



BUILDING THE STRATEGY MANAGEMENT OFFICE

INTEGRATING STRATEGY AND EXECUTION

STRATAEGOS.COM

STRATEGY MANAGEMENT IS CRUCIAL FOR EVERY ORGANIZATION

1

Industries are continuously disrupted by new entrants, new technologies, changing customer demands, increased globalization and the changing role of governments

2

Executives need to continuously adapt their strategy to maintain a 'fit' with the increasingly turbulent environment.

3

For decades, survey after survey reveal that most strategies fail or do not produce the envisioned results.

4

This is the **strategy execution problem**: the failure to achieve results after a seemingly viable strategy has been developed.

MOST ORGANIZATIONS LACK EFFECTIVE STRATEGY MANAGEMENT

1

Many organizations have a fundamental disconnect between the formulation of their strategy and the execution of that strategy.

2

Organizations often lack an effective strategy management process that allows executives and managers to turn the strategy into operational results.

3

Strategy management involves managing both the development and execution of a strategy.

4

Many organizations separate strategy development and strategy execution and focus on strategy development instead of strategy execution.

WHAT IS A STRATEGY MANAGEMENT OFFICE?

AN INTEGRAL APPROACH TO STRATEGY DESIGN, STRATEGY EXECUTION AND STRATEGY CONTROL

1

Many organizations have a strategic planning unit that is responsible for strategy development but lack a unit that is responsible for strategy execution and monitoring.

2

A strategy management office is an organizational unit that manages both strategy development and execution in an integrated way.

3

The office is responsible for coordinating the whole process of analysis, development, planning, execution and control of the strategy.

4

The office facilitates senior management with strategy analysis and development and middle management with strategy execution and monitoring and control.

MANAGING THE STRATEGY CYCLE

INTEGRATING STRATEGY DEVELOPMENT AND EXECUTION

STRATEGY FORMATION & PLANNING

Develop the strategy and translate the strategy into strategic objectives and an execution plan with operational objectives, processes, and activities.



STRATEGY EXECUTION & CONTROL

Execute the strategy and control the strategy by monitoring the progress of the execution and when required, making adjustments to the strategy or its execution.

THE STRATEGY MANAGEMENT SYSTEM

AN ANNUAL PROCESS FOR STRATEGY DESIGN, STRATEGY EXECUTION AND STRATEGY CONTROL



- Analyze the strategy
- Analyze the environment
- Analyze the organization
- Develop scenarios
- Develop strategic options

- Plan the annual strategy process
- Organize a strategy summit
- Develop goals & vision
- Develop the strategy
- Write strategic plan

- Communicate the strategy
- Translate the strategy into tasks & activities
- Assign responsibilities
- Develop annual organization unit plan

- Provide periodic status reports
- Organize progress review meetings
- Adapt the execution of the strategy

- Organize strategy review meetings
- Support decision-making of the board
- Adapt the strategy.
- Rewrite the strategic plan

STAGE 1 - ANALYZING THE STRATEGY

AN INTEGRAL APPROACH TO STRATEGY DESIGN, STRATEGY EXECUTION AND STRATEGY CONTROL

- Scan and analyze the macroeconomic environment and industry in which the organization operates and its main competitors.
- Assess the internal strengths, weaknesses, competencies and performance of the organization.
- Relate external opportunities and threats to internal strengths and weaknesses.
- Monitor the performance of the current strategy to assess whether adjustments need to be made.
- Develop scenario's about key developments and their impact on the organization.

STAGE 2 - DEVELOPING THE STRATEGY

AN INTEGRAL APPROACH TO STRATEGY DESIGN, STRATEGY EXECUTION AND STRATEGY CONTROL

- Facilitate senior management in developing the strategic goals, and vision of the organization.
- Develop strategic variants for each scenario.
- Support senior management in developing a strategy that is able to achieve the strategic goals and vision.
- Write down the strategy into a multi-year strategic plan.
- Monitor the performance of the strategic plan and assessing whether adjustments need to made.
- Translate changes in the external environment into strategic choices for top management.

STAGE 3 - PLANNING THE EXECUTION

AN INTEGRAL APPROACH TO STRATEGY DESIGN, STRATEGY EXECUTION AND STRATEGY CONTROL

- Communicate the strategy to employees and stakeholders.
- Translate the strategic plan into concrete objectives, tasks, activities and responsibilities.
- Translate the strategic plan into annual plans for each organization unit.
- Support organization unit heads in drawing up annual plans that outline how their department will contribute to the strategy.
- Ensure that the annual organization unit plans are aligned to the strategy and do not conflict with each other.
- Coordinate with finance and HR to ensure sufficient budget and resources for the execution of the strategy.

STAP 4 - MONITORING THE EXECUTION

AN INTEGRAL APPROACH TO STRATEGY DESIGN, STRATEGY EXECUTION AND STRATEGY CONTROL

- Monitor the execution of the strategic plan and annual organization unit plans.
- Provide periodic status reports to senior management and middle management about the progress of the strategy and its execution.
- Organize three types of management control meetings:
 - **Strategy review meetings** in which top management discuss the progress of the strategic plan and its execution.
 - **Execution review meetings** in which top management discuss the progress of the annual plan and its execution with the responsible middle manager.
 - **Operational review meetings** in which middle management discuss the progress of the annual plan and its execution with team members.

STAP 5 - CONTROLLING THE EXECUTION

AN INTEGRAL APPROACH TO STRATEGY DESIGN, STRATEGY EXECUTION AND STRATEGY CONTROL

- The strategy management office supports top management in decision-making about the strategy and its execution.
- The strategy management office organizes periodic strategy review meetings in which top management makes decisions about the strategy and its execution.
- When objectives are not being met the office assessed whether is because of a flawed strategy or poor execution.
- When the hypothesis of the strategy are no longer valid the office proposes changes to the strategy or a completely new strategy.

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- Dr. Arnoud van der Maas is a **strategy consultant** and **author** in **strategy execution**.
- **International expert** in strategy execution.
- **Founder of Strataegos Consulting** – specialized in strategy consultancy and research.
- Received a **PhD in Strategic Management** from Rotterdam School of Management, Erasmus University.
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