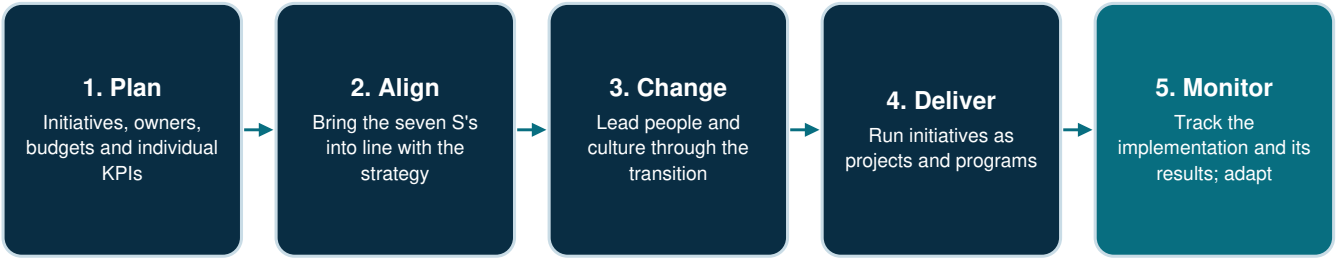
Implementation plans and the seven-S framework

MODULE 6 | 6.1-6.2.1 | STUDENT COMPANION

Implementation is the last step in the strategy process: the practical tasks that carry a strategic option from paper into business-as-usual, so the strategy is delivered and its advantage created. Because a new strategy changes the organisation, the plan must show how its **technical systems, politics and culture** will shift to support it.

Implementation is a leadership task, not just an administrative one. Leaders build a culture open to change by explaining what is needed, listening to concerns and involving people; effective leaders draw more positive than negative reactions. Sound project management (on time, on budget, to specification) raises the odds of success.

From plan to embedded strategy



Implementation turns a strategy on paper into everyday business

One line of an implementation plan (imagined)

Plans align initiatives, budgets, responsibilities and individual KPIs with the strategy, keep it visible and hold people accountable.

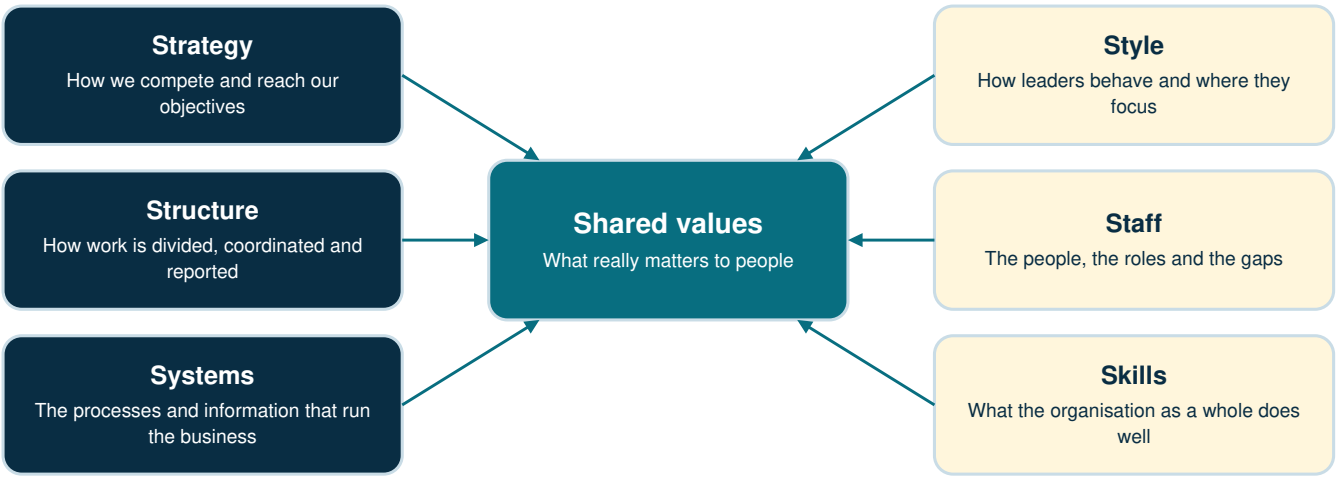
Element	Corella Partners: advisory package
Initiative	A fixed-price advisory package for small businesses
Owner	The national advisory leader
Deadline	Available in all six offices by July
Budget	$300,000
Measure	200 clients in the first year
Vehicle	A project within the advisory growth program

Monitor two things: how the strategy is being implemented, and whether it is achieving its intended outcomes. The process is iterative, so stages are revisited as information arrives. Speed matters: faster implementers tend to deliver more customer value, and implementation goes furthest where managers at every level use many implementation methods (O'Reilly, Caldwell and others, 2010).

