Good Execution Isn´t Just Stuff Leaders Delegate

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Author: Howard Muson

With many companies still struggling to recover from the recession, what is uppermost in the minds of CEOs around the world? The unsurprising answer is: **good execution**. The 2009 CEO Challenge survey by The Conference Board found

- The number 1 concern was “excellence in execution.”
- The number 2 concern was “consistent execution of strategy by top management.”

A total of 444 top executives in Europe, Asia, and the United States responded to the 2009 CEO Challenge survey, which asked them to check off their “greatest concerns” from a list. The fact that good execution ranked higher as a concern than

- “sustained top-line growth” (number 3),
- “customer retention” (number 4), and
- “profits” (number 8)

suggests that many CEOs are frustrated by the inability of their organizations to deliver it.

CEOs realize that the most carefully crafted strategic plan in the world will not work without a detailed plan for executing it—one that can be monitored and, when necessary, adjusted. Inevitably, however, leaders of growing companies are faced with questions about their own role in execution. To what degree can they trust—and empower—their top executive team to deliver on the organization’s strategic objectives?

In a new Executive Action report from The Conference Board, Howard Munson identifies and details five requirements for good execution that can help CEOs achieve the results they expect.

Good execution is not something that can be grafted onto an organization. It grows out of sound strategic planning that includes detailed action plans for implementing the goals and holds managers accountable for each step. CEOs have to empower their top lieutenants to achieve key objectives.

No matter how capable and trusted those executives may be, however, CEOs have to remain in touch with how they are executing. Experts interviewed for this report suggest that CEOs should:

- Make sure the firm’s goals and objectives are effectively communicated from the top to the bottom of the organization.
- Meet weekly or monthly with the management team to assess progress on steps in the action plans.
- Decide which financial measures provide the best clues to how the business is doing and concentrate on monitoring those metrics.
- Show dogged persistence in asking tough questions about how the company is performing.
- Get out of the office and hear first-hand what employees on the shop floor, in the stores, or otherwise on the front line are saying about execution.
- Be flexible when problems in execution are caused by unforeseen economic events. Consider resetting your objectives in such cases.

Besides asking the tough questions, CEOs have to pay attention to the organizational structures and processes that in the long run ensure effective execution. Leaders should have institutional ways of assessing the health of those structures and processes, such as regular companywide surveys of growing pains. When a company – for example - suddenly jumps from $250 million in revenues to $700 million, its leaders can expect upheavals in execution unless they have detailed plans for adapting the corporate infrastructure.

Lastly, the ultimate judges of how well a company is executing are its customers. CEOs should have regular channels for staying in touch with user opinions of its products and services, from CRM systems, to customer surveys, to websites that post consumer grievances. In face-to-face visits with one's biggest customers, don't forget to ask for suggestions on how execution can be improved—if they don't tell you first.

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Howard Muson is a writer and researcher who specializes in business management and public policy. The former editor of *Across the Board* magazine, he is a regular contributor to the mid-market series of Executive Action reports. His previous research reports for The Conference Board include the 2003 report *Valuing Experience: How to Motivate and Retain Mature Workers*.