



# Implementation

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# Execution: The Key to Great Results

by Partner and Founder Carsten Lindgaard, cl@franklincovey.dk,  
FranklinCovey nordic approach

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“Good” may be good enough for some, but is such an approach sufficient to achieve sustained superior results? I believe most of us want to surpass the run-of-the-mill and to achieve above-average results. This is the key to enabling greatness in employees, teams, and organizations.

*At 99 degrees water is hot, at 100 degrees it boils and releases steam, with steam you can run a power plant.*

S.L. Parker

But what exactly is needed to enable greatness and achieve sustained superior results? I, for one, am convinced that extremely often it is a question of getting better at executing your most important goals. How can you do this? And what are the key focus areas? What is the value of focusing on improved execution? How is execution different in high-performance teams and organizations compared to low-performance teams and organizations? How should the immediate leader act, and is great leadership achieved through a combination of talent and luck? What are the primary barriers—and what methods can assist leaders and organizations in achieving sustained superior results?

These questions are essential for anyone wanting to improve an organization’s capability to execute its strategy and achieve sustained superior results. This article deals with precisely these questions and will, I hope, inspire you and

other readers to consider how you can improve execution to achieve sustained superior results.

### 1. **International research – the foundation for sustained superior results**

For the last five years, FranklinCovey has focused intensively on understanding the challenges associated with achieving sustained superior results. We have cooperated closely with acknowledged experts such as Jim Collins and Ram Charan. We have examined more than 500 companies and 2,500 teams worldwide, receiving feedback from more than 300,000 employees and implementing a number of sector-wide surveys, including an aggregate survey of the entire North American retail business on behalf of The Coca-Cola Company.

What essential factors distinguish top-performing companies from average companies?

#### **Factors which are NOT essential**

#### **Factors which are NOT essential**

I frequently hear managers and employees explain that their line of business is unique, and that many specific factors limit their potential to achieve great results. Poor market opportunities, increasing oil prices, fierce competition, and unfavourable trade parameters are but some of these limiting factors. Surprisingly, a number of companies that achieve sustained superior results are not found in lines of business with limited competition or particularly “cushy” ones (e.g., car rental, aviation, hotels). Therefore, it seems fair to ask if these explanations are merely (poor) excuses to justify continued mediocre results.

Furthermore, superior performers are not substantially different from mediocre performers with regard to know-how. In a world where knowledge is considered essential — e.g., in the areas of sales, project management, innovation, etc. — this claim might seem rather controversial. Nevertheless, knowledge alone does not explain the difference in performance levels.

A final factor that is not an essential prerequisite for achieving superior performance is a unique leader. This is the case in spite of popular expressions such as “he’s a born leader,” which implies that the unique personal characteristics of a leader explain why companies achieve extraordinarily good results. Leaders with unique personal characteristics are not a prerequisite for superior performance.

### Factors which ARE essential

#### Factors which ARE essential

Generally, the primary reason that companies do not achieve sustained superior results is poor or lacking execution, which we call “the execution gap.” Many leaders take execution for granted and seem surprised when asked, “How do you execute the company’s strategy?” Mostly, answers focus on internal communication and follow-up procedures—which are nowhere near adequate or sufficiently precise. Paradoxically, many companies have set up detailed procedures for the preceding steps—i.e., development and formulation of the strategy—but few have made detailed plans to ensure efficient execution. Frequently, top managers can explain all the elements of the strategy process, but they expect execution to simply happen.

*Strategy gets you on the playing field, but execution pays the bills.*

Gordon Eubanks

One of the primary execution challenges is to clarify purpose and create accountability and commitment throughout the organization. The point is that all teams should be capable of aligning their contributions with the overall objectives of the company. My favorite metaphor for this is bowling. Imagine bowling with a black curtain drawn in front of the alley, preventing individual players and teams from seeing how they score and how they perform compared to other teams. This image conjures up a decisive difference between average-performing companies and superior performers. If you cannot see and monitor execution, improving results becomes next to impossible. And it is the execution phase that gives you the opportunity to tap into your full potential and get results.

