The Kensington Strategy Engagement Process:

How to Ensure Strategic Initiatives Yield Tangible Results

If you're like many of our clients, you've probably experienced the frustration of not achieving everything you hoped for from your strategic initiatives. Moreover you most likely understand the inherent challenges of strategy implementation. Inconsistent communication, turf issues, organizational silos, personal agendas and resistance to change. The culprits are well known. However, what's less well understood are what steps leading corporations are taking to ensure that their strategic initiatives actually achieve the intended outcomes.

Since 1993 Kensington Consulting Group, Inc. has specialized in advising many industry leading companies on how to avoid the pitfalls that often occur when high-level strategic initiatives are implemented company-wide. We find that this is a particular challenge in large organizations, since strategies must often be implemented through highly matrixed organizational structures across multiple business units, functions and locations.
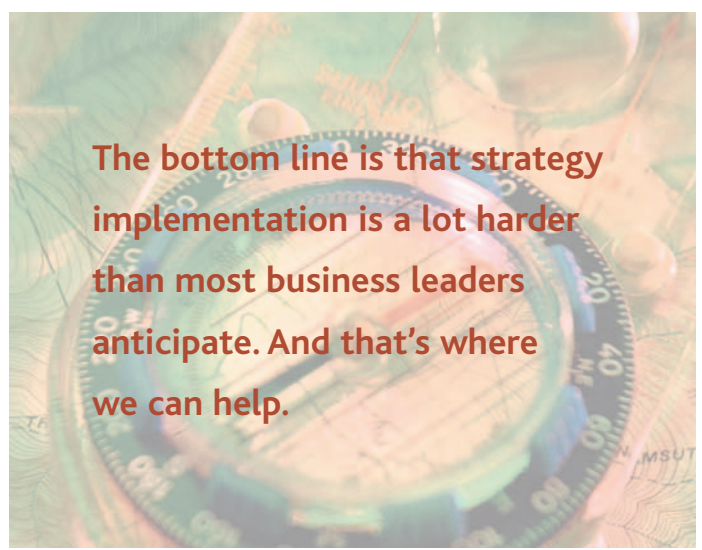
We believe that a strategy is a blueprint for what an organization wants to achieve. However the real value of any strategy is measured by its tangible results. Unfortunately these results can often be elusive.

At Kensington, we don't believe that having the right strategy is a guarantee of success. What we do believe is that *the ability to implement well-conceived strategies* is what separates the most profitable and successful companies from their competitors.

In our opinion the key to success is to have a well-conceived implementation process in place. One that *anticipates* where problems are likely to occur. A process that is both structured yet flexible. With mechanisms that enable the organization to collect feedback from individuals throughout the company in an ongoing manner. Developing such a systematic approach takes commitment, but we believe that the results are worth the effort.

We've all seen strategies that caused more harm than good once they were implemented. Dissatisfied customers, frustrated employees, inconsistent execution across functions and departments, an inability to fully realize cost savings and excessively long time frames to get things implemented. It's no wonder that the term "Strategic Initiative" causes so many employees to cringe.

But that doesn't have to be the case. Implementation and execution doesn't need to be some sort of Herculean task, and it shouldn't require that the entire organization be thrown into a state of frustration. Ultimately, success depends upon your ability to thrill your customers by making sure that all the components of your company are working together with a coordinated sense of purpose. Strategy implementation is a key weapon in your arsenal. If it's done right it can give you an enormous competitive advantage over your rivals, both big and small.

The bottom line is that strategy implementation is a lot harder than most business leaders anticipate. And that's where we can help.

Our Perspective on Implementing Strategies

In this report we're going to take a brief look at the Kensington Strategy Engagement Process. It is a structured approach, which leading companies have used to ensure that the time and effort invested in the development of strategic initiatives pays off through flawless execution.

When one plays the movie backwards and looks at the strategies that somehow didn't achieve what they were designed to accomplish, the reasons seem painfully obvious. In hindsight, it's easy to see the missed opportunities. The messages that should have been communicated, but never were. The discussions that should have taken place, but just never did. The roles and responsibilities that seemed clear to senior managers, but in fact were translated in many different ways throughout the organization. Yes, it really is true that hindsight is 20/20.

Our belief is that in the overwhelming majority of cases, the reason why the implementation efforts derailed was that we just didn't do a particularly good job of anticipating the problems. We didn't fully understand or appreciate different functional perspectives. We glossed over turf issues. We didn't acknowledge the power of the company's culture to help or hinder the initiative.

We believe that the key for converting strategy into action is anticipation.

And that's a real shame, because it would have been all completely avoidable if only...

We asked the right questions.

We believe that the key for converting strategy into action is anticipation. And anticipating reactions requires asking tough questions. It requires looking below the surface and accurately anticipating how people will *really* react-not how you hope they will react. The more that you anticipate these reactions in developing your implementation strategy, the greater the likelihood that you will actually achieve what you set out to accomplish.

