We live in a world today where people often make things far more complicated than they need be. Each month we explore the world using the lens of Uncommon Sense by looking at people, places, products, brands and stories.

Execution IS Strategy

One of my favorite quotes about business has been “Without strategy, execution is aimless. Without execution, strategy is useless.” Morris Chang, CEO of Taiwan Semiconductor Manufacturing Company, seems to resolve the age-old debate about the relative importance of strategy and execution.

The more I work with companies on their toughest challenges, the more I’m becoming convinced that the delineation between strategy and execution is becoming irrelevant. It no longer makes sense to separate the value of strategy (defined as a plan designed to achieve a goal) from the value of execution (defined as the carrying out or accomplishing of a plan).

I’ve observed too many of my clients spending countless man-hours preparing for and participating in annual strategic planning meetings, only to have to abandon those plans mid-year because of an unexpected development. Given the increasing rate of change, as well as the degree of disruption in today’s business, a company’s ability to anticipate and react to market forces must be inextricably linked. Instead of thinking about choosing a path (strategy) and then following that path (execution), companies need to be focused on strategically adapting to and excelling on whatever path they find themselves on.

This way, execution is actually becoming strategy. Superior operational execution is a strategic advantage to be planned and pursued. The requirements that characterize this new way of doing business include:

• Focusing more on the right people, less on the right plan.
  These days practically every leader states “our people are our most important asset,” but few make it a priority to get the right people in the right jobs. It takes discipline, courage, and savvy. But if you invest time, effort, and resources on people instead of plans, your organization is able to work together more seamlessly and change course more quickly. People decisions are strategic decisions that come to life in execution.

• Replacing strategic planning with strategic decision-making.
  Strategy shouldn’t be an event—make it an ongoing approach. Typical strategic planning involves setting goals and making plans. However, as a wise person once pointed out, the problem with goals is that they’re made for the company you are when you set them, not the company you’re becoming, so they’re inherently limiting. And we all know the problem with plans is you can’t possibly predict all the possible developments that may arise, and therefore plans are essentially incomplete.

  Instead, set a mission for your company, as well as values, to serve as guiding principles—clearly articulate them, ensure everyone understands and embraces them, and lock them in. The mission provides the “why” for your business and the values provide the “how” you operate. Let the “what” arise from these as you take on specific issues and challenges.

• Instilling a culture of discipline, action, and results.
  Many factors impacting your business are out of your control, but one thing you can control is how your organization responds to those factors. You can foster a culture that produces the agility and flexibility that our business environment requires. A culture of discipline insists that people practice rigorous thinking, prioritize ruthlessly, and act consistently. A culture of action and results values performance and personal accountability. The argument favoring “doing the right things” (strategy) vs. “doing things right” (execution) overshadows the importance of just getting the work done. The right culture can set your organization up to
“just do it.”

I’ve found that technology companies are leading the trend toward “execution is strategy.” It makes sense, given the rapid evolution of that sector. Since it seems daunting—and fruitless—to try to predict new capabilities that will be made possible through technological breakthroughs, leading tech companies have adopted a different approach.

Google’s practice of “execution is strategy” may be the most public example. Its rigorous recruiting process demonstrates its commitment to getting the right people in the right job. It has developed a detailed profile of successful employees that serves as a screening tool to be used to assess prospects and it employs an unusually high number of rounds of interviews (although it recently streamlined its process from 12-14 rounds to 5). Beyond that, some have described the company as having a “recruiting culture” in which recruiting and the need for it permeates the entire organization.

Google’s mission—to organize the world’s information and make it universally accessible and useful—has not changed in the 14 years since the company was founded, despite dramatic changes to the scope and nature of its business. The company is further guided by the informal corporate motto “Don’t be evil” and highly promoted values. Among “These Ten Things We Know to Be True,” as they’re called, are principles like “It’s best to do one thing really, really well” which show how the company uses its culture to execute strategically.

It’s unclear whether or not Google has a strategic planning process, but it seems the company is less concerned with creating detailed long-term plans and is instead organized around small, focused project teams that execute continual tests and improvements that are peer-reviewed and peer-led. It’s a distinct approach to decision-making and culture that has produced great success for the company so far and forms the basis for its future competitive advantage.

Google and other companies like it, including some outside the tech arena, are proving that when it comes to strategy and execution, it’s not either/or, nor is it both/and—it’s a transformation of execution into strategy.

Denise Lee Yohn has been inspiring and teaching companies how to operationalize their brands to grow their businesses for over 20 years. Connect with Denise on Facebook, LinkedIn: in/deniseleeyohn and Twitter: @deniseleeyohn.

Copyright © 2011 Bulldog Drummond, Inc. All rights reserved.