



STRATEGY EXECUTION AND THE FEEDBACK LOOP

How do you maintain strategic momentum?

Do you think of your strategy as a blueprint, something static that you can check off as done? Today's marketplace reality is that strategic planning has to be a dynamic and self-correcting process. This way of strategizing enables your company to be proactive instead of reactive in the face



of changing conditions and threats.

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 maintaining strategic momentum utilizing a robust feedback process.

NEXTLEVEL CASE STUDY *Strategic Planning Process Saves Global Corporation*

A global Internet security company was going to roll out a converged product that would replace multiple existing hardware and software products with a single hardware platform and a single software platform.

The company hired a new CEO, now a NextLevel partner, to lead this effort. During the engineering review process it became apparent that the converged product was not ready for release. In fact, it would never be releasable in the form envisioned in the original plan.

The executive team took a hard look at their internal processes and approach, and determined that developing a new converged product would take two years. The NextLevel executive helped define a series of objectives for continuing to sell their existing products while developing the converged product. This involved market research as well as soliciting feedback from customers and partners.

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NEXTLEVEL INSIGHTS

Strategy is a process, not a project

Traditional thinking was to develop a strategic plan and then make large investments up front in major initiatives based on that plan. Today's agile strategic organization will make small investments in a few key catalytic projects. Then, using the outcomes to feed back into the strategic process, they reinvest in projects that significantly pay off.

Collect feedback at multiple levels

At the product level, insights come from market research and interaction with customers and partners. At the strategic level, feedback can come from others in the industry, investors and industry analysts. And don't forget employee feedback; employees have a good sense of the market, issues and opportunities. A participatory strategic process should solicit input from employees in confidential peer groups.

Have a philosophy of continuous improvement

Continuous improvement does not mean perfection. It means setting strategic objectives that move your company in the direction you want to go and regularly evaluating to see whether you're achieving them. Celebrate achievements, acknowledge obstacles and reevaluate to see whether your strategic objectives still make sense or need to be modified to continue to move your company in the right direction.

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Once they refined their strategic plan, the NextLevel executive solicited additional feedback from investment bankers, industry analysts and others in the industry. Some of the responses validated the revised plan. But they also received information about imminent threats that were previously unknown. They were able to proactively deal with these threats by integrating this information into the strategic planning process.

Over the next two years, the team continued to incorporate information on new developments into their strategic planning. The company was able to hold its revenue share while doubling the size of the addressable market through development of the converged product, which was released on schedule.

By incorporating the information obtained through a feedback loop process, the company also significantly improved product quality. Technical return rates, which historically had run from 8 to 30 percent, were reduced to less than 1 percent. Ultimately the company was sold at a 46 percent premium over market value.

**“STRATEGY STANDS OR FALLS WITH THE
QUALITY OF LEADERSHIP EXECUTING IT.”**

**One key job of the CEO is setting a
culture of continuous improvement.**

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Be open to feedback that is contrary to your thinking

In order for the feedback process to be successful, you must be open to input that doesn't match your preconceived ideas. Strategy is a moving target and must be regularly and systematically challenged to stay relevant. Creative dissent and deviance from established wisdom and groupthink are necessary for innovation and constant renewal of your organization.

Obstacles are part of the process

When you view strategy as a process instead of a static plan, course corrections are seen as part of that process rather than as setbacks. This way of strategizing actually thrives on change and unintended consequences. During evaluations, take stock of the situation, institutionalize the successes and get rid of nonstarters. Feed results back into the process to reformulate objectives and enrich the strategy for the next round of evaluations.

Without communication, strategy is useless

Communicating both successes and failures internally is vital to maintaining momentum. Let your employees know what was accomplished, what was not accomplished, what worked, what didn't work, what leaders emerged and how they can be empowered now, and what new opportunities arose. Based on these answers, ask what's next?

KEYS TO MAINTAINING STRATEGIC MOMENTUM

- **Your strategy:** Do you view it as a process rather than a project to be completed?
- **Your feedback:** Do you collect it at both product and strategic levels?
- **Your philosophy:** Do you hold a view of continuous improvement versus perfection?
- **Your openness:** Are you willing to incorporate feedback that doesn't fit preconceived ideas?
- **Your obstacles:** Do you view them as just part of the strategic process?
- **Your internal communication:** Do you give employees the full picture?

More Information

To learn more about how NextLevel can help you maintain strategic momentum utilizing a robust feedback process, call us at (800) 833-NEXT or email info@nlbev.com.

