

Hidden Strategy Killers: How Leaders Can Recognize, Avoid and Tackle Common Pitfalls

Once you learn how to identify the hidden strategy killers inside your company, these are the leadership, rewards and talent practices you can put in place to thwart them.

There are hidden killers lurking within your organization. They lie in wait silently, ready to pounce on your best ideas and block the execution of your strategy at every turn. Even worse, if you can't see them, hear them or touch them, how can you ever know that they even exist? Here are a few telltale signs:

- Your employee surveys indicate that your people don't understand your business strategy or don't believe there is one— despite the fact that you have your strategy plastered all over newsletters, your intranet and talk about it incessantly in town halls, coffee talks, and staff meetings.
- Your strategy emphasizes speed yet action is excruciatingly slow.
- Your competitive advantage depends on innovation yet new ideas struggle to get traction.

If any of these statements sound familiar, you likely have one or more hidden strategy killers inside your organization. The fact is, as much as you may talk about strategy, talking isn't execution. Execution actually relies on a powerful, unspoken language. Think about it: What has more impact— words or deeds?

The most lethal hidden strategy killer is a lack of alignment. Sustaining top performance in an organization is like sustaining top performance in a world-class orchestra. Continual fine-tuning is necessary. If one instrument is out of tune it will ruin the entire symphony. And, much like an orchestra going out of tune, organizational misalignment often happens gradually, almost unperceptively at first. It takes an ever-vigilant maestro to detect that first sour note hidden in a sea of instruments and course-correct in real time to keep the beautiful music flowing.

Let's break down organizational misalignment into its three most common types to see if we can coax those hidden killers into the spotlight for a moment.

Strategy Killer #1: Unaligned Leadership

Your leadership team recently attended a retreat and emerged in lock step around an elegant strategy vision. You may think that's sufficient. Maybe so, but to those responsible for executing strategy, senior leaders often look unaligned. And an unaligned leadership team causes fear and uncertainty, which are the serial killers of execution. How so? Consider these scenarios: You and another executive are engaged in what you view as a

healthy debate about parts of your strategy. Yet to others, this debate often looks like disagreement, not alignment. Or, you think you're discussing nuances in strategic approach yet your team hears mixed messages and conflicting priorities. Pounce! Those hidden killers are all too happy to make your people afraid to make a move while they wait for clarity from you. And meanwhile, you go about your day blissfully unaware that there's anything to clarify. Before you know it, execution stalls, you're left wondering what happened and no one has said a word to you about it.

Strategy Killer #2: Misaligned Rewards and Recognition

Does your strategy emphasize speed or does it emphasize quality? Innovation or cost containment? Delighting customers or maximizing profit? Teamwork or individual effort? If your response is all of the above, you are correct to a degree; all of these things are important, but they need to be prioritized.

When the chips are down, which of these priorities will really make the difference between success and failure for your company? And does your rewards system align with those priorities and reinforce them? You might think they do, but oftentimes there are countless unseen and unspoken interactions that send mixed messages.

For example, you may say that your competitive advantage depends on speed and that you want people to act quickly. But inside your organization, it may take numerous people and multiple layers of management to make or approve a minor business decision. In reality, your people may be getting rewarded for exercising caution and playing by the rules rather than for taking quick and decisive action. And who doesn't value teamwork? While most companies will promote the virtue of collaboration, the real proof is in how much compensation and rewards systems are structured around individual vs. group accomplishments. Pounce! Those hidden killers gleefully mire actions in a sea of molasses and stop decisions and teamwork in their tracks. Execution suffocates so silently no one ever really notices.

Strategy Killer #3: Unaligned Talent

You continually assess the changing business environment (i.e., the market, customers, regulatory policy, political and social forces, etc.), which may lead to a change in strategic direction. And you assume your people will adjust without missing a beat, so you don't bother to take an in-depth look at your talent to determine whether they have the skills, knowledge, and experience to achieve your strategic goals. But what happens when your strategy calls for entering a new market, yet your team doesn't include anyone with experience in that market? Or you accelerate your growth strategy only to find out that you don't have the requisite leadership bench strength or technical talent to fill the new roles? Pounce!

