

STRATEGY IS NOTHING WITHOUT SPEED

SOME 70% OF STRATEGIC PLANS ARE NEVER EXECUTED. TO STAY COMPETITIVE, NEW TIMEFRAMES AND APPROACHES ARE NEEDED TO BRIDGE THE GAP BETWEEN STRATEGY AND EXECUTION.

ROLF E. KLEINER



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REMEMBER WHEN STRATEGIC PLANS WERE WRITTEN IN FIVE- TO 10-YEAR TIME SPANS?

Remember when they were closely held secrets at the top of corporations, not widely shared internally, and certainly not externally?

For all of us, in virtually every industry, those days are gone. Commoditized markets have significantly shortened the business cycle. Now, every business must:

1. **do more with less**
2. **innovate more, and more quickly**
3. **be agile and adaptable**
4. **avoid holding on to old paradigms or dated thinking**

For many large, global organizations, the dream of being fast, lean and agile seems perpetually out of reach. We know this because almost 70% of strategic initiatives are never successfully executed, and a 2010 Harvard Business Review survey showed that just 37% of readers felt their companies were “very good” or “excellent” at strategy execution.

As the pace of change in the world around us increases, and the business cycle contracts, the reality is that strategy is nothing without speed of execution, and most of us are failing that critical test.

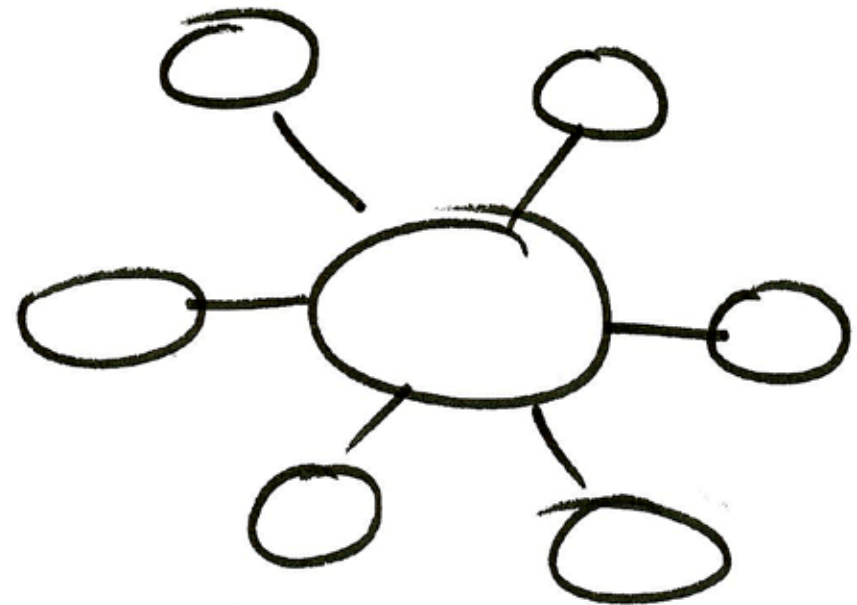


IDENTIFYING THE BARRIERS. Two key issues have occupied the minds of CEOs for some time now.

1. **how do we access** the skills and talent necessary to drive execution of strategy; and
2. **how do we effectively** collaborate both internally and externally?

Both of these issues— accessing the right talent and facilitating effective collaboration— have meant that the accepted practice of writing a strategy, getting it approved by the CEO and then going about communicating and executing it has fundamental flaws. This top-down approach means that:

1. **Only select people** in the organization feel that strategy is 'their job' – a gap between strategy and execution is created
2. **Too few people** are engaged in the strategy from the outset
3. **The time to write** and approve strategies takes too long and erodes execution time
4. **Disengagement from strategy** at the lower levels of an organization leads to poor decision-making



MAKING STRATEGY EVERYBODY'S JOB. Cisco is the best possible model of how a large global business can operate as a 'distributed idea engine', where leadership emerges organically, unfettered by central command, and strategy is acted out on a continuous basis.

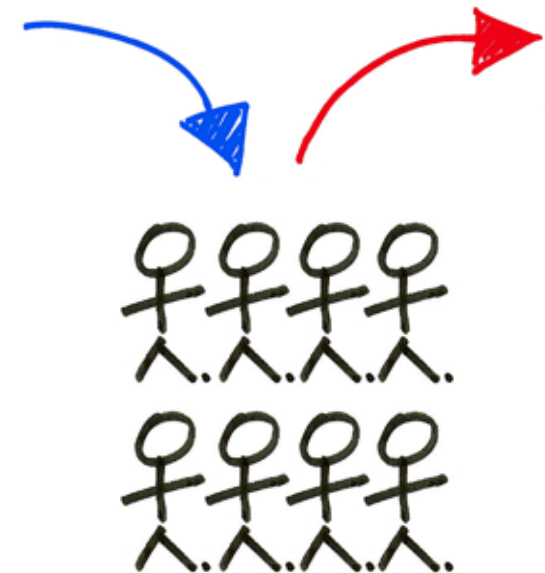
Cisco actively engages large networks of staff in boards and councils that have real decision-making power and financial responsibility, as well as their own (sometimes unorthodox) tools for collaborating and sharing information. By mobilizing this army of some 500-plus employees to play a significant role in core decision-making, Cisco is seeing business plans drawn up and executed in a fraction of the time it used to take. This radical and less stringent approach to process means they no longer rely solely on the senior executive team and CEO to make major

business decisions, or to share ideas, and as a result decisions are made much, much faster.

LEGO too has a broad base of decision makers to execute their strategy—and they learnt to do so the hard way. After unleashing designers to diversify their product offering to an unsustainable 12,000+ items (from 7000 just a few years prior), production costs went through the roof. After the mistake began to take a serious toll on profitability in the mid-2000s, LEGO realized its error. They have since moved to a broad decision-making model, where

large numbers of staff vote on the validity and popularity of particular component designs. Not only has this reduced its product offering and therefore increased its profitability, it has restored the core values of the brand of quality and flexibility.

