

This is part 5 in a series of articles on the harvest and reuse of expert knowledge. This article focuses on using DCT to enhance the development and implementation of strategic initiatives in geographically dispersed organizations. Other articles focus on harvesting expert knowledge, facilitating the practical application of that knowledge by non-experts and the use of DCT to significantly expand the value of performance improvements.

Strategy to Action in 6 days

**William Seidman, Ph.D.
Michael McCauley**

Executive Summary

Improve performance! Execute! Execute! Execute!

The key to sustained performance improvement in large, geographically dispersed organizations is quick, effective implementation of critical strategic initiatives. Executives are judged, and compensated, by their ability to define and implement strategic initiatives.

This article presents an approach to implementing strategic initiatives that enables an organization to go from strategy articulation to field action in only a few days – while drastically reducing implementation time!

Main Topics

- Executives are frustrated by the difficulty of getting their field organizations to consistently and systematically implement corporate strategic initiatives because the conventional approaches to field implementation do not work.
- Digital Coach Technology (DCT) improves the implementation and impact of strategic initiatives by raising the performance of the entire organization to top performing levels.
- Companies using DCT can:
 - **Complete the headquarters portion of initiatives in as little as 6 days**
 - **Begin field implementation of an initiative in as little as 6 days**
 - **Leverage their experts' 'secret sauce' to reduce implementation times by 50%**
- DCT is an implementation tool for initiatives that can actually decrease the load on the organization. It is not an independent initiative. Using DCT, the organization can implement more initiatives, more quickly, and with better overall results.

Strategy to Action in 6 days

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Introduction

Improve performance! Execute! Execute! Execute!

We hear words like these almost every day! The key to sustained performance improvement in large, geographically dispersed organizations is quick, effective implementation of critical strategic initiatives. Strategic initiatives can be used, among other things, to:

- Reposition the company
- Enhance operations
- Improve customer service, or
- Introduce new offerings

All of these focus on improving overall revenues, market dominance and profitability. As such, the success of strategic initiatives is often one of the primary criteria for judging and compensating the senior management team.

Yet few strategic initiatives in far-flung enterprises are tremendously successful. Critical initiatives, even when well-defined, can take months or years to reach the hundreds or thousands of local operating units. There is too often a giant chasm between the announcement of a strategic initiative and its implementation in the field. How can the management team tighten the coupling between strategic initiatives and their implementation in far-flung field organizations?

This article presents an approach that enables large, geographically dispersed companies to substantially increase the impact of their strategic initiatives by dramatically improving the speed and effectiveness of implementation in their organizations. More specifically, this article briefly examines the role of strategic initiatives in organizations, why they have not typically been successfully implemented in the past, and how Digital Coach Technology (DCT) provides an infrastructure for successfully implementing them in the future. Companies using DCT have reported startling results including:

- Reducing initiative development time to as little as 6 days
- Reducing implementation time by as much as 50%

Imagine the impact of going from strategy to action plan in 6 days, and then going to full implementation in one half the normal time!

Strategic Initiatives

Companies need great leadership. Executives must be great leaders, constantly creating and sustaining shareholder value. To be great leaders, executives must anticipate changing market conditions and position their companies for continuous growth and profitability. Conversely, ineffective leaders suffer through lay-offs, stores closings and plunging stock prices. The stakes are truly high!

One of the few tools executives can use to provide leadership is the strategic initiative. Strategic initiatives are broad statements of direction that are meant to guide the company, provide information to external stakeholders and demonstrate leadership. Presented in annual reports and briefings to the investor community and employees, executives articulate both sweeping visions for the future and specific programs for the coming year, such as:

- An apparel company's initiatives include adding a new "teens" department in all of its stores, and improving the cash management process.
- A quick service food company has strategic initiatives for expanding into the Southeastern U.S. by adding franchises (which was a change from previous approaches to expansion), and improving the guest service in all of its current outlets.

Initiatives can cover a wide range of topics. Our experience shows that companies typically begin about five initiatives annually. In almost all enterprises, at least one (and usually more) specifically focuses on growing the business by improving same unit year-to-year performance, adding new units, or both.

