



DESIRED STATE ROADMAP™: STRATEGY EXECUTION

How do you create a path from vision to implementation?

Having a validated and carefully crafted strategic plan for your company or major initiative is the crucial first step in transforming and growing your business. But it's not always clear how to move from the planning step into meaningful action. How do you translate strategy to results?



In this edition of *Executive Issues & Insights*, we explore key insights drawn from the extensive C-suite and Board experiences of the

NextLevel team on developing a Desired State Roadmap™ for translating strategy to execution.

NEXLEVEL CASE STUDY *Improved cash flow management plan for travel agency leads to higher growth*

A closely held adventure travel agency was having trouble predicting its cash flow. As the company grew and needed to hire sales and support staff, this was becoming more of a challenge. In addition, the seasonality of the business was such that the company received approximately two-thirds of its annual revenue during a four-month period. Varying terms in contracts with travel companies also contributed to difficulties in predicting cash flow.

To address these issues, the company engaged an experienced finance and operations executive, now a member of the NextLevel team. He initially conducted a SWOT (strengths, weaknesses, opportunities and threats) analysis, followed by a strategic planning session to help define the company's long-term goals. From the strategic plan, he then developed a roadmap to achieve these goals. Part of the roadmap included a detailed monthly cash flow examination and future forecast that considered expected bookings, travel dates and cash arrival. It also called for securing a line of credit to allow the

(more)

NEXLEVEL INSIGHTS

Start your execution process with a clear knowledge of the company's position

If you don't have it already, get the complete, unvarnished definition of the current state of the company. This will require critically reviewing your financials along with the SWOT (strengths, weaknesses, opportunities and threats) analysis or other critical competitive information uncovered from the planning process. Getting this complete story of where your company is right now will put you on the right footing to move forward.

Evaluate current capabilities versus goals and objectives

Often companies will develop a strategy and vision with no real understanding of the roadmap to getting there. Do your strategic goals and objectives sufficiently address the resource gaps you identified in the planning process? Evaluate whether you have the bandwidth and capabilities to fulfill your objectives. You may need to hire more people, fill a technology gap, or develop tools in-house to execute effectively.

Ensure there is alignment with the plan

Before you execute, you must make sure your team is aligned with the strategic plan. They should agree that you have the right goals and objectives and that the action plans you've put together make sense. There may be specific details that individual team members don't agree with, but alignment means an overall agreement with and commitment to the strategy and objectives. Reinforce this by having the executive team and board participate in or approve implementation plans. Without alignment, successful execution may not be possible.

(more)



(continued)

company to maximize both cash utilization and marketing efforts throughout the year.

Taking steps such as these helped the company implement its strategy and achieve long-term goals. The improved cash flow planning and management capability allowed the company to shift marketing efforts, which increased future bookings dramatically and resulted in a near doubling of sales during the slower months. Over a five-year period, total annual sales grew by a compound annual growth rate of 8.2 percent per year. As a result, long-term debt was extinguished and the company was able to purchase its building, which created diversification for the owners.

**“AFTER YOU’VE DEVELOPED
YOUR STRATEGIC PLAN, DO
YOU KNOW HOW YOU WILL
EXECUTE IT?”**

**Developing a roadmap from
strategy to execution can
quickly put you on the path
to your desired outcome.**

(continued)

Look at how objectives translate into initiatives

Often there will be several initiatives to achieve each strategic objective, but many companies fall short on fully developing them. For each initiative, gain commitment from a single owner who knows its priority and accepts the outcomes, timetables, and deliverables that are required. This is best achieved when the owner fully participates in planning for the initiative. Also make sure strategic initiatives and operational plans don't conflict and that, for example, they are both integrated into the budget and managed in one set of meetings. Support accomplishment of strategic initiatives with incentives.

Establish metrics to monitor implementation success

In looking closely at your metrics, you may find that an initiative was poorly defined and needs to be clarified. Make sure you are measuring the right things at intervals that will drive successful implementation. Consider target dates that are realistic, and clearly communicate why they are both attainable and necessary.

Review and monitor implementation progress

Management should be reviewing plan implementation on a weekly and a monthly basis to keep the team focused on the roadmap to successful execution. If the metrics show a weakness in one or more initiatives, you can adjust by redefining the initiative or even adjusting the plan if necessary. By making adjustments to reflect current realities, you can better achieve desired results.

KEYS TO DEVELOPING A ROADMAP FOR STRATEGY EXECUTION

- **Your current state:** Do you have a complete picture of where your company stands in the competitive landscape?
- **Your current capabilities to execute:** Are your goals and objectives attainable? Do you need more resources to be able to meet them?
- **Your team alignment:** Is your team in agreement with and committed to the strategic plan?
- **Your initiative development:** Are clear ownership responsibilities defined and the owners supported?
- **Your metrics:** Are they truly measurable, time bound, and designed to drive the desired outcome?
- **Your review process:** Are you continually monitoring to make sure you stay on the road to success?

More Information

To learn more about how NextLevel can help you develop a Desired State Roadmap™ for corporate strategy execution, call us at (800) 833-NEXT or email info@nlbev.com.

