

Leadership Insight

# 5 Reasons why your organisation fails to deliver your growth strategy

By Andrew Hall

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If your strategic intent is for long-term competitive edge, then unless your growth strategy is supported by an organisational design that is capable of delivering that strategy, you will not succeed.

We continue to be surprised by the number of organisations that set out a strategy without adequate (or any) consideration of whether they really are capable of delivering it.

You only have to consider examples such as the NHS IT programme instigated in the early 2000's; or the acquisition of the Britannia Building Society (and the failed acquisition of parts of Lloyds Retail Bank) by the Co-op Bank; or the demise of Marconi plc. in 2002 to recognize organisations that failed to deliver on their strategy. Why did these failures happen?

There are many reasons in each case, but a common thread is the failure of the organization's leadership to adequately assess what it would take to deliver a successful strategy and/or to put the organizational capability in place to ensure success. We have collated the 5 most common reasons we have come across for such failure.

Which of these reasons might apply to your business?

### 1. You haven't assessed what capabilities will be needed to deliver the desired outcome

Do you have a sufficient understanding of your strategic intent that you are able to identify the skills, knowledge, technologies and finance required? That doesn't necessarily require that you plan and quantify down to the last detail, but it does necessitate testing and probing your understanding sufficiently to get absolute clarity about what it will take. That clarity may present you with some serious challenges – for example, because you don't have sufficient capability to implement your strategy.

That doesn't necessarily invalidate the strategy. It may just mean you need to be more creative about the implementation. However, without the clarity of what it will take, you can be sure you won't get there.

If your strategy is taking you in directions you have never travelled before, how do you figure out what is needed? There are a number of ways you can tackle this – from taking some educated guesses to seeking guidance from those that have already covered the same or similar journey. Whatever method you adopt, dig deeper than you think you need to at this stage. This is a great way if testing whether or not you have sufficient understanding.

## 2. Your organizational infrastructure is not set up to deliver the strategy

Implementation of strategy invariably triggers some degree of change in an organization. In turn, a move from the status quo typically places additional demands on the people, processes and systems during the period of change.

Therefore, when assessing your strategic goals, it is important to consider what impact the implementation of your strategy will have on the current organizational infrastructure. What areas will it put under stress? Which of these will be most critically affected? What additional support and/or investment might they need and for how long?

You may not be able to identify all factors at a very detailed level initially – that's OK. The important piece is the evaluation, so that you have critical items on your risk list, for further assessment. Without that, your growth strategy is very unlikely to succeed.

### 3. You haven't checked if your people have the necessary skills and experience to both lead and implement the strategy

Organisations often embark on a new strategy assuming it can be led and implemented by the people they have in place. This may, of course, be correct. In our experience, however, there is often inadequate consideration of what is needed for a successful outcome and how the knowledge and skills of the current people map to the requirements of the growth strategy.

Evaluation of the abilities and experience of your people to support your growth agenda is therefore a mission critical task. As with the organizational infrastructure above, the changes needed will impose stress on your people – more so if they are ill-equipped for the challenge.

Leading change is a responsibility that is not confined to the upper-most echelons of the organisation's structure. It's a critical remit that must exist across the business, which means: evaluating the competency of your leaders, assessing their leadership style and ensuring they understand the strategic intent and how it translates for their areas of the business. Everyone needs a line of sight towards the company goals to understand how they contribute to achieving them.

Leaders must consciously set the right climate, provide clear direction and establish shared objectives throughout the organization. When your leaders are clear about the remit and use a coaching approach, you are well placed for a successful implementation of your growth strategy.

Whilst you may not have to make wholesale changes to your leadership team it will almost certainly require some investment in their development.

Without that evaluation and development investment, the odds are heavily stacked against your success.

## 4. As leaders you lack courage

How much do you actively challenge yourself and others? Do you promote constructive tension (which is different to confrontation) across the organisation in order to produce learning and results?

To what extent do you and your colleagues hold each other and your people to account for – and encourage them to achieve – their commitments?

If thinking about these questions makes you feel uneasy, you are probably lacking a degree of courage – but acknowledging your unease is a great first step - at least you know where you stand.

If you think you don't need to change your current *modus operandi* to deliver your strategy, think again.

You need courage to face the challenges – known and unknown - that lay ahead. You must also have the courage to coach your people, to make them stronger – probably even stronger than you are yourself

To achieve long-term competitive edge, you must deploy your courage wisely. Embrace robust challenge, giving and taking it; act first, so your people see you mean 'business' and champion their efforts. If you don't take steps to change, guess what that means for your growth strategy?

## 5. You have not assessed your capacity to make the necessary investment

We have seen numerous instances where the ambition of a company (or, more precisely, that of its leaders) outstrips the capacity of the business to realize that ambition.

It's one thing being clear about the resource and financial implications of the changes needed to deliver your growth strategy, but it may be quite another to actually deliver the resources and finances when they are needed.

Be realistic – evaluate thoroughly (as outlined above), make pragmatic judgments about what is possible, make sure you can finance the changes necessary (whether in capital investment or people development), engage with and commit to your people and then really go for it!

If none of this resonates, congratulations. It looks like you have the necessary building blocks in place to achieve your growth strategy. If one or more of these reasons do chime with you, congratulations as well. You have just made an important step to changing what you are currently doing: by becoming aware of the need to do some things differently. Enjoy tackling that challenge and get yourself some support if you need it.

# Get in touch

If you are interested in discussing the content of this White Paper in more detail, or would like to talk to us about your competitive challenges, please get in touch with us:

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