Conventional Implementation Wisdoms

Even though executives are held accountable for the success of their initiatives, they must depend on others to actually implement them. Individual departments within the company must specifically define the initiative, revise related operating procedures, develop and deliver training to improve individual skills, coordinate efforts with other departments, purchase and implement software and address a host of other areas that must be changed in order to effectively implement most initiatives. Implementation of these critical initiatives is largely outside the executives' direct control.

So how do organizations typically implement these changes? The conventional wisdom of implementing strategic initiatives is shown in Figure 1. Executives articulate a vision, talk about it frequently, and then expect the organization to implement it. This is a classic "management by objectives" approach, practiced to some extent by most corporations. Everyone knows how it should work, expects it to work, and therefore tends to practice it without much thought. Unfortunately, evidence shows that this approach doesn't actually work very well in large, decentralized (i.e., far-flung) organizations!

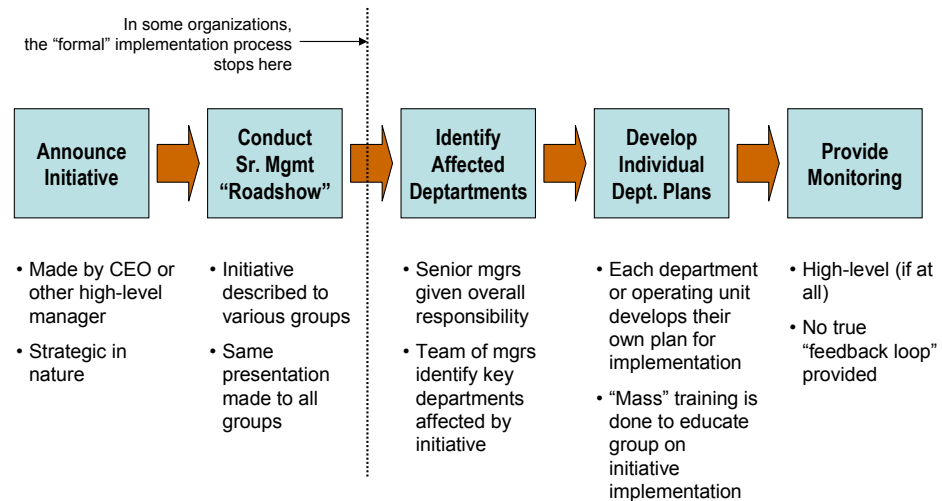


Figure 1: Conventional Initiative Implementation Process

The Strategy-Implementation Chasm

Why doesn't this conventional approach work for many organizations? There are a host of problems with it, including:

- The initiatives are often too general and broad to effectively guide the organization's actions
- The work of individual departments quickly becomes isolated from both the work of other departments and the intent of the original initiative
- The organization is too stressed by other pressures (including too many initiatives), and resources are stretched too thin, to focus on the initiative
- The initiative encounters significant cultural resistance in one or more key operating unit

At an extreme, one rather cynical regional vice-president of a large chain describes the realities of the traditional approach as follows:

"The CEO's strategic initiatives are like raindrops in the organization. They drip from the top. Each middle manager tries to dodge getting wet causing the initiative to drop through the organization until it hits the individual contributor, causing a ripple of change. When there are many initiatives the organization gets very wet, and stalls from confusion. Even when there are fewer initiatives, it takes so long for the drop to go all the way through the organization and begin to improve field performance that the CEO has concluded that the original initiative didn't work and has started a new one. Nothing ever actually changes."

Executives can quickly and effectively articulate an initiative, but implementations are often so misdirected and slow that the tie to the initiative weakens and the actual implementation has little effect.

In far-flung organizations, initiatives are particularly affected by the decoupling of headquarters from the field. Although few willingly acknowledge the problem, far-flung organizations too often have a huge chasm between field operations and headquarters. Field organizations, particularly ones with a high proportion of franchises, regularly and systematically ignore corporate initiatives. Conversely, corporate managers consistently distrust the field's commitment to the initiatives. This is not a healthy situation for an organization in general or for the implementation of any particular initiative.

