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The debate panel
Why do strategies fail?



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Half page editorial piece

ExpertInsight

Communication is the most vital factor in delivering change successfully

INDUSTRY VIEW

Why is change management important?

Recent volatile economic conditions have meant businesses have had to adapt their strategies in order to survive, which can mean significant change. In a downturn, the businesses hit hardest are those not willing or able to adapt. In order to survive, firms have had to modify and in some cases completely review their business strategy.

Successful change management begins with recognising the need for change, ensuring the direction of change is in line with emerging market trends and being willing to let go of what used to work in the past. Cries of "But this is the way we have always done it!" will not help the business survive, let alone grow.

What areas of change management should be focused on?

Once the direction of change has been agreed, the key to successful change management is to act quickly. The change in strategy needs to be decisive, ensuring the impact on the entire business is well understood. Staff need to understand why the change is required, what is going to happen, how that is going to be phased in and to what timescales. If the business takes too long to agree organisational changes and



hence prolonging uncertainty in job security then many of the best staff will leave.

Strong delivery management is essential, especially when change involves complex technological improvements or has a significant impact on the business operating model. Robust management throughout the end-to-end delivery from study, design, build and test to implementation is a must. Without solid programme management there is a risk of gaps in the study and design, overall delivery could be delayed or there could be material compromises on quality, not to mention delivering to budget.

That said, the single most important factor to delivering change successfully is communication. A clear and consistent communication strategy should begin by identifying the impacted and

interested audience groups and then tailoring the timing and content of the message to each target group. Poor communications will lead to mistrust and lack of cohesion in delivery, whereas strong communication should help enforce the change to be incorporated quickly and effectively.

Some C-level execs want to focus on strategy and don't believe they are responsible for execution. Are they?

There are C-level executives who are extremely successful with a pure strategy focus, however their success is dependent on the wider team being able to interpret and execute their ideas. Successful businesses ensure they have a team of C-level executives with complementary skills, from idea generation through to execution and management insight. All successful executives know their areas of expertise and play to their strengths. They know successful delivery hinges on a good management team. C-level executive sponsors of change are absolutely accountable for delivery, though not directly responsible for execution. Their focus should be ensuring there is sufficient challenge on the design, costs and quality of delivery and steer the work in a decisive and timely manner.

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Strategies with poor definition are guaranteed to fail. The underlying cause is a lack of understanding – this could be due to insufficient customer insight via incorrect interpretation of customer behaviour, or relying on inadequate management information and flawed customer research. An unsound strategy could also be caused by misinterpretation of market conditions, little regard to environmental factors or inaccurate assumptions about competitor activity. Understanding the customer base and the market is key in determining a successful business strategy.

A less obvious reason for strategies failing is poor strategy execution, which could be down to deficient planning or poor delivery management with insufficient progress performance tracking. Lack of experience or capability is also a key driver of failure, as well as poor communication. Both strong planning and communication will ensure delivery of the defined strategy.

Successful business strategies require both robust strategy definition and strong delivery execution.

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