Strategic Speed

“Where urgency meets execution.”
—Walt Macnee, President, International Markets, MasterCard Worldwide

Presented by

Maggie Walsh
VP, Leadership Development Practice

Forum
Strategy. Accelerated.
Our Research

18 case studies

> 500 books and articles

343 leaders surveyed
Why it’s important
Why it’s difficult
How leaders achieve it
Why Is Speed Important?
They’re Competing on Speed
Speed Correlates with Better Results

3-Year Average Growth Rates

Sales: 40%
Operating Income: 52%

Faster cos. vs. Slower cos.

Strategic Speed, Davis, Boswell, and Frechette (Harvard Business Press, 2010)
Companies Aren’t Achieving the Levels of Speed They Need

**Importance of Speed versus Actual Speed**

- **Asia-Pacific**: Importance ~ 90%, Speedy ~ 50%
- **North America**: Importance ~ 80%, Speedy ~ 40%
- **Western Europe**: Importance ~ 70%, Speedy ~ 50%

*Strategic Speed*, Davis, Boswell, and Frechette (Harvard Business Press, 2010)
67-80% of TQM programs do not create desired results

70% of reengineering initiatives fail

80% of major systems investments not used/not delivering intended impact

70% of business-critical change efforts fail to achieve expected results

40-company study of major change initiatives: 58% did not gain expected returns

59% of change projects did not succeed; ¼ of firms had 92% failure rate

Global study of 1,500 executives: 62% of change initiatives fail to create desired performance results

70% of Initiatives Don’t Succeed
Why Is Speed Difficult?
The 5 Stages of an Initiative

1. Initial enthusiasm and optimism

2. Confusion, panic, and disillusionment

3. Search for the guilty

4. Punishment for the innocent

5. Praise and honors for the non-participants
Two Speed Traps

1. Overattention to pace
2. Overattention to process

Strategic speed = pace + process + people
Process and People at Vodafone
Consider These 10 Characteristics

<table>
<thead>
<tr>
<th></th>
<th>Initiatives move forward despite split support from senior managers</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Team members stay focused on their responsibilities</td>
</tr>
<tr>
<td>2</td>
<td>Team members keep their problems to themselves</td>
</tr>
<tr>
<td>3</td>
<td>Quick pace takes priority over reviewing work</td>
</tr>
<tr>
<td>4</td>
<td>Teams move quickly on to the next project without a formal debrief</td>
</tr>
<tr>
<td>5</td>
<td>Success is based on improved quality and lower costs</td>
</tr>
<tr>
<td>6</td>
<td>The company fine-tunes its offerings to satisfy current customers</td>
</tr>
<tr>
<td>7</td>
<td>People get work done despite competing objectives</td>
</tr>
<tr>
<td>8</td>
<td>When making important decisions, senior leaders put forth tried-and-true ideas</td>
</tr>
<tr>
<td>9</td>
<td>People get started on new initiatives with little training</td>
</tr>
<tr>
<td>10</td>
<td>Slow Companies</td>
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**HRPS Global Conference**
April 3–6, 2011
JW Marriott Starr Pass
Tucson, Arizona
## Faster and Slower Companies

<table>
<thead>
<tr>
<th>Faster, more successful companies</th>
<th>Slower, less successful companies</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Senior leaders are closely aligned and committed to the success of initiatives.</td>
<td>Initiatives succeed despite lack of unanimous senior-level support.</td>
</tr>
<tr>
<td>2. Team members are flexible about switching responsibilities to make things easier for one other.</td>
<td>Team members stay focused on their responsibilities to ensure the work gets done.</td>
</tr>
<tr>
<td>3. Team members are usually comfortable talking about problems and disagreements.</td>
<td>Team members believe in keeping their cards close to the vest as the best way to get ahead.</td>
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<tr>
<td>4. Despite the workload, people on initiative teams find time to review how the work is going.</td>
<td>There is simply no time for reflection among the initiative team members.</td>
</tr>
<tr>
<td>5. Teams capture and communicate lessons learned from initiatives.</td>
<td>After initiatives are completed, teams move on to other assignments without a formal debrief.</td>
</tr>
<tr>
<td>6. The company bases its success on the ability to explore new technologies.</td>
<td>The company bases its success on the ability to improve quality and lower costs.</td>
</tr>
<tr>
<td>7. The company creates products and services that are innovative.</td>
<td>The company fine-tunes what it offers to keep its current customers satisfied.</td>
</tr>
<tr>
<td>8. Management systems work coherently to support overall objectives.</td>
<td>People often work at cross-purposes because management systems give them competing objectives.</td>
</tr>
<tr>
<td>9. When making important decisions that affect the company’s future, senior leaders usually put forward creative and innovative ideas.</td>
<td>When making important decisions that affect the company’s future, senior leaders usually put forth tried-and-true ideas.</td>
</tr>
<tr>
<td>10. Even experienced employees in this company receive training when new initiatives are launched.</td>
<td>There is rarely any time for training and education around new initiatives in this company.</td>
</tr>
</tbody>
</table>
How Can Leaders Achieve Strategic Speed?
The Three People Factors

Clarity

Unity

Agility
# The Strategic Speedometer

<table>
<thead>
<tr>
<th>Clarity</th>
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<tbody>
<tr>
<td>People have a shared understanding of our strategy at a detailed level</td>
<td></td>
</tr>
<tr>
<td>People focus their efforts on a critical few priorities</td>
<td></td>
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<tr>
<td>Our strategy has been translated into concrete and achievable goals and behaviors</td>
<td></td>
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</tbody>
</table>

