

Advance praise for *The Execution Advantage*

A winning strategy in business today is no longer a noun; it is a verb. Flexibility and learning are keys to success in an uncertain world, which means shorter planning cycles, more experimentation, more honest reflection, and more frequent pivots. This marvelous and useful guide can help you implement the mindset and practices you need to get started.

Amy C Edmondson, Novartis Professor of Leadership, Harvard Business School; Author, Right Kind of Wrong: The science of failing well

Alexander Loudon takes after my own heart and puts people at the center of strategy, offering invaluable wisdom on how to do exactly that. His practical advice and structured approach to enhancing focus, collaboration, and discipline resonate deeply. From the insightful model he introduces early in the book to the meticulous tools, checklists, and leadership nuggets, this book serves as a roadmap for turning strategy into reality. If you share my passion for transforming vision into tangible results, *The Execution Advantage* is an essential read.

Hubert Joly, former Best Buy CEO, senior lecturer Harvard Business School, Author, The Heart of Business

A strategy is as good as its execution. Alexander Loudon offers a refreshing blend of no-nonsense advice and engaging storytelling in this must-have addition to your reading list. It will structure your approach, and that way strengthen your strategy execution.

Bart van den Nieuwenhof, CEO, Nexeye

As an expert in collaborative, networking organisations for complex issues with many stakeholders, I endorse *The Execution Advantage* for pinpointing the most important ingredients for the success of a strategy: the involvement and engagement of people throughout the organisations in the ecosystem. The how-to, pragmatic and human approach of this book with an easy-to-follow strategy framework makes it a must-read for boardrooms up to work councils, professionals and advisors to make strategy happen and enjoy the process to get it done collaboratively.

Prof. Dr. Annemieke J.M. Roobeek, Professor of Strategy and Transformation Management, Nyenrode Business University, experienced non-executive in international companies

The longstanding idea of blending both 'hard' and 'soft' elements in the execution of a strategy is well-recognised. Nonetheless, the real test lies in effectively applying this concept. Loudon masterfully addresses this challenge by respecting a company's core identity while introducing a disciplined and systematic approach. With the inclusion of compelling real-world examples and valuable resources, this book emerges as an indispensable guide for anyone navigating the complexities of strategy implementation.

Bernd Postma, CEO, Delicia

In today's world, with so many developments in parallel requiring a strategic response, there's only one way to survive: putting people at the heart of strategy execution. This book shows you how.

Monika van Hoogenvest, Chief Marketing Officer, Ordina

Loudon guides you through the strategy process straightforwardly with actionable insights, tools and interesting examples. After each chapter, I got more ideas to apply in our company and a boost in my enthusiasm for strategy execution. I am a big fan of the Execution Advantage Model. An inspiring read!

Mark Schreuders, Chief Commercial Officer, COROOS

Dive into a revelation: This book uncovers the key to successful strategy execution – prioritising people. It's a celebration of organisations that break free from convention, embracing humanity's complexities and valuing their organisation's unique essence.

Stephanie Moles Rota, Global People Senior Director, og Solutions Inc.

With many strategy books, I find the author articulates the problem and then settles back to admire their work. In *The Execution Advantage*, Alexander not only effectively articulates the issue but also provides a practical and effective approach to strategy execution. The approach delivers real value to an organisation and, ultimately, its customers by ensuring strategy is core to the DNA of an organisation. Emphasising focus, collaboration, and discipline as the keys to achieving results, this takes strategy off the dusty shelf and brings it to life. This book is your one-stop guide for successful strategy execution!

Adrian Howells, Principal Strategic Portfolio Management, Vodafone

This book contains a timeless collection of practicable strategy planning and execution models. It should be a staple in every leader's bookshelf, and I will keep it readily available.

Daniel Parlak, Partnerships Lead, Wolt / DoorDash

I love the combination of captivating real-world examples with challenging insights on how to make strategy execution work. Specifically, the questions for reflection at the end of each chapter provide a practical bridge to apply the book's principles to the unique needs of your organisation.

Cretien Brandsma, 2020 till present Board Member Customer Management, 1&1 Telecommunications SE (2015 till 2020 Group Director Customer Value Management, VEON; 2004 till 2015 various Executive management positions, Vodafone)

Alexander Loudon has written a very inspiring and comprehensive guide on how to turn strategy into results. This book captures the essence of executing strategy and is a must-read for every business leader who wants to improve the success of their business.