For the manager of a local unit, strategic initiatives from a corporate headquarters can seem incredibly distant. If you are the manager of an outlet in Portland, Oregon, for instance, initiatives sent from a headquarters in Florida may seem completely irrelevant. We have found that local managers in chain or chain-like environments will ignore an initiative when they perceive *any* of the following:

- They are “only” one of hundreds, or even thousands, of individual stores
- Their store has a “special situation” and therefore the initiative doesn't really apply to them
- The initiative will create significant additional work for them
- Corporate is likely to provide minimal assistance with implementation
- Nothing will happen to them if they ignore the initiative

As one field manager in a quick service food chain states:

“If you ignore it long enough, it will simply go away.”

In sharp contrast, one COO reflected the headquarters perspective when she stated that:

“Trying to get the field to change is like turning an aircraft carrier. At best it turns very slowly and, even with that, makes very wide, sweeping turns that must be planned well in advance.”

We think this image actually understates headquarters frustration with their field organizations. We perceive that headquarters in most chains really think of it less as turning an aircraft carrier, which at least responds to central direction, and more like trying to get hundreds of speedboats, each with an essentially independent captain, steering in the same direction at the same time and at the same speed. Each unit must separately align with the whole chain for the initiative to be successful. What a truly challenging task!

Consequently, headquarters never knows what it will get when it launches an initiative. The GM of a 600-unit consumer electronics chain succinctly summarized the uncertainty when he said:

“I am lucky to see action on an initiative in 60 days, and if I don't see anything happening in 120 days, I know the initiative is dead.”

For executives, launching an initiative is too much like gambling and too little like the proactive management needed to effectively improve the performance of the organization.

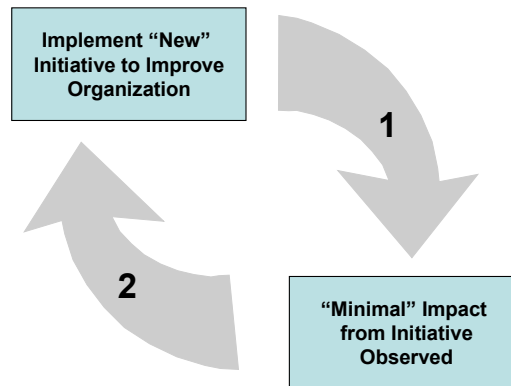


Figure 2: Self-Reinforcing Implementation Cycle

This uncertainty, of course, leads to corporate adding yet more initiatives to try to offset the poor impact of the previous, unsuccessful initiatives, creating a self-reinforcing cycle (Figure 2). Each new initiative is seen as the “initiative du jour,” reinforcing the belief that they can be ignored and creating pressure for yet more initiatives, which are, then also ignored. In many far-flung organizations, ignoring strategic initiatives has been subtly institutionalized. It is therefore not surprising that so many initiatives produce such minimal performance improvement.

Successful Initiatives

Yet some initiatives are successfully implemented, even in far-flung organizations! What creates these successes?

Although there is a tremendous amount of literature on change in organizations, our experience suggests that there are only a few factors that consistently promote the success of strategic initiatives in far-flung organizations. These are:

- The initiative is presented often and in highly visionary, exciting and energizing terms.
- Headquarters plays more of a driving, coordinating and development role, rather than a subject matter expert role, deferring definition of the content to top performers in the field. This type of field participation is essential if the content is to be anchored in operational reality.
- Headquarters performs their role quickly, communicating a commitment to making the change and a strong sense of urgency about implementing the initiative.
- Top performing district and local managers (or equivalents) are systematically brought into headquarters planning early, defining the content, planning the rollout, and publicly supporting the effort. These

are the leaders of the field organization. They provide the credibility needed to overcome resistance to change.

- All districts and stores quickly (i.e. within days, not weeks) complete comprehensive local action plans, based on the top performers guidance, for implementing the initiative. This communicates both urgency and accountability.
- Headquarters and field operations senior management reviews weekly, comprehensive progress reports on the status of the implementation in each district and store and takes corrective action as needed.

