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**EXECUTION: LINKING STRATEGY, PEOPLE, AND OPERATIONS****The Strategy Process**

Bossidy and Charan (2002) stated that the primary goal of any strategy is to win the customer's preference and create a sustainable competitive advantage while ensuring the safety of shareholders investment. A strategy defines a business's direction and positions a company to move in that direction. A good strategic planning process requires attention to the actual execution of the strategy. A robust strategy is not a compilation of forecasted numbers rather it must come from the minds of the people who are closest to the action and who understand their markets, their resources, and their strengths and weaknesses. A strategy of an organization must address different aspects involved in both short and long-term business engagement taking into consideration the internal and external conditions.

The strategy process is about linking the people to operations. In building a strategic plan, the line people or staffs of an organization can help by collecting data and using analytical tools. In addition, business leaders must develop the substance of the strategic plan. The line people understand the business environment and the organization's capabilities because they are directly exposed to it. They are in the best position to introduce ideas, to know which ideas will work in their marketplace and which ones won't, to understand what new organizational capabilities may be needed, to weigh risks, to evaluate alternatives, and to resolve critical issues that planning should address but too often does not. Not everyone can learn to be a good strategic thinker, of course. But by working in a group, guided by a leader who has a comprehensive understanding of the business and its environment, and by using the robust dialogue that's central to the execution culture, everyone can make their individual contribution.

Bossidy and Charan (2002) summarized the following considerations of business leaders in creating a strong strategic plan:

- **Assessment of external environment.** Business leaders must scrutinize their environment and understand it well. They should examine everything from economic and demographic trends and regulatory shifts to new technologies, alliances between competitors, the drivers of increasing or decreasing demand for its products, among others.
- **Understanding existing markets.** Business leaders must be aware of the needs and buying behaviors of their customers.
- **Identifying growth opportunities.** Business leaders must assess the needs of their organization to gain potential progress and development. They must constantly identify the need for new products and/or services, marketing channels, and business expansion, among others.
- **Recognizing the competition.** Business leaders must continuously monitor the emergence of new entrants who have more attractive value propositions for their customers.
- **Assessment of business capabilities.** Business leaders must undertake a realistic evaluation of their company's capabilities to execute a proposed strategy in terms of people, process, and resources.

- **Creating strategic milestones.** Business leaders must establish a timeline and metrics in measuring the progress of a strategic plan.
- **Determining critical issues.** Business leaders must identify the organizational problems which may affect the future growth of the business.
- **Incorporating sustainability.** Business leaders must ensure that their company operations exhibit economic stability to ensure the long run continuity of the organization.

### The People Process

Bossidy and Charan (2002) stated that a robust people process ensures three (3) business aspects as follows:

1. It evaluates individuals accurately and in depth.
2. It provides a framework for identifying and developing leadership talent.
3. It fills the leadership pipeline with the basis of a strong succession plan.

Very few companies accomplish all of these objectives well. One of the biggest shortcomings of the traditional people process is that it is backward looking, focused on evaluating the jobs people are doing at present. Far more important is whether the individuals can handle the jobs in the future, as the company continues to grow. Identifying the match between the right person and the right job is not always as clear-cut. Sometimes it means replacing an excellent performer with a person who is better equipped to take the business to the next level. A robust people process provides a powerful framework for determining the organization's talent needs over time based on the following building blocks:

- **People linkage to the strategic plan.** Business leaders must ensure that their employees and their company goals and objectives are aligned to ensure successful strategy implementation.
- **Leadership pipeline.** Business leaders must assess their employees for potentials to become future managers or executives.
- **Mentoring non-performers.** Business leaders must conduct a talent review to identify the non-performers in the organization. In addition, the leaders must address the gap between performing and non-performing employees through mentoring.
- **Human resources linkage.** Business leaders must integrate the practices of their human resource department to company strategy and operations.

### The Operations Process

Bossidy and Charan (2002) stated that an operating plan includes the programs which a business is going to complete within a year to reach the desired levels of objectives such as earnings, sales, margins, and cash flow. Among these programs are product launches, marketing plans, sales plans that take advantage of market opportunities, manufacturing plans that stipulate production outputs, and productivity plans that improve efficiency.

The following are the steps in building an operating plan:

1. **Set targets.** Business leaders must establish realistic goals and objectives for the company to reach its ultimate destination. They must also determine the necessary trade-offs between short-term objectives and long-term goals.
2. **Develop actions plans.** Business leaders must propose plans that will enable them to execute strategies to achieve their goal.
3. **Create contingency plans.** Business leaders, together with the line people, must create specific alternative courses of action for the business to overcome obstacles which may be encountered in reaching goals and objectives.

### Culture as Competitive Advantage

An article published in Forbes stated that a strong culture can be a sustainable competitive advantage because it cannot be duplicated, unlike a product, price point, or delivery system of an organization. A healthy company culture provides an environment that supports talent recruitment, employee retention, increased customer loyalty, greater productivity, and an increased sense of employee ownership.

The following outlines the process in setting the climate for culture as competitive advantage:

1. **Define the culture.** Business leaders must identify the driving organizational values, beliefs, and behaviors that will help the company in serving their customers.
2. **Align the culture.** Business leaders must turn their company values into ongoing norms of behavior within their organization.
3. **Monitor the culture.** Business leaders must support the business environment and solicit feedback from key stakeholders for continual improvement.

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### References

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