

## C-SUITE MANAGEMENT SERIES – SEGMENT 8

### Putting It All Together – Dynamic Execution

Given current and historical failure rates, I know for many it is hard to believe, even incomprehensible, that there are innovative concepts, tools, and methodologies that can drastically improve their C-Suite success rate. It is even further hard to imagine that they provide the guidance to obtain these sorts of results in a fraction of the time compared to what is usually encountered. Just imagine the ability to:

1. Implement and launch in a large organization an entire new top to bottom enterprise-wide system at year-end in less than 4 months. And, to execute it without a disruption to on-time delivery, customer satisfaction, or financial reporting.
2. Obtain a 10-fold increase in productivity in a matter of months.
3. Put together and execute a major financial recapitalization in less than 6 months.
4. Integrate major acquisitions in less than 6 months.
5. Maintain and even improve profitability during periods of recession, inflation, and employment challenges.
6. Move thousands of square feet of manufacturing facilities in a weekend without a disruption to on-time delivery.
7. Have inventory turns in a complex manufacturing operation of once a week (yes 52 times a year).
8. Have a 35% margin in an industry that only averaged 11%.
9. Be able to close and consolidate the financials in less than 3 days of an organization consisting of multiple subsidiaries located around the world with thousands of employees.

This is just a sample of the sort of results obtain through the use of Dynamic Execution and the other concepts, tools and methodologies discussed in this C-Suite Management Series.

Up to this point, this Management Series has provided a lot of details and actionable concepts, tools, and solutions to help the C-Suite increase the success rate for the execution of their vital objectives. It is now time to complete the picture on how this all comes together under the umbrella of Dynamic Execution.

#### **Starting Considerations**

1. **MOST IMPORTANT - From a C-Suite perspective, success should be strictly focused on obtaining the important objectives they want to attain as quickly as possible.** A perspective that I have found gets lost in the shuffle once a specific execution strategy and associated implementation methodology/plan have been selected.

It amazes me how often the focus of obtaining critical objectives is hijacked once a specific strategy and implementation plan to accomplish an objective has been selected. Instead, the focus no longer is on making sure the objective is obtained but shifts to trying to prove that the strategy and implementation plan selected was an accurate and best choice.

2. **Strategic Initiative Executions take place in a world of constantly changing conditions.** New conditions that are not only difficult to accurately predict, but can also be uncontrollable and require decisions to be made based upon a significant set of assumptions.

Therefore, there is an inherently high probability of failure when there is an attempt to strictly adhere to an originally selected strategy and implementation plan. A risk that increases substantially as the timeline associated with the execution of the strategy increases.

Hence, the power of **DYNAMIC Execution** versus the historical traditionally promoted execution methodologies.

3. **All processes, procedures, and systems currently at play in the day-to-day operations of an organization are the direct result of prior executed strategic initiatives.** Therefore, any future changes (be it large or small) to these day-to-day operational systems will only take place under the execution of a new strategic initiative.

Consequently, day-to-day activities should be viewed as an ongoing combination of both the operational activities of supplying goods and services along with the strategic execution activities associated with changes to operational processes, procedures, and systems. Once again, there is a power to the understanding and control of a **DYNAMIC** integration and blending between operational and strategic execution activities.

### **30,000 Foot Overview Of Dynamic Execution**



**The overall goal of Dynamic Execution is to significantly increase the probability of successfully executing strategic initiatives that will effectively yield the established C-Suite/Organizational objectives.**