Marc van Maris, Director of Strategy, Business Development & Expansion, Hunkemöller

The Execution Advantage

The Execution Advantage

A No-Nonsense Guide to
Turning Your Strategy Into Results



Alexander Loudon

Warden Press

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ISBN:

Paperback: 978-94-93202-32-0

E-book: 978-94-93202-33-7

Editing: Zach Gajewski, NYC and Erwin Postma, Malaga

Cover design: Adam Renvoize, London

Interior design: Bert Holtkamp, Groningen

Photo author: Frederique van Gemert, Amsterdam

This edition is published by Warden Press, Leiden.

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For Noor, Eef and Pippa

– the best strategic choices I have ever made

Table of Contents

Introduction: Strategy requires a new playbook	1
Step 1: Understand the Execution Advantage Model	17
Step 2: Adopt an inclusive approach and set a shared ambition	33
Step 3: Prioritise initiatives, make tough trade-offs	79
Step 4: Plan slow for fast delivery and empower teams	117
Step 5: Deliver results and adapt to changes along the way	157
Step 6: Adjust and learn	211
Conclusion: Act now	237
Epilogue – The illusion of <i>the</i> best way	241
Acknowledgements	247
Overview of how-tos by strategy process step	249
About the author	251
Endnotes	253

Introduction: Strategy requires a new playbook

The business world today bears little resemblance to that of 40-50 years ago. Yet, for some reason, many companies still clutch to the archaic dogmas of strategy developed during that time period.

BigThink'

Imagine you are a middle manager in the 1960s working in a large corporate. Like Austin Powers in the famous movie, you are cryogenically frozen and woken up in the present day. Somehow, you are still at the same employer, which still has the same office.

Walking around the office, you notice modern clothing and new technology such as laptops, mobile phones, and software. Also, you observe that not everyone seems to be in the office; some people participate in meetings via a television screen (in colour!). You find out that these people are working from home. Apart from that, not that much has changed, though. People still spend a lot of time in meetings, even more so than in the sixties, are part of an organisational structure, work behind desks in open spaces, and are swamped.

You happen to get hold of a strategy document and see many familiar concepts from the sixties, such as the SWOT, PESTLE analysis and the BCG portfolio matrix. The strategy process outlined in the document also looks familiar, a top-down sequential process.

In your experience, strategy is something for a company's leadership to develop and inform the organisation about. It is detailed in a plan for the coming years that the company will stick to. You find that feasible, because the world as you know it is not all that complicated. Most industries are domestically or regionally oriented, and industry leaders have often been around for a while, making

it a stable and predictable world. Company leaders are in charge of strategy execution in a directive way, so you do not need to be involved unless you are asked to. Companies exist to create a decent return on investment, so strategies mainly target efficiency and gaining market share.

As you walk around the office and talk to people, it makes you wonder, though. The world is far more dynamic now, with competition from all over the globe, digitalisation, geopolitical changes, supply chain issues, challenged economic laws, societal fragility, disruptors all over the place that grow at superspeed, and sustainability challenges. All these things are happening at the same time and are fast-paced.

Somehow, constant change has become the new normal. How do companies execute strategies in this new normal and make trade-offs with all these changes requiring responses? Also, the role of organisations and ideas on leadership and collaboration are changing. You are curious about topics such as purpose, sustainability, psychological safety, diversity and inclusion, agility, biases, empowerment and resilience. What are their implications for strategy execution? All in all, this makes you think, 'Could the way strategy gets done not do with an update?'

The answer is, not surprisingly, yes. Indeed, the way companies execute strategies can do with an update. Traditionally, combining running and changing the business has always been a challenge. At most organisations, employees struggle to complete their daily work, leaving little time and mind space for strategy. With the rise of remote working, working hours have expanded, and employees feel less connected to the company, making it even worse. On top of that, strategy execution is often a black box for many companies without a clear playbook, even though everyone knows that getting strategic change done is crucial for long-term business continuity.

