



STRATEGY EXECUTION: TRANSLATING INTO ACTION

Do you know the best way to turn plans into actions?

Creating a strategy and an aligned business plan to implement it are the first steps toward effective strategy execution. But translating strategy into action requires deliberate day-to-day steps and continual monitoring.



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 translating your strategy into executable actions.

NEXLEVEL CASE STUDY *Strategic acquisition boosts pricing power*

A global agricultural corporation wanted to expand its U.S. operations by acquiring a nearby manufacturing facility in the same line of business. It intended to lower operating costs, grow market share and improve the combined companies' pricing power for their products.

The CFO, now a NextLevel partner, led a project team including operations, sales and finance in developing a financial model and business plan. They wanted to understand the target's operating costs and the impact of running both manufacturing facilities as one organization. The NextLevel partner included key operating personnel of both entities in developing this business plan. Leading this process with a collaborative and inclusive management style was important in generating buy-in.

The NextLevel partner helped establish key milestones for integrating the two companies and held weekly status meetings. The team established key performance

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NEXLEVEL INSIGHTS

Leaders should provide visibility and resources to initiatives

The strategic initiative project sponsor should be a C-level leader. This sends the message that senior leadership is heavily vested and gives visibility to the team. When selecting members for this high-visibility team, choose people who are known to deliver, and give them enough freedom from their regular responsibilities so they can focus on strategy implementation. The project sponsor's role is then to provide resources and clear roadblocks so the team can do its job.

Make continual monitoring part of your culture

Emphasize a mentality of performance achievement based on measurable KPIs vs. activity generation. The ideal is a convergence of strategic and day-to-day activities into one seamless set of actions that drive the organization forward.

Regularly review progress on strategic goals

Regularly reviewing progress against strategic objectives is essential to keeping the process on track. Meet weekly, biweekly or monthly, depending on your circumstances, but make this strategic review the first or second item on your agenda. Be sure to give it enough time so you can thoroughly evaluate how the organization is doing. Don't fall into the trap of focusing only on day-to-day maintenance issues.

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indicators (KPIs) to track progress against the new business plan. They reviewed both positive and negative variances in sales, conversion cost, raw materials cost, volumes processed and yield to understand the long-term and short-term impact on the business plan.

The company established a five-year supply contract with an existing customer that utilized 65 percent of the acquired facility's production capacity. This supply contract was utilized to finance the acquisition.

Since the two processing facilities historically shared many of the same customers, post-acquisition the company was able to combine manufacturing runs into one facility. This improved product consistency and simplified the supply chain for customers. It also improved operating efficiencies due to shorter setup times. The combined company met all return on investment targets each year during the five-year life of the business plan.

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Report progress using a simple method

A deceptively simple yet remarkably effective tool is a green-yellow-red color code that allows everyone to quickly get an overview on each initiative's progress. Green means everything is on schedule and going smoothly. Yellow means bottlenecks need to be cleared or it is likely to slip schedule. Red means the initiative needs significant intervention to reach its target. Review anything coded yellow or red to determine how to put it back on track.

Be open and flexible in response to feedback

No plan is perfect, and there will always be challenges you didn't anticipate. Business circumstances, competitive dynamics and the ecosystem can all change. The strategy team should be committed to getting feedback systematically and frequently from the market, your customers and your employees. Be open to reexamining your strategy and your implementation initiatives based on this feedback in light of changing conditions.

**“THE RESPONSIBILITY TO MAKE
STRATEGY A LIVING, BREATHING PART
OF YOUR MANAGEMENT PROCESS FALLS
ON THE LEADER.”**

**Leaders set the tone for how
much visibility and attention
strategic initiatives receive.**

KEYS TO TRANSLATING STRATEGY INTO EXECUTABLE ACTION

- **Your leadership:** Are you giving visibility and resources to the strategic initiative team?
- **Your company culture:** Does it include continual monitoring as a normal practice?
- **Your review process:** Are you giving high priority to regular reviews of strategic goals?
- **Your progress reports:** Are you using a quickly understood color code to track progress?
- **Your flexibility:** Are you willing to modify your plan based on feedback you receive?

More Information

To learn more about how NextLevel can help you translate strategy to executable action, call us at (800) 833-NEXT or email info@nlbev.com.