Like any good idea, this sounds plausible and makes sense in theory. But the more challenging question is how *can you anticipate these reactions*? How can you develop a roadmap that dramatically increases the odds that your strategic initiatives will pay off in tangible benefits?

Hopefully this report will stimulate your thinking about implementation and how a systematic process can help you achieve the business results you want more quickly and efficiently. Naturally, as a firm that has extensive experience in this area, we would welcome the opportunity to discuss how we might be of service.

The Kensington Strategy Engagement Process

On a fundamental level, our approach to implementing strategic initiatives is elegantly straightforward. The Kensington Process focuses on five key elements:

❶ Identify the Roadmap for Strategy Implementation

If you want to shift an organization to embrace new strategic initiatives, you must be able to think the way the whole organization thinks. This is crucial. Using microcosms that represent the larger organization and all of its voices is a key component for understanding what it will take to execute successfully. We have found that an important element for effective implementation is the establishment of an *engagement process design team* with responsibility for creating a roadmap and providing oversight of the implementation effort. Unfortunately we find this step is often glossed over or neglected.

A critical issue in establishing the design team is selecting who should participate. Should it be comprised solely of senior executives, or include representation of those at other levels in the organization? Ownership for the implementation effort is crucial, but ownership by whom? While the answer to this question will at least partially be governed by the scope of the strategic initiative, there is some danger to having day-to-day oversight solely reside at the utmost senior executive levels.

An initial challenge facing the design team is to ensure that an overly optimistic outlook doesn't hinder implementation efforts. Strategies are frequently developed with the "best case" scenario

in mind. It is assumed that everyone will pull together in unison to ensure that the objectives are met. Unfortunately, this doesn't always occur, and strategies become derailed. This is an often-overlooked component of the implementation process, and a key reason why many strategic initiatives do not achieve their objectives.

In order to accurately address this issue, it is imperative that an assessment be made to preview how the strategy will unfold from the perspective of different stakeholders. This requires candor and openness from all design team members. Not surprisingly, asking people to "share" their individual perspectives rarely yields the depth of insights that are crucial at this important stage. Without a structured approach, these discussions will reveal only that which is organizationally correct. It is crucial that potential speed bumps are uncovered before they are allowed to turn into strategy-gulping sinkholes.

Many organizations using the design team methodology discover that it is beneficial to partner with an experienced outside advisor. We find that this reduces the time it takes for the design team to become comfortable sharing candid opinions and perspectives and formulating recommendations. Naturally, the more the facilitator is familiar with the unique challenges of strategy implementation, the quicker the group is likely to move to a substantive discussion of functional and organization-wide challenges.

Please let us know if you would like to further discuss the design team concept or any other issues concerning creating and facilitating the roadmap.

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❷ Assess Your Organization to Reveal Any Barriers

A critical factor in the ability to execute strategy is the organization's structure and the way in which it does or does not provide a foundation for success. While it is sometimes necessary to reorganize, this extreme step is usually not needed. Our experience has shown that there are alternative approaches to increase the performance level of the entire organization. Thus the larger question becomes how to ensure that the roles across functions, management levels and business units are being executed as intended.

Organizations are like puzzles. They consist of many elements that are intended to fit together cohesively. Depending on the design of the organization, these "puzzle pieces" may consist of functions, geographical regions, or business units, among others. Regardless of the structure that is in place, the biggest challenge lies in how to improve the overall execution of the entire organization. This involves examining the ways in which the various teams, departments and divisions, all work together. Not surprisingly, organizations become increasingly complex as they grow larger, and the structure that proved effective at one stage may no longer seem optimal.

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We are all familiar with organization charts. And while they are a valuable first step in organizational design, they are only just a first step. Unfortunately, one-page organization charts leave themselves open to many interpretations. Thus, they can unwittingly become a source of confusion and conflicting assumptions that sets the stage for misunderstanding, conflict and ineffectiveness.

This can be addressed by a simple yet powerful approach for creating cohesiveness, which we call organizational alignment. It highlights accountability and decision making responsibilities, provides a way to assess and strengthen clarity in roles and ensures integration across functions and management levels.

The *Alignment Assessment* highlights where the organization is functioning as intended, and where there are unproductive or dysfunctional gaps, overlaps or conflicts that limit the ability of even highly motivated people to execute successfully. The alignment assessment identifies the places where these organizational issues exist, and shows how roles can be defined to ensure complementary and collaborative efforts. We encourage you to contact us to receive a brief introductory overview of this service.

③ Speed Implementation With a Unified Approach

A key challenge that remains is to find new ways in which to mobilize and engage large numbers of people around a common focus. Leaders realize that the strategy will only succeed if the buy-in from everyone in the company is sincere and heart felt. In our opinion, creating a unified organizational effort is a critical component for success.

