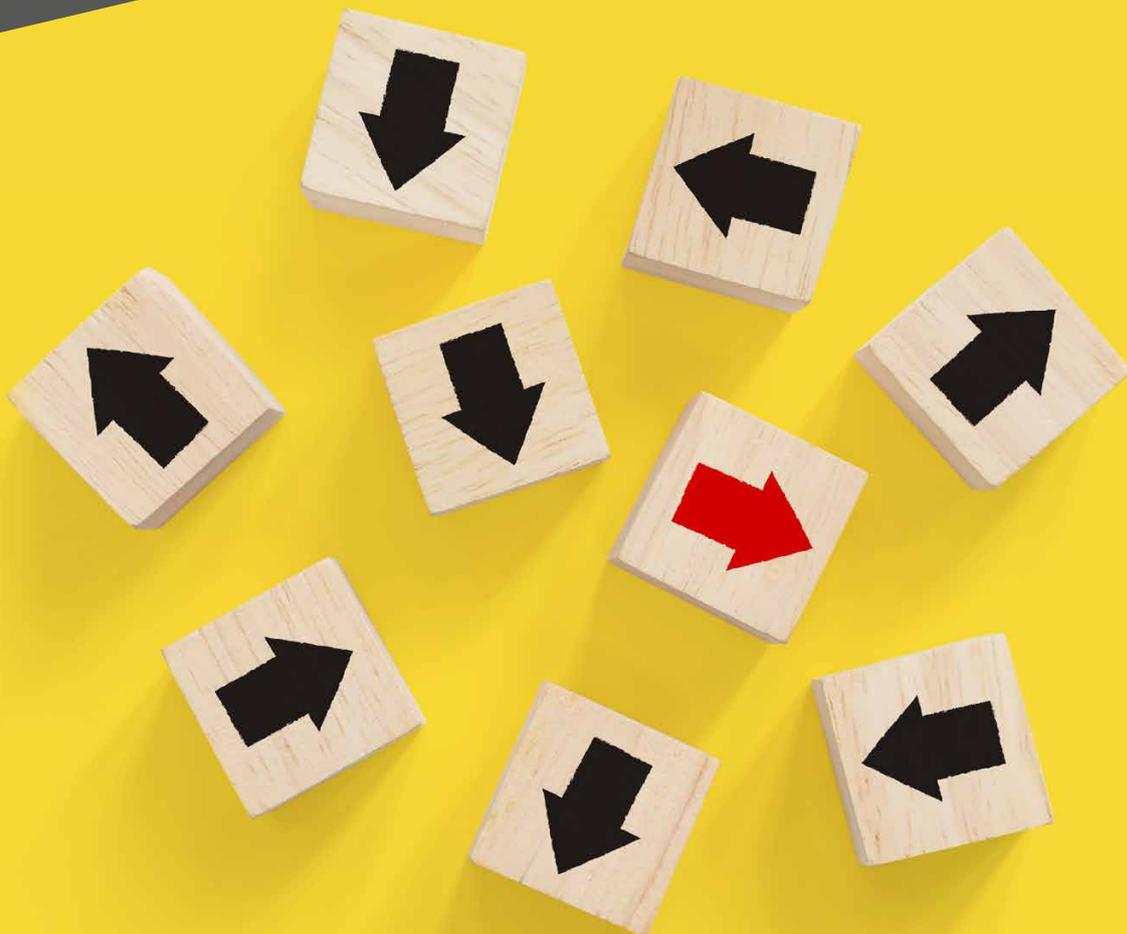


CHAPTER 1

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# Realizing your strategy successfully in a disruptive world



## INTRODUCTION

The majority of companies is not able to successfully translate their strategic plans into reality. In this paper we will investigate those elements that make a strategic process successful, taking into consideration the development of the strategy and the leadership needed for the strategy to become reality.

### Bridging the gap between Strategy Design and Delivery

A recent study<sup>1</sup> from the Economist Intelligence Unit shows that 59% of CEO's say their organizations struggle to implement strategies successfully. On top, only 10% of organizations are effectively achieving its strategic goals. Obviously, turning strategies into reality is a challenge.