Why execution stalls

- Endless loops of analysis, and indecision under uncertainty
- Missing implementation capabilities
- No way to turn chosen options into concrete themes, goals and actions (the strategy is never made operational)
- Resistance, internal politics and power games (lesson 6.6.2)

The McKinsey seven-S framework



Navy: the hard elements, natural territory for managers. Cream: the soft elements, where leaders have most influence

Diagnostic questions for each element

Element	Questions to ask
Strategy	How will we reach our objectives? How do we respond to competitors and to shifts in customer demand?
Structure	How is the organisation divided? Who reports to whom? How do units coordinate? Are decisions centralised or pushed down, and does that fit?
Systems	Which core processes keep us running (finance, people, communication, information)? Which controls exist, and who reviews them?
Style	How participative are our leaders? Do people work as genuine teams or in name only?

Element	Questions to ask
Staff	Which roles exist, which need filling, and where are the gaps?
Skills	What are we known for doing well? Where do our capabilities fall short? How are skills tracked?
Shared values	What really matters here? Which values was the organisation founded on, and how firmly are they held?

Using the grid: record the current state and the target state of each element. The gaps become an action plan and a way to track progress. The hard/soft split is a tendency, not a rule: leaders and managers share most of the work.

A before and after seven-S grid: Corella Partners (imagined)

Element	Before	After
Strategy	Compliance work, priced by the hour	Advice that helps clients grow; fixed-price packages
Structure	Six offices run as separate profit centres	National industry teams; central standards and technology
Systems	Timesheets and billable hours	Client outcomes, advisory pipeline, automated compliance
Style	Partners lead as technical experts	Partners coach
Staff	Mostly graduates processing returns	Advisers, data analysts, a smaller compliance team
Skills	Accurate tax and compliance work	Business advice, analytics, communication
Shared values	Accurate, billable work	Measurable results for clients

Case note: the Cleveland Clinic

When the heart surgeon Delos 'Toby' Cosgrove became chief executive of the Cleveland Clinic in 2004, it was renowned for clinical results but scored poorly on patients' experience. He made 'Patients First' the organising principle. In 2007 the clinic appointed one of the first chief experience officers in a US hospital; in 2007-08 it reorganised clinical departments into institutes built around organ systems and diseases; it began calling all employees 'caregivers'; and from September 2010 about 43,000 caregivers attended half-day 'Cleveland Clinic Experience' sessions, learning a communication model called H.E.A.R.T. Patient satisfaction rose from about the 55th to the 92nd percentile by 2013. Strategy, structure, systems, style, skills and shared values moved together.

Sources: Cleveland Clinic history and Consult QD (Cosgrove, 2016); Gallup, 29 May 2013, summarising the Harvard Business Review account.

Practice questions

MODULE 6 | 6.1-6.2.1 | TRY THESE BEFORE THE WORKED ANSWERS

Question 1 - Hard or soft, and what to ask

Element	Hard or soft?	A diagnostic question for Saltbush Hospital (imagined)
Strategy		
Structure		
Systems		
Style		
Staff		
Skills		
Shared values		

Question 2 - A before and after grid

Kingfisher City Council (imagined) wants 80% of resident requests (permits, payments, complaints) handled online within two years. Today most are handled at counters in three service centres.

Element	Before	After
Strategy		
Structure		
Systems		
Style		
Staff		
Skills		
Shared values		

Question 3 - Why has the strategy stalled?

Eighteen months ago, Tallow & Twine (an imagined homewares retailer with 40 stores) announced a strategy to become a leading online retailer. Since then the board has commissioned three consultants' reports on which customers to target; store managers say they have never seen the plan; no budget has moved from stores to online; and the IT team lacks e-commerce skills. Diagnose why the strategy has stalled and recommend three actions.

Worked answers

MODULE 6 | 6.1-6.2.1 | WORKED ANSWERS - ATTEMPT THE QUESTIONS FIRST

Question 1 - Saltbush Hospital (sample questions)

Element	Type	Sample question
Strategy	Hard	How will we cut waiting times while staying within budget?
Structure	Hard	Do wards and departments coordinate patient flow, and who decides on beds?
Systems	Hard	Do our patient-record and rostering systems give timely information?
Style	Soft	Do senior clinicians involve nurses and allied staff in decisions?
Staff	Soft	Which specialist roles are vacant, and where are the shortages?
Skills	Soft	What are we known for clinically, and where do we lack capability?
Shared values	Soft	Do staff genuinely put patient safety and dignity first?

Question 2 - Kingfisher City Council (sample)

Element	Before	After
Strategy	Counter-based service	Digital first, with help for those who need it
Structure	Three service centres run separately	One digital service team plus outreach staff
Systems	Paper forms, separate databases	Online portal linked to a single customer record
Style	Rule-bound supervision	Coaching staff to solve residents' problems
Staff	Counter officers	Digital designers, data staff, community helpers
Skills	Processing forms	Service design, digital support, plain-language writing
Shared values	Follow the procedure	Make it easy for residents

Question 3 - Tallow & Twine

- **Diagnosis:** paralysis by analysis (three reports, no decision); the strategy was never made operational (no plan reaching store managers, no budget moved); missing capabilities (no e-commerce skills); misaligned S's (structure, systems and staff still built for stores).
- **Actions:** (1) stop commissioning studies and approve a target segment and a sequenced plan by a set date; (2) move budget to online and name owners, deadlines and KPIs for each initiative; (3) hire or partner for e-commerce capability and brief every store manager on the store's role online (for example, click and collect).