Organizations that have underinvested in sourcing and developing talent provide the perfect petri dish for killers to thrive. As a result, you don't have the right people with the right skills in the right roles to deliver on your new strategy. Execution gets tangled in a web of finger pointing and fizzles out. And no one will ever raise their hand to tell you they can't do the job.

Our case study below highlights how planning for future talent needs during a business transformation can be handled successfully.

Case Study: Revamping the Sales Function at a Medical Device Company

The world had changed, and the leadership team of a medical device company we worked with knew they had to transform their business. They changed their go-to-market strategy from selling low-cost healthcare items to hospital procurement managers to selling more expensive, high-end equipment to C-level officers and managing inventory at hospitals and other healthcare facilities. This required a much more strategic and consultative team-based sales approach.

As part of this transformation, we helped leaders take stock of the existing skills of their sales team to determine which sales reps had the experience and acumen to sell sophisticated equipment and services to more senior buyers. Their original estimates of needing to replace about half of their sales team ended up being accurate. We then helped the company transform and align its sales team by implementing a process that clearly defined the new success factors and involved the sales force in co-creating their future.

The client handled the entire situation with empathy, respect and understanding—granting fair severance packages and job search assistance to departing team members, providing training and development to remaining team members and integrating newly hired team members carefully and thoughtfully. They also transitioned the sales compensation system to team-based compensation and rewards. The entire process wasn't easy or quick. However, with aligned talent and rewards programs in place, the company was able to better execute its growth plans and successfully execute their new strategy.

Taking Action

Now that we've identified the three most common hidden killers of strategy, let's discuss how to avoid them. Here are our tips for ensuring a smooth execution of your strategy broken into steps that can be taken within the categories of leadership, rewards and recognition, and talent:

Leadership

- Make sure your leadership team is truly aligned around your strategy by asking deeper, tougher questions to test alignment. Discuss the undiscussable. If you suspect that anyone on your leadership team is not truly supportive of the strategy, do not assume they will come around. Act quickly to get them on board or face the fact that you may have to make a difficult decision.
- Recognize the fact that your behavior speaks louder than your words, and be mindful of how others might perceive your actions.
- While we agree that healthy debate is important, it should be done within the confines of four walls. When it is time to execute your strategy, you need to portray a shared vision and a unified approach.
- If you notice any leadership misalignment that is impacting strategy execution, address it quickly— even if it ventures into the world of “undiscussables.”
- Employ “continuous listening” techniques. Stay close to your employees, know what they are thinking and feeling. Don't be surprised by the results of your engagement survey.

Rewards and Recognition

- Recognize the power your rewards systems have on employee behavior. That's why they exist. Do not minimize or gloss over this fact.
- Know how your rewards systems are designed. Understand what they reinforce and what they inhibit. Do they achieve the right balance between risk and reward?
- Construct executive compensation programs so that they specifically and directly support and reinforce the successful realization of strategic goals.
- Seek out hidden killers. Talk to people throughout the organization to understand their perspectives on how compensation and rewards impact their willingness and ability to execute the strategy. Do they see alignment or misalignment? If it's the latter, take action to realign.
- Publicly recognize people for taking any action that enables and accelerates the execution of your strategy. Take time to celebrate success.

Talent

- Make sure talent is identified as one of the critical success factors that will drive strategy execution.
- If your business strategy has changed, your talent strategy will need to change too. Work with your HR team to ensure that the two are aligned.
- Conduct an in-depth analysis of your talent and map it against your strategic pillars and goals. Identify gaps and work with HR to create a plan to close those gaps.
- Position talent initiatives to foster a climate of growth, development and support— not fear. Talent analytics have come a long way and now include powerful data on performance, potential, readiness, and fit. When used effectively they accelerate individual growth and development and enable you to make more informed decisions about your people.
- Take an objective look at yourself and your leadership team. Set an expectation that everyone needs to continue to learn and grow. Assess your collective leadership skills and behavior along with everyone else. Are you and your leaders displaying the leadership behavior that is aligned with your desired culture and strategic goals? If there are gaps at your level, put a plan in place for executive development and hold everyone accountable for positive change.

Taking these steps will help you pounce on those hidden killers and keep them at bay before they pounce on your strategy. To learn more about our talent and rewards practices, please write to consulting@radford.com.

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