### **Key Steps**

1. Determine actual current conditions and critical strategy requirements based upon the established organizational objective.
2. Determine organizational disconnects between actual conditions and critical requirements including any Functionality Tradeoffs and/or “When Not If” considerations.
3. Comprehensively and clearly document disconnects and critical factors, along with any assumptions used in the selection of the strategy and/or within the disconnect analysis.
4. Analyze, document and continuously monitor potential risk factors. If you have a risk factor that is controllable, then that risk factor should be eliminated provided the significance of the risk factor justifies the time, effort, and cost of elimination. If the risk factor is uncontrollable, then, when possible, that risk factor should be mitigated provided the significance of the risk factor justifies the time, effort, and cost of mitigation.
5. Perform initial financial modeling and analytical validation that the critical factors and assumptions of the selected strategy will in fact yield the expected results.
6. **For the selected Strategic Initiative**, define and document the tasks required to close each disconnect together with the assumptions used, such as timing and critical resource requirement considerations. For example, sequential versus nonsequential execution opportunities and analysis of any Energy/Effort/Capability Hump disconnects.
7. For the overall selected strategy and each task, document the specific conditions, critical requirements, and assumptions to be used as monitoring and feedback criteria. Utilized these criteria to establish monitoring integration points within the operational Feedback Loop structure.
8. Dynamically Schedule and Execute the tasks focusing on such considerations as:
  - a. Feedback from the continuous monitoring of actual conditions and critical criteria.
  - b. “When Not If” considerations.
  - c. Nonsequential versus sequential scheduling opportunities.
  - d. Energy/Effort/Capability Hump disconnect considerations and the integration and blending of strategic execution with day-to-day operational activities.
  - e. Advanced critical assumption testing opportunities.
9. Perform continuous monitoring, analysis, and feedback of actual conditions to strategy, disconnect, and assumption criteria. Perform updated financial and cash management modeling and analysis revalidation based upon feedback of actual conditions.

10. Modify tasks and/or selected strategies based upon the feedback of deviations between actual conditions and the critical required condition and assumptions.
11. Continue this process until objective expectations and “When Not If” criteria are successfully achieved.

**Note** – Additional detailed information and guidance can be found in the attached APPENDIX.

## **6 Major Dynamic Execution Differentiators**

1. One of the biggest differentiators between the Dynamic Execution methodology and historically used strategic execution and implementation methodologies is a focus on the tasks required to close specifically defined Disconnects.

Under traditional approaches, solution sets/strategies are typically selected based upon having the functionality needed to provide the capabilities necessary to accomplish the organizational objective. For example, the functionality found in a certain vendors software system, a piece of equipment, operational configuration, or staffing structure.

Since it is determined that the selected solution set has the required functionality, the focus becomes the implementation of that specific functionality and associated selected solution. This focused is often reinforced by the hype that the selected solution set is proven in the marketplace and therefore, if you do not obtain the functionality, you have done something wrong.

Unfortunately, these traditional approaches are missing a number of realities:

- The conditions in every organization are different. Therefore, the disconnects and Functionality Tradeoffs will be different leading to different levels of effort, potential issues, and appropriateness for the accomplishment of the objective.

This is the real reason in most cases proven functionality and implementation methodologies fail. It is not that the organization did anything wrong, it is because there is not a clear recognition of the actual disconnects that exist leading to unexpected challenges and the need for extended execution timelines.

Dynamic Execution focuses upfront on the actual disconnects, Functionality Tradeoffs, assumptions, and tasks required to make a specific strategy work. Therefore, the organization obtains a superior indication of not just the effort and potential issues, but of the overall fit and risks associated with the solution/strategy.

- The selected strategy and functionality are based upon the conditions that exist at that specific point in time the selection is made. Therefore, there is an unrealistic reliance on the ability to accurately predict future conditions and that the assumptions used when selecting the strategy and functionality are correct. In turn, this leads to an unwillingness to make any necessary adjustments to the selected strategy and/or implementation plan.

Dynamic Execution clearly defines and continuously monitors the actual conditions that exist versus the critical requirements and assumptions associated with the

selected strategy and tasks. It recognizes the inherent dynamics of perpetually changing conditions and dictates that the tasks, and possibly even the selected strategy itself, might need to be modified in order to obtain what is really important, the accomplishment of the Objective.

Finally, the recognition of these inherent dynamics leads to incorporation of a major focus on reducing the execution timeline in order to minimize the exposure to continuously changing conditions.

2. A second major differentiator is the recognition that the most effective and efficient way to obtain the successful execution of strategic initiatives is through a continuous blending of strategic execution activities with day-to-day operational activities.

Traditional approaches focus on strategic initiatives as projects to be implemented. This leads to internal conflict, confusion, unnecessary disruption to day-to-day operational activities, and increases to the timeline associated with the execution.

Dynamic Execution recognizes that in order to have changes to existing operations, there must be the execution of a strategic initiative. It realizes that an organization is operating in an environment that has constantly changing conditions. Therefore, the strategic executions required to adjust the daily operational systems to address these new conditions must also be (and in fact are) a continuous set of activities.

