incentives to facilitate strategy execution:

- **Incentives should not demotivate people.** They should satisfy the need for achievement that most managers already have.
- **Incentives fuel and guide motivation: They don't create it.** The role of incentives is to support motivation and guide behavior in the right direction.
- **Good incentives are tied to strategic objectives or short-term objectives derived from strategy.** They encourage strategy execution at all organizational levels.
- **Good incentives reward the right things.** Rewarding the wrong things will hurt the execution process.

Organizations always get what they actually reward,

pay for or reinforce, even if it is occasionally unintentional or unanticipated.

Controls

Controls provide feedback about performance to reinforce execution methods, provide corrective mechanisms, and facilitate organizational learning and change.

For controls to work effectively and support execution, follow these guidelines:

- **Reward the doers, the performers.** It is critical that the organization celebrates success and rewards those who helped achieve it.
- **Face the brutal facts honestly.** Conduct autopsies when things go wrong so organizational learning can occur. Without the analysis of facts and the resultant learning, organizational change and adaptation are jeopardized.
- **Clarify responsibility and accountability.** The control process cannot work if responsibility and accountability for execution-related tasks are unclear.
- **Controls require timely and valid information.** For controls to work, up-to-date information about performance must be correct. Changes in strategy depend on feedback.
- **Leadership plays a central role in the control process.** Problems occur when managers aren't up to the leadership task. Leaders must set an example that's consistent with execution-related objectives. "Do as I say, not as I do" will destroy the control process and impede execution. Good leaders know how to use performance appraisals effectively, and avoid all-or-nothing objectives. They must demand total honesty from subordinates, and recognize and reward those who contribute to executional success.
- **Conduct a strategy review.** This is a key to execution. A good review fosters discussion, clarifies business strategy, helps set execution-related objectives, allows leaders to really understand their people, and facilitates learning and organizational change. All of these are important to successful execution. ■

Managing Change

Execution often involves change — in strategy, structure, coordination mechanisms, short-term performance measures, incentives and controls. How change is implemented can spell the difference between success and failure.

For example, Peugeot Citroën in 2003 became one of the most profitable car companies outside Japan because, management argued, it avoided the massive changes associated with major acquisitions and strategic alliances.

The inability to manage change is the single biggest obstacle to effective strategy execution. The problem is due largely to the complexity of the task, which includes:

- **Assessing the size and content of a strategic change.**

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Managing Change

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- **Determining the time available for execution.**
- **Determining the steps or tactics to be employed in managing change.**
- **Clarifying responsibility and accountability in the change process.**
- **Overcoming resistance to change.**
- **Setting up controls to monitor the results of change management.**

Evolutionary change happens in all organizations. It's routine and rarely noticed until small, minute problems become larger and loom as significant issues if action is not taken. If people avoid problems, the time frame for evolutionary change can be long.

In *sequential change*, an organization reduces its goals to smaller, ordered tasks — a preferable choice when the strategic problems are large. The downsides are that sequential change takes time, unanticipated factors can impinge on the process, and it's unexciting. Nevertheless, it's an effective way to handle large changes rationally and methodically.

Complex change occurs when a strategic problem is large, the time frame for execution is short, and many change-related tasks must be attended to simultaneously. Complex change is difficult and dangerous. It can result in poor change management and failed execution because:

- Coordination and control are difficult when many programs are going on simultaneously.
- The cause-affect analysis explaining performance deviations is impossible, so company learning is jeopardized.
- Organizations aren't willing to reduce managers' performance requirements. This inflexibility, under conditions of complex change, virtually guarantees poor outcomes. ■

Managing Culture and Culture Change

Changing culture is difficult but doable. Here are five rules for managing and changing culture:

- 1. The reasons for change must be clear, compelling and agreed upon by key players.** Cause-affect analysis and learning are vital to successful change. There must be a clear, honest explanation of poor prior performance before people will accept new execution methods or cultural change as legitimate and necessary.
- 2. Focus on changing behavior — not directly on changing culture.** Focus on behavioral changes, which can lead to culture change. New people, incentives, controls and organizational structures can motivate behavioral change and lead changes in organizational culture.
- 3. Effective communication is vital.** The company must

develop a communication plan, and leadership must communicate directly with people affected by the changes.

4. There must be an adequate effort to reduce resistance. Top managers must communicate the positive aspects of change, deal with the potential negatives, and improve participation and involvement in defining or diffusing change and its consequences.

5. Beware of excessive speed. Speed in managing culture change may be desirable or necessary — but it's fraught with problems. Changing too many things simultaneously and immediately can confuse the change process and make coordination and communication difficult. ■

Power, Influence and Execution

Power is vital to execution. Attempts to execute strategy that violate the power structure of an organization always face difficulties and are often doomed to failure.

Power is simply the opposite of dependency. An individual or unit, A, has power over another, B, if A has information or resources B needs and can't get elsewhere. If you have a monopoly on the fulfillment of someone else's needs, you have power. Problems arise because the business units solving critical problems of an organization are rewarded in an uneven distribution of scarce resources, which leads to differences in the dependencies that create power relationships.

Having power facilitates the formulation and execution of strategy. But an individual, unit, department or function lacking in power and influence can form a coalition with those who do have influence, to foster and support execution. The logic is that of a joint venture: Joining forces in creating power bases by combining individuals' and units' potential for power allows for more effective execution than an individual or unit could achieve alone.

Support

To receive support, execution methods and plans must produce clear, measurable and positive value-added results. Hierarchical superiors or potential joint venture/coalition partners within the organization will support execution if they can see and measure its results in value-added contributions to the organization. As this process continues, individuals and units acquire a reputation for producing positive results and thus gain credibility and additional influence in creating the power bases for future executional efforts.

Those who have power typically want to keep it — a possible downside for the organization. People in power may persist in doing what's necessary to perpetuate their positions, even if their actions are inappropriate under different or changing conditions. If this happens, the CEO and executive team must alter the power structure by changing strategy, structure or resource allocations, which in turn can affect the dependencies that define power relationships. ■