*Ram Charan puts it like this: "Today, the greatest difference between a company and its competitors is its ability to execute."*

Companies with superior performance do not have higher potential or better conditions than their competitors. They are simply better at understanding and tapping into their potential and, therefore, at exploiting their strategic opportunities. Research has also revealed that approximately half of the managers, teams, and departments heralded by management as top performers are in effect average or poor performers.

*Don't measure yourself by what you have accomplished, but by what you should have accomplished with your ability.*

John Wooden

A team's performance should not be judged by budget standards, but by comparison to the team's potential accomplishments. The key question is not how a sales index has developed compared with the previous year, but how close it is to the team's potential. All companies have teams and employees who are great performers. The essential difference is that top companies have a performance average considerably higher than that of "normal" companies.

Consider the rewards if your company could reduce the gap between top and average performers. What would be the impact on the bottom line if you improve the performance of the middle 60 percent of employees?

Figure 1 illustrates the potential results in three industries.

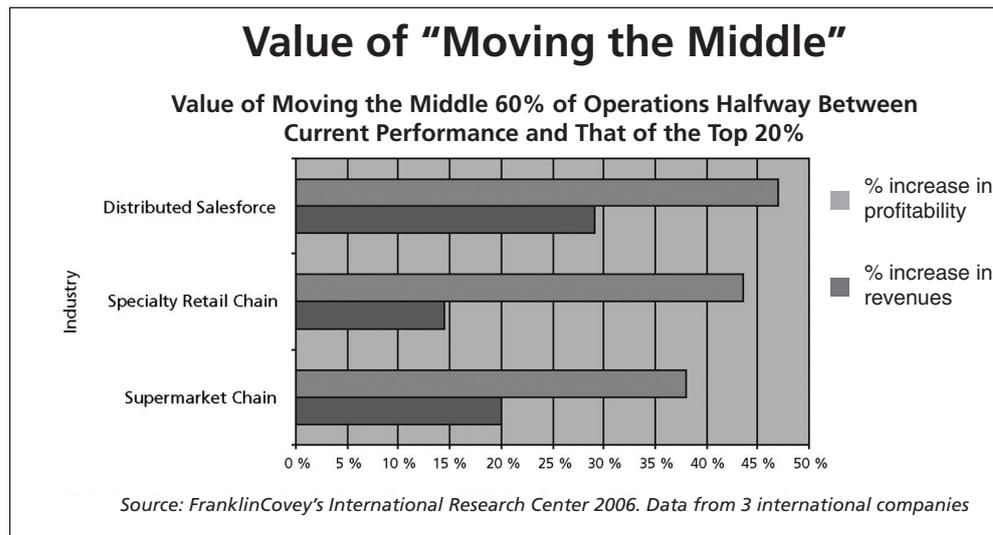


Figure 1.

In the previous section, I claimed that knowledge is not an essential factor in distinguishing average and top-performing companies. What is important is not knowledge *per se*, but the company's ability to institutionalize the knowledge it already has—for example, knowledge of how to create loyal and satisfied customers or how to manage projects optimally. The list goes on...

This is quite remarkable because it means that a substantial number of companies could perform considerably better without improving their current competence and knowledge levels. Companies need to identify what they are currently good at and disseminate this know-how and competence throughout the organization. The question is which leadership skills they need to do so.

### **Leadership that creates great results – Five Leadership Skills**

#### **Leadership that creates great results**

Any leader builds on his or her personal style and drive. Leaders therefore contribute with different individual characteristics. And this diversity is a substantial advantage to every company because it can spawn synergy and lead to development. However, our surveys have identified five essential skills of top-performing leaders that any leader can acquire and use, regardless of his or her style and drive.

Top performing leaders:

- Define and monitor lead measures.
- Create an extremely high level of clarity and commitment among employees.
- Build coherent and self-reinforcing systems.
- Establish a cadence of accountability in every team and in the individual employee.
- Inspire a high level of trust at all levels.

*Confusion concerning a company's most important goals starts at the management level and spreads with considerable force to the entire company.*

Stephen R. Covey

Far too often, managers have only a single goal that relates exclusively to financial performance. This goal typically surfaces in connection with major challenges such as the “4th Quarter Syndrome” seen in many listed companies. This syndrome sometimes means that the organization neglects or even intentionally disregards less quantifiable goals. Our research has shown that companies that achieve sustained superior results consistently excel in the following four areas.