In the early 20th century, the discipline of management was introduced. It was not until the 1960s that strategy as a domain was introduced at companies. Before then, strategising was primarily something generals and politicians would do. In his famous book *Strategy and Structure*, Harvard professor Alfred Chandler showed that companies need a long-term plan to give a company structure, direction, and focus. He wrote, 'Strategy is the determination of the basic long-term goals of an enterprise, and the adoption of courses of action and the allocation of resources necessary for carrying out these goals.'²

Since Chandler's landmark book, more than 20,000³ books have been written about strategy. Many focus on the strategy content (the 'what') but not on what is required to make the strategy happen (the 'how'). For instance, academic journals published only two to three articles on strategy execution a year on average, and the same went for the business press.⁴ The good news is that this is changing; leading business publications such as Harvard Business Review are increasingly publishing articles about strategy execution. In business education, such as MBAs, strategy execution is traditionally often not included in the curriculum.⁵ This is already changing in executive-level MBAs and online MBAs, though, with Insead and Harvard Business School being just two examples of institutions that have started offering strategy execution courses. Hopefully, regular MBAs follow soon.

The reasons for this preference for strategy development over strategy execution might be that execution used to be perceived as less of interest due to its tactical nature and also more complicated to research as it is a complex and multifaceted process, often context specific. As such, it is hard to study and generalise findings across different contexts. Strategy execution is where the real magic happens, though. A strategy without execution is just a piece of paper and useless.

Fortunately, there is a lot of new and fresh thinking from non-traditional sources, such as social and behavioural psychology, design thinking and systemic constellations, to modernise traditional approaches to strategy execution. Systemic constellations⁶ is a methodology that looks at hidden dynamics to deal with deeply rooted systemic problems in the organisation. The above-mentioned non-traditional sources are instrumental in making strategy execution more human and pragmatic.

Take, for instance, collaboration. Over the past two decades, time spent by managers and employees on collaborative activities such as attending meetings has increased by 50%,⁷ driven by a variety of reasons, such as the increase in the number of topics to align on, new organisational structures, including matrix-based ones that require more alignment, and new communication technologies such as email and cloud-based conference calling.

The ability to collaborate effectively has, therefore, become increasingly important. The above-mentioned new and fresh thinking can help increase collaboration effectiveness in strategy-related activities. It can increase psychological safety in strategy teams, for example. But how do you put this new and fresh thinking into practice? At the same time, conventional methods, which have been around for a while, are still relevant, like one-page planning formats such as OGSM and OKRs. The challenge is to know which practices to keep and which to replace in today's world.

This book provides a new playbook for getting strategy done in today's world. It provides a pragmatic and human approach to turn strategy into action and results at your company in line with its DNA. DNA as in deeply rooted strengths and values unique to your company. This book helps you find out how to make strategy execution your competitive advantage by putting people at the heart of it.

The strategy execution gap

Let's take a step back. What is strategy, and why do you need a strategy anyway? A strategy is a coherent and doable set of actions to achieve the company's goals collectively. An effective strategy clarifies a company's desired future, the value it creates for its stakeholders, and guidance in prioritising and allocating resources. Done in a participative way, it creates a sense of connection and excitement amongst colleagues and other key stakeholders, such as customers, suppliers and shareholders, especially when it is in line with the company's purpose and DNA. At the same time, your strategy should remain flexible enough to seize unexpected opportunities and adapt to changing circumstances.

Is a strategy still relevant and feasible in today's uncertain and dynamic world? The answer is yes, as strategy is a great way to make sense of an uncertain future. That is not to say that the future will turn out exactly as planned. Nor does it mean no plan at all, since even an often-changing plan produces preparedness.⁸

You want to avoid the 'comfort' trap in strategy, i.e. the tendency to declare the future to be so unpredictable and volatile that making strategic choices only makes sense once the future becomes sufficiently clear, which, of course, it never will. This trap condemns companies to follow competitors rather than lead.⁹

A study¹⁰ amongst more than 6,000 corporate leaders and senior managers shows that only 37% of respondents say their company has a well-defined strategy. Only 35% think their strategy will lead the company to success. This research concludes that 38% of companies are 'adrift,' lacking a proper direction that guides them. The same study also shows how imperative it is for a company to get its strategy right. Companies that get their strategy right are three times as likely to report above-average growth and twice as likely to report above-average profits.