<table>
<thead>
<tr>
<th>Unity</th>
<th></th>
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</thead>
<tbody>
<tr>
<td>We have commitment at all levels to the success of our strategy</td>
<td></td>
</tr>
<tr>
<td>We staff strategic initiatives with team members who are capable and can dedicate sufficient time</td>
<td></td>
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<tr>
<td>A spirit of teamwork and cross-boundary collaboration is evident throughout the organization</td>
<td></td>
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</table>

<table>
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<tr>
<th>Agility</th>
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<tr>
<td>People stay open and flexible in the way that goals are met</td>
<td></td>
</tr>
<tr>
<td>People maintain a bias for action while correcting course as needed</td>
<td></td>
</tr>
<tr>
<td>People capture and communicate what they learn from initiatives and projects</td>
<td></td>
</tr>
</tbody>
</table>
Four Speed Profiles

- Not My Problem
- Myopia Utopia
- Everything to Everyone
- Boiled Frogs
Activity: What’s Your Company’s Speed Profile?

☑ Individually: Complete the Speedometer. Find your most likely Speed Profile, and read the description.

☑ In your group: Share your Speed Profile and 1-2 symptoms of it that you see in your organization.
Clarity and Unity Increase Speed at Häagen-Dazs

CEO wanted
Average time
Actual time

1 year
3 years
2 years
95% participation

95% participation
How Can You Help Your Organization? Develop Your Leaders So They

1. Adopt the right mindset about speed

2. Recognize the barriers to speed in their work unit

3. Use four leadership practices to increase speed
The Four Leadership Practices

- Affirming strategies
- Driving initiatives
- Managing climate
- Cultivating experience
Affirming strategies

Ensuring employees have a complete understanding of the business strategy and buy into

Rate the leaders in your organization:

1  2  3  4  5

Faster cos.  Slower cos.
Driving initiatives

Staying “behind the wheel” on strategic projects so as to create real momentum and behavior change

Rate the leaders in your organization:

1 2 3 4 5
Managing climate

Maintaining an organizational climate that drives employee engagement, motivation, and high performance

Rate the leaders in your organization:

1 2 3 4 5
Cultivating experience

Capturing learning, harnessing employees’ experience, and sharing insight across the organization

Rate the leaders in your organization:

1  2  3  4  5

- Faster cos.
- Slower cos.
Activity: The Speed Matrix

- Review the Speed Matrix
- Identify the column and row that represent your biggest challenges
- Find the cell that is your best leverage point
- Reflect on what you might do to take action
“Everyone talks to each other, and they know what to do.”
Equip your leaders

To create clarity, unity, and agility

Achieve Strategic Speed.
Strategy Accelerated

Forum mobilizes people to embrace the critical strategies of their organization and accelerate results. When you need to swiftly align your people to tackle an opportunity or tear down a roadblock, Forum is an essential business asset.

www.forum.com
Appendix
Strategic Speed: Our Definition

- Reduced time to value
- Increased value over time
## Approaches to Measuring Speed

<table>
<thead>
<tr>
<th>Approach</th>
<th>Dimensions</th>
<th>Core Question</th>
<th>Metric</th>
<th>Sample Answers</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Treadmill</strong></td>
<td>0</td>
<td>How fast are we running?</td>
<td>Activity per time period “rpm”</td>
<td>We’re answering x customer calls per hour We’re opening x new locations each year</td>
</tr>
<tr>
<td><strong>Drag Race</strong></td>
<td>1</td>
<td>How fast did we get to the end?</td>
<td>Cycle time “kph”</td>
<td>We completed the project in x months Average time to close a deal is x weeks</td>
</tr>
<tr>
<td><strong>Strategic Speed</strong></td>
<td>2</td>
<td>How fast are we getting people, products, projects, and processes into the Value Zone—and how reliably do we keep them there?</td>
<td>Time to value, Value over time “track record”</td>
<td>This project, person, product, or process achieved its goals or standards x months sooner than expected and now consistently exceeds goals or standards by x%</td>
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Company Example: Developing Leaders to Drive Speed

Accelerate the new operating model

Reduce time to value in executive transitions

Increase agility in the marketplace
Fortune 100 Company’s Leadership Roadmap for Speed

- Executives
  - Leading Through Transitions—Executive Symposia
  - Strategic Speed Senior Leader Briefings (Virtual)

- Middle and First-Line Managers
  - Executing Strategic Speed—Virtual Training Workshops
  - Application of Strategic Speed Tools
  - "Speed Intensive" Sessions
  - Face-to-face Working Sessions for Selected Intact Teams
  - Acceleration Team Process
    - Focus on Critical Leverage Points (Engine Rooms)
    - Supported by Coaching
    - Concentrated Application of Strategic Speed Tools

- Individual Contributors
  - Strategic Speed Technology-based Training:
    - Tools - Diagnostics - Virtual Support
  - Application of Strategic Speed Tools:
    - Critical Projects, Common Language, Proactive Local Leadership

- Executive Transition Coaching: 20 Top Leaders

- Transition Tools Application – Communication – Support for Strategic Speed Tools and Initiatives

ROI – 20:1