

## HOW TO OPTIMIZE MANAGEMENT TEAMS



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Who's Who in France 2014

Do CEOs really have an effective management team in place, and do they have the resources to tackle the key challenges they face in continuing to adapt their business to market developments?

### **Strategy: Formalization and Execution – two distinct elements!**

The formalization (description) of a strategy is a task often undertaken by all the members of a Management or Executive Committee, and the goals to be attained are clearly set out by the President. So why, then, do the expected results fail to materialize? Why has the management team not done what is needed to put the plans into action?

Simply because, in reality, the execution – by which we mean the methodologies linking the strategic, human and operational processes – has not been undertaken in the right way to arrive at those results.

The most complicated stage is not necessarily decision making, but rather the implementation of decisions once made. Execution is therefore a discipline that must be integrated into the corporate culture.

### **Poor execution**

Objectives not realized and corporate commitments not met are examples of the kinds of issues CEOs frequently mention.

Lack of synchronization between strategic, human and operational processes is one of the main causes. Indeed, fewer than 10% of companies with a formalized strategy actually succeed in implementing it, and in 70% of cases of failure, the problem is not one of poor strategy, but rather of poor execution.

### **What are the reasons for poor execution?**

Strategy is clearly the responsibility of Presidents/CEOs, but how can they be provided with the resources they need to steer the execution of their strategy more successfully, to make better decisions, when they are constantly having to referee the workings (failings?) of their Management/Executive Committee? Members of these committees often lack transparency, pursue their own individual objectives over the common goals of the company as a whole, and "competition" for power rarely allows scope for open and constructive dialogue.

For Presidents/CEOs, translating their vision demands big ideas, intuition and the capacity to project into the future, but also the ability to drive through all the actions needed to bring their ideas to fruition, and this can frequently pose real problems.

Presidents/CEOs must be given the capacity to take decisions on not only short-term but also medium-term dysfunctions. For that to happen, strategy must be clarified, translated into action by identifying key levers, and priorities must be set while ensuring that, as far as possible, the impact of any decisions reached will contribute to attaining medium-term objectives. After all, today's medium term is tomorrow's short term!

### **Why facilitate?**

Facilitating means developing appropriation by the members of the management team, so that the discipline of execution becomes part of the corporate culture.

Facilitating strategic steering sessions will also make it possible to correct actions if they fail to produce the desired results: the root causes of a problem are systematically analyzed and profiles put in place to redress key priority objectives.

As a result, what was formerly a simple meeting of Management/Executive Committee members becomes a decision-making committee made more effective by a management team operating on an optimized basis of team spirit and results, whilst focusing all their energies on common, shared objectives.

### **Dashboard versus strategic steering room: where is the difference?**

Financial reporting or dashboards enable senior managers to arrive at a decision at a moment in time (T) to resolve current problems. The strategic steering room goes further: based on visual management, it offers a forum for dialogue and decision-making where the management team can come together to analyze the impact of decisions over the medium term, discuss strategic issues, analyze areas of dysfunction (partly incorporating a reading of the dashboards); its single greatest advantage, however, will be in verifying and ensuring that any decisions taken are in line with strategic projections.

If the dashboard performs the same function as its namesake in a car, then the strategic steering room can be likened to a GPS navigation system, because it confirms that the route you have chosen – your strategy – will indeed take you where you want to go.