



## Execution Excellence

*Effectiveness of strategy depends both on the formulation and execution*

Effectiveness of strategy depends both on the formulation and execution. Though multiple frameworks are available for strategy formulation, the emphasis on the execution is lacking. There is a need to develop empirically validated models of execution excellence. Excellence in execution would depend on the integration of strategy and operations in a cyclic manner.

*The proposed model incorporates four core processes of execution, viz. Align, Automate, Act and Adapt*

The proposed model of execution excellence is built upon four core processes of execution, viz. Align, Automate, Act and Adapt. Out of these, align and adapt are usually not developed in a variety of organizations. The maximum emphasis in modern organizations is placed on automation of processes and systems.

*The strategy is to be aligned with people, processes, technology, units, operations, policies, budgets and best practices*

The first key process in the execution cycle is 'align'; aligning the strategy with people, processes, technology, units, operations, policies/operating procedures, budgets and best practices. In order to effectively execute the strategy, it needs to be properly communicated and aligned with people, process and capabilities. The business and its support units are supposed to be aligned with the corporate vision and strategy so accordingly the functional policies and operating procedures should be formulated. For example, in order to support the strategy of innovation 3M follows the HR policy of 15% rule, i.e. 15 per cent of the time of the week employees are free to contribute to any innovative project. Finally, budgets/resources need to be allocated to facilitate execution of strategy.

*The 'automate' function requires clear definition of plans and performance management systems*

Once the strategic and operational plans are aligned, it would be efficient and error free with suitable level of automation of processes, plans, performance management systems, support systems, information systems/controls, analytics and knowledge base across the value network of the organization. For example, strategic plans in the form of Balanced Scorecards and operational plans in the form of Dashboards can be put to automation. The 'automate' function requires clear definition of plans and performance management systems. This should be accompanied with reengineering of business processes and application of a lot of analytics and knowledge management. Dell's case is a benchmark example of effective automation by virtually integrating all functions in marketing and logistics.

*The central pillar of execution is leadership supported by a work culture of performance through ethics*

Another concern for execution is at the level of actors, i.e. 'act'. This involves achievement of targets through execution leadership, performance culture and ethics, assigning right people in right place, innovation, review, rewards /motivational practices and incorporating reflection. The central pillar of execution is leadership supported by a work culture of performance through ethics. The leader is supposed to assign the fit of the job with the people with suitable rewards. The reviews are to be carried out both at the strategic and operational levels and the learning is to be enmeshed with the emergent strategy.

*The last phase of the execution cycle is in terms of 'adapt' as per the insights and the changing situation*

The last phase of the execution cycle is in terms of 'adapt' as per the insights and the changing situation. This would involve: adapt the targets, modify strategy, reformulate strategic plan, redefine operational plan, reassess capabilities and changing culture. This would bring flexibility in strategy formulation and its execution as per the changing situation and new emergence in the business scenario.

*All the elements of execution excellence are supposed to affect various dimensions of enterprise performance*

All the elements of execution excellence are supposed to affect various dimensions of enterprise performance, such as financial, customer, business process, and learning and growth. Higher the functions of execution excellence, viz. align, automate, act and adapt, higher is expected to be the enterprise performance.

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