Key Factors in Successful Implementations	Key Characteristics of Top Performers*
The initiative is presented often and in highly visionary, exciting and energizing terms.	A more energetic, exciting and visionary view of the work than less effective performers.
Headquarters plays more of a driving, coordinating and development role than a subject matter expert role, deferring definition of the content to top performers in the field. This type of field participation is essential to keep the content anchored to operational reality.	A strong, “big picture” view of the organization, and its management requirements, that enables them to recognize and respond to wide variety of local situations.
Headquarters performs their role efficiently, communicating a commitment to making the change and a strong sense of urgency about implementing the initiative.	Specific criteria are used to organize and rigorously prioritize district and store work for its relevance to the central direction of the organization.
Top performing district and local managers (or equivalents) are systematically brought into headquarters planning early, defining the content, planning the rollout and publicly supporting the effort. These are the leaders of the organization, particularly in overcoming resistance to change. Their participation creates realism and credibility.	The experts’ secret sauce reflects the combined best thinking of those that have experience with similar initiatives, enabling them to efficiently guide the roll out of the initiative to individual stores or field organizations.
All districts and stores quickly (i.e. within days, not weeks) complete comprehensive local action plans, based on the top performers guidance, for implementing the initiative.	Experts’ memory of past action plans from similar work, their experience of risks encountered on previous initiatives, and their knowledge of supporting materials are used to develop a robust action plan that is credible and achievable. Experts then coach less effective personnel to adopt new thinking and behaviors quickly.
Headquarters and field operations senior management reviews weekly, comprehensive progress reports on the status of the implementation in each district and store.	Systematically monitor progress using the four questions and “to do” lists.

Table 1: Successful Implementations and Top Performers

While these requirements may seem daunting, they should also seem quite familiar since they are virtually identical to the behavioral patterns of top performers. As shown in Table 1, top performers already act in a way that is consistent with the effective implementation of strategic initiatives. (See also

“Harvesting the Experts’ Secret Sauce and Closing the Performance Gap,” Performance Improvement, January, 2003, “8 Minutes to Performance Improvement,” Performance Improvement, July, 2003, and “The Performance Improvement Multiplier,” Part 3 in this series.)

In fact, top performers’ secret sauce has attributes that make it particularly effective in implementing initiatives. Instead of treating each initiative independently, top performers integrate new initiatives directly into their overall vision about how to run the business. For example, store managers in the apparel chain mentioned before easily assimilated the new upscale teen department as a natural extension of their underlying model: “serving the lifestyles of the successful woman.” The teen department was simply: “preparing the teen for adult success.” Top performers treat multiple, diverse initiatives as components of on-going management processes, reinforcing both the initiative and the management process and actually making the top performers even more organized and effective.

In sharp contrast, less effective performers treat new initiatives as unique events, which are just as important as all other initiatives, causing an acute overload. For instance, newly promoted pharmacy managers were swamped by the demands of several new initiatives. Many of the managers initially went into “hyper-drive” to respond to all the initiatives simultaneously and then simply froze, deferring all decisions and management to their district managers. Both daily operations and the implementation of the initiatives declined, demonstrating just how easily strategic initiatives can overwhelm marginal performers.

Not surprisingly, top performers are critical to the success of initiatives. However, few far-flung enterprises have enough top performers to effectively support initiatives throughout the entire chain. DCT solves this problem by raising the performance of less effective personnel to top levels throughout the organization.