Certain company-wide meetings that include managers, front line employees, and/or key customers present an ideal opportunity to develop widespread understanding and support for new strategies and initiatives. *However, it is crucial that these events are designed and run in ways that generate engagement and involvement*. Unfortunately, many meetings fail on this account, which makes organizations naturally skeptical about the value of large meetings. We view large unifying events as a powerful tool in your implementation strategy.

Kensington *Engagement Forums* turbo-charge implementation efforts. The power of a well constructed event is its ability to help attendees see the world through the eyes of a variety of key stakeholders, all of whom have a voice in the future of the organization. A successful meeting sends attendees back to their jobs with a common awareness of the challenges that the organization faces and the strategic direction that will lead to success, as well as a clear understanding of what they as individuals will need to do in order for key initiatives to be successful.

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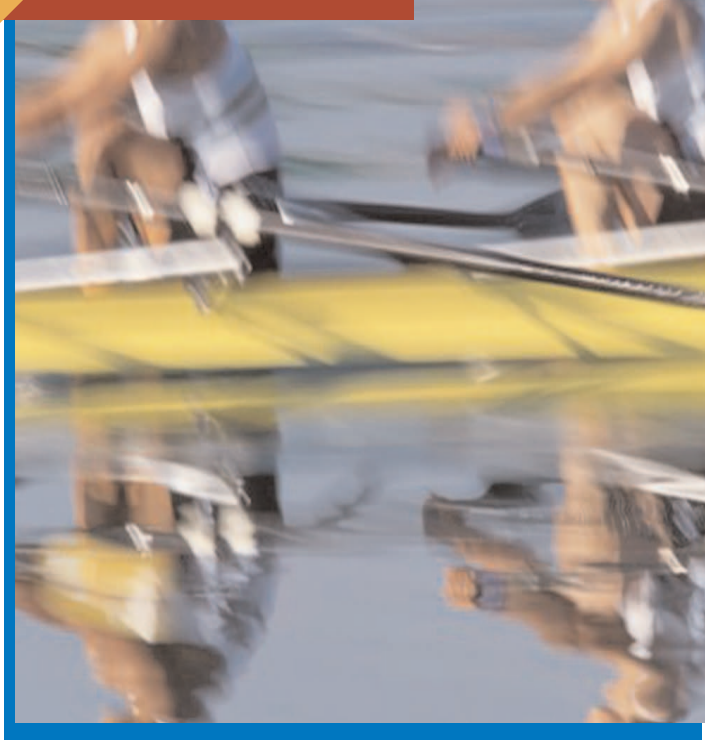
Not surprisingly, these outcomes are usually not achieved by the standard approach most companies take when holding large meetings. The typical Power Point driven, talking head presentations tend to put participants into a highly passive state. These traditional formats do little to draw out best thinking or create a feeling of involvement and ownership. Widespread engagement with the strategy can be created when leaders transform these events into interactive forums, where participants have opportunities to voice their opinions on important issues.

As one executive stated after participating in a forum we developed, "I believe we will look back often and recognize the event as a key turning point for many years to come. The tone and direction it has set is unprecedented in my 30 years with the company." Many people have expressed similar reactions after experiencing this type of well-crafted event. You are likely to find that a brief discussion with us about how we can create a similar forum for your organization is a good investment of time.

4 Target Projects that Produce Rapid Results

A common frustration about strategy implementation is the amount of time it often takes before tangible progress is seen and felt. Amid the many activities that are required to launch a strategic initiative, it is easy to lose focus on the highest priorities. Naturally, this can result in inefficiencies and delays before tangible outcomes are realized.

As a recent Harris research poll has confirmed, the majority of people in organizations frequently lack a complete understanding of how their individual tasks connect to the larger organizational goals. This results in an enormous loss of untapped creativity and energy. The key to tapping this reservoir of potential is to structure initiatives and projects to enable people to dramatically reduce the amount of time it takes to create real, tangible, value added results.

For example, using our *Rapid Deployment Project Model*, a recent client launched a breakthrough effort that dramatically accelerated the speed of a new product introduction. In another instance, a client achieved a two million dollar annual savings by using our approach to drive the implementation of a back office reengineering initiative. In another instance, a client achieved similarly impressive results by using our approach to address the key factors causing associate dissatisfaction and turnover. Some clients have reaped multi-million dollar savings, while others have dramatically shortened the time required for bringing new

programs and services to market. Results like these galvanize organizations and provide a substantial boost to the overall implementation effort.

In each of these instances, our structured methodology for breaking large initiatives into smaller steps was crucial for defining results oriented initiatives and keeping them on track. By using this approach, savvy executives find that they can dramatically accelerate the time it takes for large-scale initiatives to produce tangible outcomes.