It is only logical that these dynamics need to be recognized and an organization structure is created with an ongoing continuous daily blending of required strategic execution activities and required operational activities. The advantages of this structure include:

- The ability for individuals, departments, and the organization to adjust the daily activities they focus on based upon the strategic and operational workload that exists. It is no different than the activities associated with supplying multiple types products or services. Demand can fluctuate daily and therefore, the focus/activity required to support these operational activities also fluctuates. Individuals, departments, and the organization recognizes this and the flexibility to schedule and adjust their activities to the actual priorities and conditions that exists becomes assumed as a normal part of executing daily operational activities.

However, now these workloads include activities associated with strategic execution which like customer demand, can fluctuate. Therefore, the blending of strategic and operational activities provides the same flexibility to Dynamically Schedule and adapt to changing priorities and conditions.

- The blending drives responsibilities, control, and involvement down to the lowest level possible. Unlike traditional approaches, it is not a workload or expectation jammed into their daily routines by third parties or individuals assigned the difficult task of making a certain project successful.

Instead, the continuous blending of necessary strategic execution activities with daily operational activities is an ongoing responsibility that individuals and departments have at least some levels of control and involvement in. **In other**

**words, this responsibility for involvement in strategic execution represents actual Employee Empowerment.**

It helps staff recognize and accept the significance of **both** operational and strategic activities enhancing a willingness to be involved.

- A continuous blending of strategic with operational activities creates a structure that can significantly reduce execution timelines. First, it builds a certain amount of ongoing available capacity into the system. Next, it creates an ability to **SIMULTANEOUSLY SUPPORT MULTIPLE** strategic initiative executions and shift priorities and resource utilization in a dynamic context.

However, it does not do this in an unstructured framework. To the contrary, what makes Dynamic Execution work is a very structured approach that starts, and constantly continues, with a focus on obtaining a given objective. It then clearly focuses on the disconnects that exist within the organization to accomplish that objective along with a willingness to adjust if required by the actual future conditions that exists.

It is the clear and comprehensive understanding and documentation of expectations, disconnects, assumptions, and risks that provide the basis for an organization wide communication and execution to accomplish the objective. It is completed with the use of organization wide Feedback Loops. These not only provide an excellent structure for bidirectional communication of required inputs and continuous monitoring, but support staff involvement and empowerment.

3. The use of Feedback Loops and the monitoring of actual to expected conditions is another major differentiator. These structured Feedback Loops provide a communication vehicle for input on existing conditions and participation in strategy development, selection, and analysis.

They also provide for the easy organization wide communication of details associated with the whys, when, who, and how of a strategic initiative. Finally, Feedback Loops support the bidirectional communication for the monitoring, analysis, financial validation, and adjustments required during the execution of the initiative.

Traditional approaches also incorporate and rely on various sorts of communication methodologies. Unfortunately, once again, these approaches and structures tend to be project oriented and generally vary in approach, content, and focus.

On the other hand, the Feedback Loop structure is intended to be incorporated into the fabric of the organization. This structure is agnostic and is not focused on a one-off strategic initiative but will support the simultaneous development and execution of multiple strategic initiatives in a consistent, continuous, and repeatable framework.

4. In the traditional world there is variation in the methods used for the financial determination and control of a strategic initiative's performance and cost. In addition, it can often be negatively influenced via the inherent marketplace dynamics associated with the financial rewards experts, service providers, and consultants derive from the promotion and execution of their specific services and methodologies.

While Dynamic Execution does not exclude some of these traditional tools such as budgets, it does differentiate itself in several significant ways.

**PERFORMANCE** - It incorporates the use of financial modeling for the validation that the critical factors and assumptions associated with a strategic initiative will in fact yield an objective's expectations. This analysis and validation are performed both upfront and whenever it is necessary based upon the ongoing monitoring and feedback of actual conditions.

**COST** - It enhances the ability to develop a more comprehensive review and analysis of cost drivers. It drills down on specific cost drivers that are represented by an analysis of specific disconnects, Functionality Tradeoffs, assumptions, potential risks, and resource requirements such as Energy/Effort/Capability Hump disconnects. This provides a set off much richer and detailed data for the determination of both actual and potential costs.

5. Dynamic Execution and the other concepts, tools and methodologies discussed in this C-Suite Management Series are applicable and scalable to any size organization or initiative.