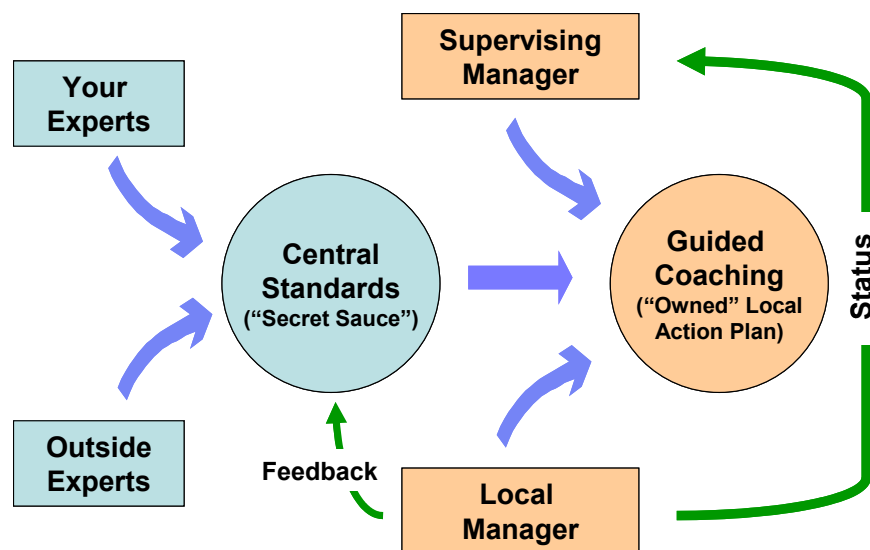


Figure 3: Structure of DCT

DCT and Initiatives

Digital Coach Technology (DCT) is designed to emulate the process that an organization's top performers would use to coach less knowledgeable personnel to superior performance. More specifically DCT uses a highly structured methodology (see Figure 3) consisting of a specialized interview that causes the expert to tell his story, polish that story into a repeatable best practice, and store the best practice in an archive. When an inexperienced person needs to perform the same function, instead of asking the expert to coach them, they recall the best practice from the archive and are "coached" through performing the function as though the human expert was there.

DCT utilizes the expert's *secret sauce*, interactive *guided coaching* and *Live Action* to optimize the performance of both headquarters and the field in defining and implementing strategic initiatives.

From Initiatives to Action

All this sounds great, but how do you actually develop a DCT infrastructure, and what exactly will it do for you?

For those organizations that fully utilize it, a DCT infrastructure consistently:

- Gets headquarters going quickly, reducing the time it takes to plan implementation of a strategic initiative.
- Moves the organization from headquarters plan to field action in as little as 6 days, far shorter than any other approach.
- Reduces the time required to fully implement strategic initiatives by as much as 50% over other approaches.
- Addresses the key barriers to change that most strategic initiatives encounter, resulting in real passion for the initiative.

Getting Headquarters Going Quickly

The initiative has been announced. It's time to get it implemented!

Implementing initiatives begins with headquarters' planning. Historically, the headquarters process consists of a lengthy series of meetings and debates as the initiative is gradually defined and included in the on-going work of the organization. This process is, at best, slow and often times torturous.

In contrast, the DCT process requires only a few days and is usually seen as "fun." Organizations using DCT to define an initiative follow these steps:

1. Designate a single, senior executive as the "owner" of the process.
2. Conduct a 3-day DCT knowledge harvesting session with 6-12 top performers from each of the areas affected by the initiative, including top performers from the field. The output from this session is a complete definition of the initiative and a preliminary action plan.

3. Give each affected department one week to modify the overall plan to fit their environment, logging discrepancies and issues in the DCT system, and generating a department specific action plan.
4. Reconvene the original team for one day of review and to finalize the plan.
5. Begin work and track progress.

For example, a photography company had a strategic initiative to move from film-based operations to digital operations. This was a drastic move requiring changes to everything from the cameras used to the product offerings to the specific postures and positioning of the photographer. Furthermore, for the first time, six divisions serving drastically different clienteles had to agree on a single comprehensive digital solution. Quickly and effectively defining this fundamental change to their business was critical.

Using DCT, 15 senior managers and top performers from each division's headquarters and field organizations conducted a 3-day knowledge harvesting session in which they defined the goal of entering the digital market, the specifics of their positioning, the major tasks required to enter the market and the risks of both the new positioning and the implementation. This information was immediately carried back to divisional teams, which completed the development of specific action plans for each department in only two days. The entire definition and plan was finalized in just 6 days. As the sponsoring executive put it:

"We accomplished more in 5 days than we usually accomplish in 6 months."