As one client expressed it, the *Kensington Rapid Deployment Project* model "Helped us identify the most impactful projects and improve our business performance, giving a tremendous boost to the implementation process."

Achieving tangible results as quickly as possible is the goal of any strategic initiative. We encourage you to learn more about how the Kensington Rapid Deployment Project Model can assist you in achieving this objective.

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❺ Use Real-Time Survey Feedback to Guide Your Efforts

A key component of an effective implementation effort is a process to monitor how well it is proceeding, to identify obstacles and issues, and to solicit feedback and suggestions. Many of our clients have found that online surveys provide rapid, confidential and candid feedback from stakeholders across the entire organization.

The most effective surveys are developed in a targeted fashion to probe the underlying factors that may help or hinder each client's specific implementation efforts. They typically probe cultural, organizational, leadership, process and communication issues. They reveal important information about the level of support initiatives are receiving throughout the organization, and pinpoint specific execution challenges. If conflicts exist, a well-crafted survey can uncover the real problems and point you to intelligent solutions.

Assessing organizational effectiveness through a real-time survey process provides a quantifiable method by which to monitor and measure progress in conjunction with business results. They typically highlight the areas that are working well, and identify specific opportunities for improvement. An additional benefit to using surveys is that they include a broad representation of perspectives, which enables organizations not to be overly influenced by a small, albeit vocal, constituency.

Periodically assessing the reactions, frustrations or concerns of stakeholders is a step well worth considering. For example, the intranet survey tool we developed and have used over the past six years for one client, as they expanded to sales of $3.5 billion generated in 72 countries, enabled them to obtain rapid, valuable management feedback from around the world at each stage of the implementation effort. This gave the company President the information needed to address concerns and issues before they became full blown problems. You may wish to talk to us about how to set up a similar feedback system for your organization.

Surveys reveal important information about the level of support initiatives are receiving throughout the organization.

In Conclusion

We hope this report has given you some good "food for thought" as you are developing your plans for implementing important strategic initiatives.

Ultimately, we believe that the key point of differentiation between the companies that will grab market share in the next year vs. those that languish, is the effectiveness by which strategies that are developed at the executive level are implemented with excellence company-wide.

If you are serious about ensuring that your next strategic initiative yields the tangible results you want, please contact us to discuss how our services can be of assistance.

We sincerely appreciate your interest in our work and wish you much success in achieving your business objectives.
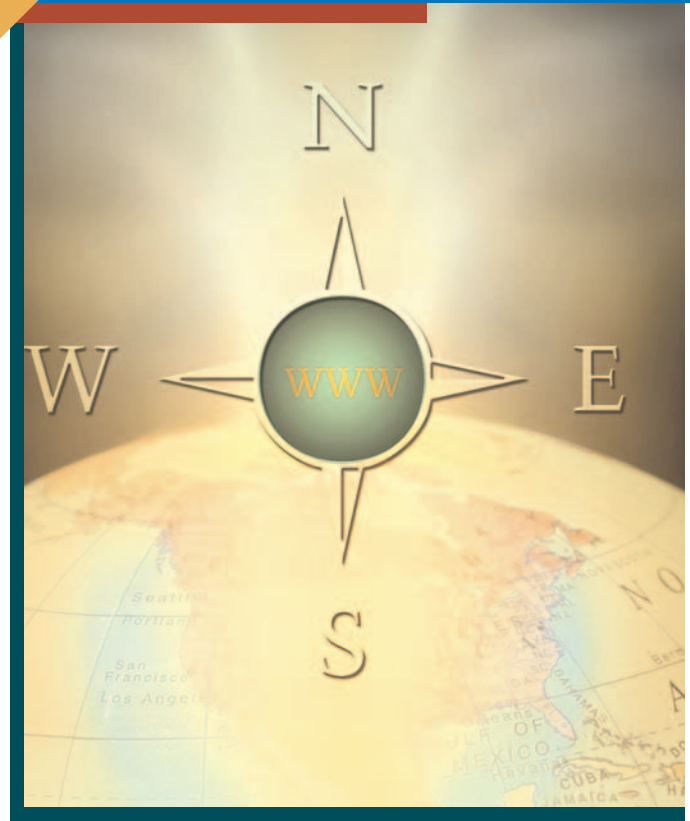
About Kensington Consulting

Since 1993 Kensington Consulting Group, Inc. has worked with senior leaders of the world's most successful organizations on the challenges of successfully implementing sound business strategies. Our clients have included GE Capital, IBM, Marriott, Diageo, Nextel, T. Rowe Price, Caterpillar Financial Services and the World Bank.

Kensington Consulting Group, Inc.
209 West Street Suite 301
Annapolis, MD 21401
410 216-9955 office
info@kensington-group.com