Fortunately, not all organizations struggle as there are various organizations that prove the ability to effectively deliver strategies they have designed. We have identified three characteristics successful organizations have in common:

- 1 Ensure that strategy design and delivery are deeply interconnected, instead of a linear two-step process. In this case there is a continuous interaction between the designer(s) of the strategy and those who are involved in execution.
- 2 When designing the strategy they do not only take into account the external environment of the organization, but also the kind of organizational culture is needed to be able to effectively deliver the designed strategy.
- 3 Besides an evaluation of the organizational culture, they also reflect upon the question of which Leadership is needed to secure a successful strategy implementation.



### Business Strategy in a disruptive world

Many companies are still investing a lot of energy and time in drawing up ambitious strategic multi-year plans. These plans are usually created by a small group of people at the top of the company and are then cascaded down the organization. This is followed by the business entities detailing the various operational plans and sending them back to HQ for approval. This annual planning routine functions as a process of extrapolating the results of the past year and neglects the fact that the business environments of many of these companies will have changed. The result of such a process is that the ink of the elaborated plans has not even dried yet, before the business reality has changed again.

10%

*of organizations is effectively achieving its strategic goals*

*of CEOs say their organizations struggle to implement strategies*

59%

91%

*of organizations are feeling the impact of disruptive technology*

*of CEOs expect disruptions to come from outside the company*

56%

95%

*of CEOs say they face challenges trying to create a culture of change*

BCG research<sup>2</sup> shows that many companies continue with their practice year-in year-out, although they realize the mismatch. Nearly 80% of the surveyed companies said they used the classical approach to strategy planning, without asking themselves questions like: 'what kind of strategy approach is most appropriate for our company?', or: 'do we need different type of approaches due to the differences in geographies, market maturity stage or customer demands within our company?'. One size does not fit all.

What roles do executives play in this process? What competences do they need to marshal in order to select the right approach to create a company strategy, to design a winning strategy, and to implement it successfully across their companies? Recent research by Korn Ferry<sup>3</sup> among nearly 800 international investors and analysts, shows that the current top executives are not ready to take up the challenges that their companies will be facing in the coming years. Their analysis among 150,000 leader profiles shows that only 15% of top managers have the qualities to successfully manage their business.

## Leadership in a disruptive world

While strategy development and communication are about knowing something, strategy execution is about doing something. The gap between what you know and what you do is often a big one. Add in the necessity of needing everyone to act in agreement with each other, and it gets even bigger.

The reason strategy execution is often glossed over by even the most astute strategy consultants, is because primarily it is never just a strategy challenge. It is about human behavior and especially the Leadership and Organizational

culture. In order to be able to deliver the result that was prepared for in the organizational strategy, people need to change ingrained patterns, become more versatile

and create a culture in which experiments and failures are accepted. Only by being hyper-

aligned and laser-focused on the highest-impact actions will drive the organization's most important outcomes. In our opinion this can only be reached by complete

alignment between Strategy, Leadership and Organization Culture.

***“Only by being hyper-aligned and laser-focused on the highest-impact actions will drive the organization's most important outcomes”***

## About the authors

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**Andre de Wit** has more than 25 years of experience working for large corporate organizations. He worked as CEO of business units in IKEA and the Metro-group. Moreover, he was the Vice President for Learning and Capability Building from the Metro-group and the Carlsberg-group for 6 years.

Andre is Dean of the Leadership Academy Amsterdam. This organization focuses on designing and delivering Leadership interventions and Leadership development programs. Leadership Academy Amsterdam specializes in the alignment of Leadership with the strategic plan of an organization.



**Peter Bassa** has worked for more than 30 years in large (inter)national companies, like Alcoa, Suez/GTI, GEA and Hertel. He held senior management positions as Global Strategy Director/CMO and was a member of Senior Management Boards in various companies.

Peter founded Strategia Business Consulting in 2007, a management consultancy firm specialized in Strategy design and execution, Reputation Management and Marketing & Communications.

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<sup>1</sup> *Why good strategies fail: lessons for the C-suite, an Economist Intelligence Unit report, 2013*

<sup>2</sup> *Your strategy process needs a strategy, a BCG Henderson Institute study, 2018*

<sup>3</sup> *The Self-Disruptive Leader, Korn Ferry, 2019*