On the surface, the DCT approach to planning an initiative may seem similar to the conventional approach, but it outperforms the conventional approach in many ways including:

- DCT's knowledge harvesting approach quickly engages the passions of the entire team, creating a more dedicated, focused group.
- By using the top performers' secret sauce as the foundation of the implementation plan, the specific action plans are always better organized and have more of the "real" information needed for organizational credibility and quick, effective implementation.
- The resulting plans are far more comprehensive than is typical including complete definition of the boundaries of the initiative, action plans and risk management mechanisms.
- The time required to both complete the plans and begin acting on them is a small fraction of the usual time required with conventional approaches.

Furthermore, some organizations develop a DCT library of best practices for repetitive initiatives. The stored knowledge is used as the basis for planning, reducing planning and implementation time even more. For example, initiatives for expanding into new regions, improving guest services, or adding new product

lines are often similar to previous initiatives in these areas. Using DCT, companies have harvested the “secret sauce” of the experts in these areas, polished them into a best practice and stored the best practice in an archive. When a new initiative is “kicked off,” the headquarters team recalls the best practice from the library and modifies it to reflect the current situation. Thus, a general best practice is quickly adapted to implementing a specific initiative. In some cases, the best practice even includes the detailed financial models and “tips” for how to make adjustments required for headquarters analysis.

Leveraging the stored knowledge this way can enable headquarters to define the initiative, complete plans and begin work in as little as 2 days, far more quickly and effectively than previously thought possible.

Headquarters Plan to Field Action in 6 days

While DCT can clearly help headquarters get organized, how can it help bridge the headquarters-field chasm?

From the field perspective, a strategic initiative looks similar to any other performance improvement effort. Once headquarters indicates it is time for field participation, operations follows the DCT approach outlined in “Performance Improvement in the Far-flung Enterprise.” Recall these steps:

1. A team of 6-12 top district and local managers conducts a 3-day knowledge harvesting session in which they generate a best practice for the entire field implementation including district and store level implementation plans. These are polished, stored in a central library and announced to the entire field
2. The field management team sets expectations for the field to use the DCT implementation methodology including
3. Within 3 days, each district and local unit manager will use DCT to complete a high level plan for implementing the initiative (This takes 30 minutes per unit)
4. Within 6 days, each district and local manager will complete a detailed implementation plan adapted to each particular location (This takes 90 minutes per unit)
5. Report and track status weekly (This usually takes only 4 minutes/week/unit)

The speed and structure of DCT enable a field organization to go from the start of the planning process to implementation of the new initiative in as little as 6 days.

Here too, in companies that have established DCT, there is often a best practice similar to the initiative already stored in the DCT library. Consequently, instead of having to create an entirely new best practice, the initial team only has to modify the stored knowledge, which reduces the time required to create an implementation plan to just a few hours. For example, using a best practice for opening new quick service restaurants stored in its DCT library, a team was able to complete plans for opening 20 new restaurants in a new region in less than a

day. In turn, the district managers responsible for actually opening the new restaurants were able to complete their plans in a few hours, and began work immediately. This organization went from definition of the initiative to action in the field in about 2 days.

Our experience shows us that mutual trust in the value and commitment to the initiative increases dramatically when both headquarters and the field use DCT. The field believes that headquarters will quickly produce a high quality, useful program and headquarters believes that the field will respond effectively to the initiative. Headquarters people tell us that they finally believe the field will respond and the field tells us they finally know what to do and how to do it. All are working together, conscientiously and quickly, toward the success of the initiative. Overall, using DCT processes decreases planning times for implementing new initiatives as much as 80%.

Reducing Implementation Time By 50%

While reducing planning time 80% is awesome, it doesn't mean that performance of the tasks in the plan will be equally awesome. Recall that top performers consistently complete work 30-50% faster than less effective personnel, usually with better quality. By using DCT to improve the task performance of the less effective performers to top levels, initiatives can be implemented in about half the time previously required. DCT obtains these gains by using the experts' "secret sauce" and on-screen prompts to "coach" less effective personnel to:

- Develop a profound sense of ownership and commitment to a performance improvement
- Become highly organized and focused, with a specific action plan

These capabilities are ideal for quickly and efficiently implementing a strategic initiative. Less effective performers are more committed and organized, working more intensely and effectively. For example, one professional services organization introduced a new suite of services. After the standard central meeting and road show, the top performer's secret sauce for selling and servicing the new offerings was distributed and all districts and field offices were required to immediately use DCT to coach their teams to completed action plans. At the end of two weeks, everyone in the organization knew what the offerings were, how to sell and service them, and what they were supposed to do to introduce the new offerings to their customers. Not surprisingly, the new offerings quickly gained momentum.