It must be recognized that disconnects between required critical factors and actual conditions, along with perpetually changing conditions, apply to any type of strategic change; big or small, departmental or organization wide. Plus, a) providing strategic execution capacity through a blended strategic/operations structure, b) advanced testing, and c) assumption monitoring/feedback, represent powerful tools for any size organization or for any critical strategic execution that needs to be successful.

6. In the end, Dynamic Execution differentiates itself through a straightforward but comprehensive closed loop structure that is easy to understand and use. It clearly spells out and explains how to understand, monitor, control, and compensate for all of the dynamics that intrinsically exist in order to accomplish successful organizational objectives.

Dynamic Execution goes on to challenge and can destroy the long timelines so often inappropriately associated with strategic execution.

Finally, as described in Segment 9 of this C-Suite Management Series (Beyond Dashboards – Efficient, Effective and Time Sensitive Executive Execution, Monitoring and Control), Dynamic Execution provides the C-Suite an effective and efficient capability to PLUG INTO and MONITOR the development, selection, and execution of the strategic initiatives required to obtain the organizational objects they so desperately desire.



## **APPENDIX**

This Appendix contains outlines of structures that can be used for the arrangement and control of the information utilized within the Dynamic Execution Methodology. There are four main information document structures:

1. SAMPLE A - Documentation of the master information required for each specific established objective.
2. SAMPLE B - Documentation of the information required for each potential alternative strategic initiative that might be a solution to accomplish a specific established objective. Note- Initially, there should be a separate document prepared for each alternative strategic initiative under consideration.
3. SAMPLE C - Once a specific strategic initiative has been selected, there needs to be documentation for that selected initiative outlining potential Advance Testing Opportunities and detailing Strategic Initiative Level Criteria and Assumption Monitoring.
4. SAMPLE D – Detail documentation of each task required to execute the selected Strategic Initiative.

I suggest that the Documentation be organized with the OBJECTIVE as the primary reference. In other words, view each Objective as having a packet composed of 4 Sections all cross-referenced back to the Objective Reference Number.

The first section is for an overview of an Objective - **Documentation Of Objective** (Sample A). This creates an Objective Reference Number that can be used to cross-reference all other documentation that is associated with the Objective.

The second section in the packet is the accumulation of the documentation for all of the alternative strategies that were/are considered to accomplish the Objective. There should be a specific **Documentation Of Strategic Initiative** (Sample B) created for each strategy evaluated as a possible solution. A unique Strategic Initiative Reference Number should be used as a cross-reference back to the Objective Referenced Number.

This Strategic Initiative Documentation can then be used to evaluate and SELECT the strategic initiative that will be utilized to accomplish the objective.

Once a specific strategic initiative is selected, then the focus shifts to required documentation specific to that selected strategy.

So, the third section of the packet becomes **Documentation Of Selected Strategic Initiative Advance Testing Opportunities And Criteria/Assumption Testing** (Sample C). Advance testing of critical factors and/or assumptions can help to greatly reduce execution time, avoid potential issues, or discover superior alternatives by validating in advance their accuracy and applicability. Therefore, this documentation details any of these advanced testing opportunities for incorporation into the execution process.

In addition, this documentation details the strategic initiative level critical factor and assumption monitoring information to be used within the Feedback Loop system.

Finally, the **Documentation Of Required Strategic Initiative Tasks** (Sample D) is the last section of the packet associated with an Objective. This documents the detailed information of



the actual tasks that need to be executed in order to close the disconnects and successfully execute the selected strategic initiative. This documentation also details the critical factor and assumption monitoring information for each task to be used within the Feedback Loop system.

While I am providing this guidance in an outline form, it must be understood that the focus should be on the content and application of the data and there is flexibility in the formatting that is used. For example, there are advantages to using spreadsheets to accumulate and analyze the data.

There is also flexibility in tailoring the data to include or exclude information based upon the specifics of the organization. However, caution should be used that the exclusion of the information does not jeopardize important Dynamic Execution capabilities.

