Why strategy implementation fails

MODULE 6 | 6.6.1 | STUDENT COMPANION

Implementation happens amid complex, shifting conditions inside the organisation, among competitors and across the industry. It needs a supportive climate in which leaders, managers and staff buy in and take part. Mitch Evans (2013) summarised ten common reasons plans fail; most reflect management and leadership weaknesses and are easily avoided.

Ten reasons implementation plans fail

1. Missing purpose
Daily tasks crowd out the why

2. No road map
Plans not shared or translated into jobs

3. Everything a priority
No sequence, no timeline

4. No urgency
Deadlines never reach the working plans

5. No follow-through
Nobody checks progress or corrects

6. Missing know-how
Unsure how, so people delay

7. Weak accountability
The plan's measures go unused

8. No celebration
Milestones pass unnoticed

9. No rewards
Helpful behaviour isn't reinforced

10. Poor communication
One-off, one-way announcements

Most are management and leadership weaknesses, and most are easy to avoid

The remedies mirror the causes

- Link every task to the strategy's purpose; turn the plan into a road map for each team
- Sequence the priorities and carry the deadlines all the way down
- Review progress regularly, and train people before asking them to work differently
- Use the plan's measures in performance reviews; celebrate milestones; reward the right behaviours
- Keep communication flowing in both directions

Turning strategic thinking into action

Thinking without action	Thinking into action
Strategy drafted by a few senior people	Implementers involved from the start
Implementers hear of it by email	Each person sees how their work fits
An annual cycle, reviewed once a year	Continuous review and adjustment
Functions and systems left uncoordinated	Structure, processes and information systems realigned
Frontline staff don't know the strategy	Every employee can explain the strategy

Plans designed without regard for their context drift away from reality

Examples (imagined): a supermarket chain's head office moves staff to the checkouts at fixed hours without asking store managers, who know the busy hours differ by store; a sales team promises delivery dates the factory can't meet; a hotel promises personal service, but the receptionist at midnight was never told. Results often depend on frontline staff, yet most employees don't fully understand their organisation's strategy. The traditional strategy process runs on an annual cycle, while implementation is continuous.

Paralysis by analysis. Managers are trained mainly to formulate strategy, not implement it (Hrebiniak, 2006), and finishing a formal plan can feel like implementing it. But strategy is a stream of decisions and actions, not a document. **For CPAs: the budget is not the strategy;** it measures the strategy and reflects its outcomes. Rigid planning stifles creativity, and analytics can tempt constant tinkering: a dashboard that refreshes hourly can provoke a change of course after one bad week. Test whether the next study could change the decision; if not, act.

Pitfalls at an imagined firm

Symptom at Corella	Pitfall	Fix
Drafted by six partners at a retreat; managers heard by email	Thinking not turned into action	Involve office managers in detailed planning
Fourteen priorities, all due this year	Everything is a priority	Three priorities, in sequence
Bonuses still reward billable hours	No rewards for the new behaviour	Align rewards with advisory goals
More market research a year after approval	Paralysis by analysis	Set a date to stop analysing
Two of fourteen priorities moving	No follow-through	Monthly reviews against the plan's measures

Imagined: Corella Partners, one year into its advisory strategy

Case note: Hershey's systems launch

In the late 1990s the US chocolate maker Hershey invested more than US$100 million in new enterprise software for ordering, planning and distribution. The schedule was compressed, and after slipping from April, the main switch-over began on 5 July 1999, as orders for Halloween, one of its busiest seasons, were arriving. Many orders could not be processed and shipped properly, and in the third quarter of 1999 sales fell about 12% and net income about 19%. For a CPA, the warning signs were visible in advance: a compressed timetable, a single switch-on date in the peak season, and little time for testing and training.

Sources: Hershey Form 10-Q, third quarter 1999; CIO, 15 November 2002; AP, 30 October 1999.

Practice questions

MODULE 6 | 6.6.1 | TRY THESE BEFORE THE WORKED ANSWERS

Question 1 - Match the symptoms

Symptom at Swiftline Logistics (imagined)	Which of the ten reasons?
(a) Drivers have never heard of the new 'green fleet' strategy	
(b) Every depot manager has twelve 'top priorities'	
(c) Training on electric trucks was promised but never scheduled	
(d) Beating last quarter's fleet target went unmentioned	
(e) The plan's targets never come up in performance reviews	
(f) Bonuses still reward on-time delivery only, regardless of fuel	

Question 2 - Bring the frontline in

Lighthouse Youth Services (an imagined charity) develops its strategy at an annual board retreat; frontline youth workers learn of it from a newsletter. Redesign its planning process so frontline staff help shape and deliver the strategy.

Question 3 - One more study?

The board of Granite Mining Services (imagined) has asked for a fourth market study before approving a new maintenance-services strategy. Two rivals have already launched similar services. Advise the board.

Worked answers

MODULE 6 | 6.6.1 | WORKED ANSWERS - ATTEMPT THE QUESTIONS FIRST

Question 1 - Swiftline Logistics

Symptom	Reason
(a) Drivers unaware	No road map / poor communication
(b) Twelve top priorities	Everything is a priority
(c) Training never scheduled	Missing know-how
(d) Success unmentioned	No celebration
(e) Targets not in reviews	Weak accountability
(f) Bonuses ignore fuel	No rewards for the new behaviour

Question 2 - Lighthouse Youth Services

- Run listening sessions with youth workers before the retreat; include two frontline representatives in it
- Draft the strategy, then test it with each team: what would make it work where you are?
- Turn the final strategy into a one-page road map for each program, with local priorities and measures
- Review progress quarterly with frontline teams, not just annually at board level

Question 3 - Granite Mining Services

- Ask what a fourth study could reveal that would change the decision; if nothing, approve now
- Rivals are moving, so delay has a real cost: lost contracts and first-mover customers
- Reduce risk through staged implementation (a pilot with one client, with decision points) rather than more analysis
- Set measures and a review date so the board can adjust as real data arrives