

Tension to deliver strategies

We understand how to analyse the relative economic advantage of differentiated products and services but there is very little understanding of or attention paid to implementing strategies. Partly this is caused by the tensions which naturally exist within the company. For example there often appears to be several paradox at work simultaneously. How can organisations that desire continuous innovation and market driven strategies use management controls that are designed to ensure 'no surprises'? How can empowerment (God, I hate that word) be reconciled with management controls that seek to standardise and ensure that outcomes are according to plan?

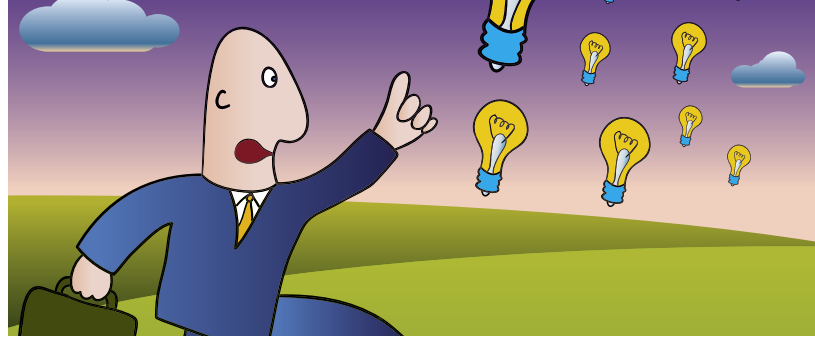
Clearly there is tension at work between these forces and it is this very tension that we need to develop and implement strategy effectively. It is the Yin and Yang of effective strategy implementation.

Within organisations there are distinctive patterns of behaviour and goal oriented activities as well as patterns of unanticipated innovation. The usual stuff of setting goals and objectives has to mix with the incongruous and slightly sporadic nature of employee ideas and creative behaviour. Employees can and do surprise.

We have to go further back to fully understand what is happening here. Firstly organisations do have a reason for being. That is to band together individuals who can identify opportunities and mobilise available resources to transform these opportunities into outputs of value. The purpose of organisations is to drive value. An organisation maintains its right to exist only as long as it can by leveraging its distinctive competences. It has to turn opportunities into goods or services valued by society. If it fails to do this or another entrant can do it better it will die and be replaced.

One thing organisations are not short of is ideas. They have these in abundance. They can be created internally, externally or indeed by complete accident.

However, people can only deal with so many of these ideas at once. Not all organisations are the same, clearly. Their ability to deal with



ideas depends on their competences and their available resources at a given point in time.

Therefore they have a limited attention space and every idea is competing vigorously for attention. For senior management it is a balancing act between the opportunities and the limited attention. The best managers are able to focus attention on the ideas that have been identified as having the potential to drive value.

People want to do a good job. In high performance organisations average performance is unacceptable. Effective managers do not work to achieve average outcomes. In highly competitive markets average behaviour can never be a sustainable goal. The very essence of competitive strategy is to achieve something distinctive. If it is distinctive it will probably require extraordinary performance to achieve it.

There can be blocks to achieving this. For instance it can be focussing on too many things at the same time which will diminish the impact of individuals. As performance demands increase attention nevertheless remains finite.

When the creative juices seemingly have dried up it is generally because other organisational blocks are in place. New ideas often infer a challenge to conventional wisdom. Whether it is a large or small entrepreneurial company this issue is so often around. Also a challenge to the status quo can often be met with hostility, retaliation or bring censure to an individual who desperately wants to exploit an idea. New ideas may reveal errors in past and current actions.

Companies must continue to exploit these tensions. The first step is to recognise the existence of them in the first place.

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A handwritten signature in black ink that reads "David Ankerson".