#### **SAMPLE A - Documentation Of Objective**

- I. Objective Reference Number
- II. Objective Description
- III. Target Expectations
- IV. Target Date
- V. "When Not If" Considerations
- VI. Description Of Any Critical Assumptions Associated with Objective

**SAMPLE B - Documentation Of Strategic Initiative (One for Each Strategic Solution Under Consideration)**

- I. Objective Reference Number
- II. Objective Description
- III. Strategic Initiative Reference Number
- IV. Strategic Description
- V. Disconnect Analysis (One for Each Critical Factor/Requirement)
  - A. Disconnect Reference Number
  - B. Critical Requirement
  - C. Actual Conditions
  - D. Description Of Disconnect (If A Disconnect Exists)
  - E. Required Solution(s) (If Any)
  - F. Relevant Assumptions (If Any)
- VI. Functionality Tradeoff Analysis
  - A. Description Of Any Functionality Tradeoffs
  - B. Required Solution(s)
  - C. Relevant Assumptions (If Any)
- VII. Energy/Effort/Capability Hump Disconnect Considerations
  - A. Description Of Staffing Requirements
  - B. Description Of Any Disconnects
  - C. Required Solution(s)
  - D. Relevant Assumptions (If Any)
- VIII. Budget Considerations
  - A. Description Of Budget Considerations
  - B. Relevant Assumptions (If Any)
- IX. Timing Considerations
  - A. Description Of Timing Considerations
  - B. Description Of Any Disconnects
  - C. Required Solution(s)
  - D. Relevant Assumptions (If Any)
- X. Other Risk Considerations
  - A. Description Of Potential Risk
  - B. Controllable
    - i. Description Of Elimination Plan (If Any)
  - C. Uncontrollable
    - i. Description Of Mitigation Plan (If Any)
  - D. Relevant Assumptions (If Any)
- XI. Financial Modeling and Analytical Validation
  - A. Critical Factors and Assumptions Used In Analysis
  - B. Results Of Financial Modeling and Analytical Validation

**SAMPLE C - Documentation Of Selected Strategic Initiative Advance Testing Opportunities And Criteria/Assumption Testing (ONLY For Selected Strategic Initiative)**

- I. Objective Reference Number
- II. Objective Description
- III. Strategic Initiative Reference Number
- IV. Strategic Description
- V. Describe Any Advanced Testing Of Critical Factors and/or Assumptions That Can Be Performed
  - A. Task Reference Number
  - B. Task Description
  - C. Description Of Criteria Factor and/or Assumption to Test
  - D. Description Of Who Will Be Responsible to Test and Provide Feedback
  - E. Description Of Timing to Perform Testing and Feedback
  - F. Description Of Communication Channel (Who Is Included In Feedback Loop)
- VI. Strategic Initiative Level Criteria And Assumption Monitoring
  - A. Task Reference Number
  - B. Task Description
  - C. Description Of Criteria Factor and/or Assumption to Monitor
  - D. Description Of Who Will Be Responsible to Monitor and Provide Feedback
  - E. Description Of Timing to Perform Monitoring and Feedback
  - F. Description Of Communication Channel (Who Is Included in Feedback Loop)

**SAMPLE D - Documentation Of Required Strategic Initiative Tasks (ONLY For The Selected Strategic Initiative)**

- I. Objective Reference Number
- II. Objective Description
- III. Strategic Reference Number
- IV. Strategic Description
- V. Required Execution Task(s) (1 or More Tasks Per Disconnect)
  - A. Task Reference Number
  - B. Task Description
  - C. Disconnect Reference Number Task Is Associated With
    - i. Critical Requirement
    - ii. Actual Conditions
    - iii. Description Of Disconnect
    - iv. Required Solution(s)
    - v. Relevant Assumptions (If Any)
  - D. Task Energy/Effort/Capability Hump Disconnect Considerations
  - E. Task Budget Considerations
  - F. Task Timing Considerations
    - vi. Determine Non-Sequential Opportunities
    - vii. Detail Of Sequential Timing Considerations
    - viii. Detail Any "When Not If" Timing Considerations
  - G. Other Task Risk Considerations
  - H. Other Relevant Task Assumptions
  - I. Monitoring and Feedback Criteria for the Task
    - ix. Description Of Criteria Factor and/or Assumption to Monitor
      - i. Description Of Who Will Be Responsible to Monitor and Provide Feedback
    - x. Description Of Timing to Perform Monitoring and Feedback
    - xi. Description Of Communication Channel (Who Is Included in Feedback Loop)