Decision-making, including big picture strategic decisions, can no longer be confined to the boardroom.



BRIDGING THE GAP BETWEEN STRATEGY AND EXECUTION.

No matter how brilliant a strategy may be, if staff do not have the tools and resources to execute, it will fail.

Obvious though that may seem, resourcing is consistently ranked as a key issue for staff in implementing change.

Without the right people, engaged at the right time, strategic pace can end up being little more than empty activity. Everyone feels busy, and perhaps even burdened or burnt out, but actual progress is not achieved. This is why HR outsourcing has become a key ingredient for timely strategic execution.

Internal change and responsiveness to market trends is a continual challenge. And while

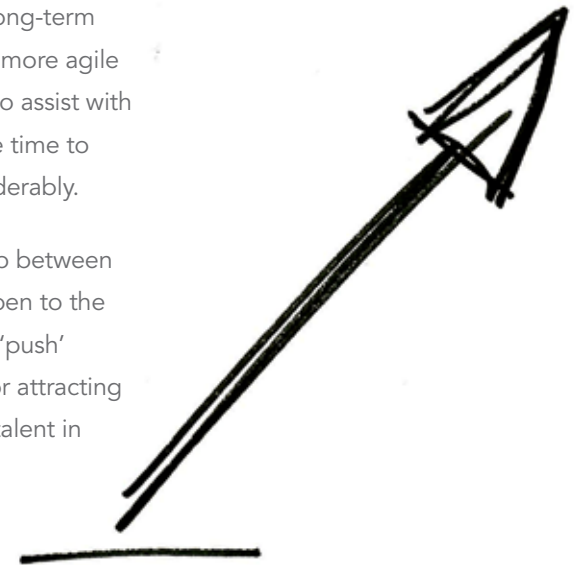
change programs, new technology and innovation are all important internal focuses, accessing a talent pool that can already deliver what you need is a shortcut many organizations now need, because they simply don't have the lead-time they used to.

The noisy, swiftly changing business environment we are all operating within creates the need for business partnerships that create instant value.

Think of big pharma – shortening the time to market for a new drug is essential to

remaining competitive, especially when time-sensitive patents are the key to long-term profitability. Linking with smaller, more agile and singular-focused R&D firms to assist with drug development decreases the time to market for new treatments considerably.

Today, there is a clear relationship between speed of execution and being open to the external market; of moving from 'push' orientation to 'pull' orientation, or attracting and then engaging like-minded talent in organizations.



IT IS NOT JUST ABOUT PRODUCTIVITY.

Engaging external resources to tap into existing expertise and innovation is not just about operating leaner.

Productivity has been a driver of outsourcing for some time, but it's not the only one. Being able to inject new thinking, to help shift old paradigms and ways of working—and do so quickly—is also an advantage HR outsourcing can provide.

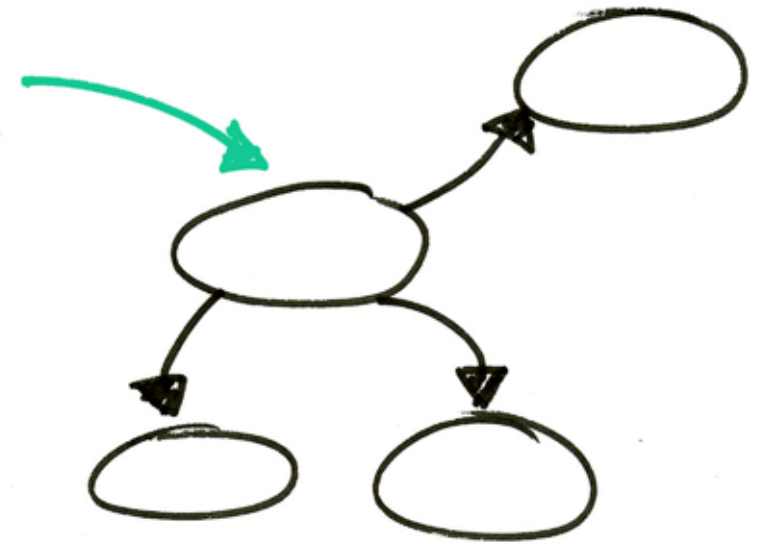
Half of what college graduates today are studying will be obsolete by the time they graduate. The top 10 jobs a decade from now don't even exist yet. What this means for business is that if current college students are not learning what you will need them to know in 3 or 5 years time (i.e. when you hire them),

what of your current practices, processes and ways of working?

This is not to devalue experience and history, particularly when it's possible that up to 90% of company knowledge is inside employees' heads. It's true that existing talent helps maintain established processes and objectives, but the biggest challenges and opportunities ahead are ones we don't even understand yet, let alone have the skills or talent pools to overcome. When they do arise, the challenge of retraining, redirecting and retooling existing staff will be

immense. And as that challenge is overcome, another will be hot on its heels. That is why managing talent successfully is a balancing act between retaining the right people, ideas and processes, and accessing new ones as and when they're needed.

To be among the 30% of business that don't waste their investment in strategy development, and which go on to execute their ideas, getting that balance right in an increasingly competitive landscape could well be the key to business sustainability.



"IF YOU LIVE AMONG WOLVES, YOU NEED TO HOWL LIKE A WOLF"

RUSSIAN PROVERB

THIS IS **PART 2** OF *LIVING AMONG WOLVES*, A WHITEPAPER SERIES EXPLORING THE FOUR FORCES DRIVING THE UPTAKE OF HR OUTSOURCING.

ABOUT THE AUTHOR

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