Finally, planning alone is not sufficient to drive an implementation. Organizations must constantly track progress and efficiently respond to issues and changes. This demonstrates commitment and management skills. DCT's Live Action capability requires only 4 minutes per week from each local and district manager to keep field and headquarters fully informed of progress and threats to success, while its summarization capability allows both field and headquarters to monitor the progress of multiple locations simultaneously. Thus, not only is the organization using better plans, it manages the actual implementation better.

Resisting Change, Even When It's Good

In spite of the obvious benefits of using DCT for strategic initiatives, objections to its use are sometimes encountered. Typically, these fall into two categories, usually stated as:

- “We can’t pull the top performers from the field for the 3-day DCT knowledge harvesting session.”
- “We have too much on our plates to implement DCT right now.”

We suspect that both are really normal concerns about change in general, and not DCT in particular. While we certainly understand the discomfort a new approach to implementing an initiative may cause, neither objection makes sense if the organization is truly interested in performance improvement. For example, a field operations group from a large apparel chain raised the first objection with an internal process-consulting group responsible for implementing initiatives. Here is a portion of their discussion:

Field Ops (talking to the internal process consulting group): *“We’ve been given an initiative to improve local merchandising and would like you to help us. We have heard about DCT but can’t afford to pull the top performers in from the field for three days to implement it. We would like you to develop a standard training course for us instead.”*

Process Consultant: *“Creating a course will require about six months; three months to collect content by individually interviewing 10-15 of your top performers, and then another 3 months or so to develop and fully test the course. . I expect that the content will be mostly “how to” tips that may lack some application context.”*

“Using DCT, I can get it done in just five days; three days to collect content from 6-12 of your top performer, plus two additional days to make it production ready. The content will include the judgments, decision rules, thought processes and the specific “how tos” of local merchandising. At the end of the five days, the content will be put into the DCT library and your people can immediately begin coaching on improving merchandising.”

“So which do you want to do – six months to produce a course on the “how to,” or six days to produce DCT with richer content for better coaching that will begin to improve performance immediately?”

As you might guess, this was an easy choice for the operations team – DCT all the way!

The second objection, there is “too much on their plate,” is not surprising because there is always a tremendous amount to do. In fact, people perceive that there is so much to do that we frequently hear headquarters personnel state that they “can’t roll out another initiative because it will overload the field.” We also hear the field state that they simply “can’t respond to the initiative without more resources.” In their view, DCT is a new initiative, creating an additional burden.

In fact, DCT is a superior enabler for implementing current initiatives. Most organizations have usually already committed to the expensive, laborious and marginally effective processes of developing training courses and process binders in support of initiatives. Substituting a DCT vehicle for implementing current initiatives utilizes the particular ability of your top performers, significantly reducing the time and cost for implementation while producing a better overall result. In particular, DCT's efficiencies reduce the load on headquarters personnel responsible for developing these programs and on the key field personnel responsible for leading the implementation. Thus, DCT actually makes the plate bigger for the entire organization.

Conclusion: 6 Days to Executive Success

Imagine that you, the executive, see a new opportunity in the market, or a competitor has just announced a new product or initiative, or a critical law has changed.

Most executives approach these situations with an intense drive for personal and organizational success. They are absolutely committed to maximizing the performance of the organization. In the past, this intensity ran into the brick wall of traditional implementation methods.

Now imagine intensity throughout the organization that matches your own drive. When you and your organization use DCT to convert strategies to action in only six days, and reduce the total response time of your organization by as much as 50%, you will have the overall focus and commitment that beats the competition every time. With DCT, you will have an organization that can consistently and quickly respond. The stakeholders will profoundly admire your leadership, and they will let you know it!