These companies:

1. Measure actual performance relative to the potential.
2. Create intensely loyal customers.
3. Create highly engaged, loyal, and focused employees.
4. Make a distinctive contribution.

## 2. The real challenge – discovering the simplicity of a complex strategy

*A manager who says, “We have 10 strategic goals” does not know what he is talking about. He doesn’t even know which goal is more important. You should only have a few, clear and realistic objectives and priorities...*

Ram Charan

CEOs expect other senior company managers to share their understanding of the company's goals. A study carried out by McKinsey & Company showed that when senior company managers were asked to outline their company's 10 primary objectives, a different image emerged. By adding the answers of the top 5 managers, 23 goals could be identified, only 2 of which were found in all five lists. This discrepancy increases dramatically when the same study is carried out among mid-level managers.

Another study revealed that employees only use 49 percent of their total working hours on activities that are aligned with the company's highest priorities. Furthermore, only 15 per-

cent of employees were able to state these priorities. Just as interestingly, the same study showed that frontline managers believe that as little as 28 percent of the employees' activities were aligned with the company's primary priorities. At the next management level, the proportion was just 20 percent.

The overall conclusion is that employees are required to digest enormous amounts of information (too many goals), which creates a feeling of overload, while the management perception frequently is that they should accomplish more.

A recent FranklinCovey study shows that when employees are asked to define a good day, many of them say it is answering e-mails and voice messages in the order they are received, attending all meetings on time, and maintaining a suitable balance between incoming and outgoing mails.

### **xQ – measuring execution capability**

FranklinCovey has developed an analytic tool to identify strengths and weaknesses in execution at the personal, team, and organizational levels. The tool is called xQ, for Execution Quotient, and it measures an organization's ability to translate strategic goals into action and results.

The xQ survey measures a range of important best practices that, individually and as a whole, are expressed as xQ scores. Companies can benchmark their xQ scores in relation to top performing teams, companies, and employees. With a follow-up xQ survey they can quantify their progress in areas where they are working on strengthen the execution ability.

Scores in the xQ survey range from 0 to 100. The xQ scores in top-performing companies are at the top of the scale — i.e., from 80 to 100. A major xQ survey in the Danish workforce performed by Vilstrup Research showed a national xQ score of 49 — meaning that focus and execution reached only 49 out of a possible score of 100. This gives an idea of the potential that improving the execution capability can tap, particularly when you take into account that the top 10 companies

average a score of 82.

All these scores and surveys clearly indicate a pattern of strategic plans that employees do not translate into action. In Denmark alone, FranklinCovey has carried out more than 100 company surveys of execution capability.

These surveys, in conjunction with more than a thousand surveys worldwide, have revealed a number of barriers that companies encounter again and again.

*The reason most people never reach their goals is that they don't define them... Winners can tell you where they are going, what they plan to do along the way, and who will be sharing the adventure with them.*

Dennis Waitley

### **1. Managers and teams don't know the goals**

Our surveys have discovered that only 15 percent of employees know their company's most important goals; either no company goals exist, or there are far too many. In other cases, management does not communicate its organizational priorities to frontline teams and employees.

### **2. Leaders and teams don't know how to achieve the goals**

Many employees do not know which critical activities are most important for the team to achieve its goal. Far too often, the most important activities are replaced by meaningless and hectic activity.

### **3. Teams don't keep track and don't know their own score**

The surveys also found that the overwhelming majority of teams do not know how to measure success, and do not measure or track the specific activities that lead to success.

### **4. Teams do not hold each other mutually accountable**

Only 11 percent of employees who participated in the survey confirmed that they met with their managers every month

**Everything is important and therefore nothing is important**

to discuss progress on their work goals.

Overcoming these obstacles is far from easy. In a time when most employees in the workforce have several job options and the technological “static” is greater than ever, few employees know how to sort through the many priorities and focus on the most important goals.

FranklinCovey’s term for goals that should be given absolute priority is “Wildly Important Goals.” Today, important priorities and objectives are omnipresent; everything is important and therefore nothing is important. This expression emphasizes that if we do not achieve these wildly important goals, nothing else really matters.

Next time you meet with your management group or team, ask them to complete the following assignment: “Please state our team’s three Wildly Important Goals — and note how we should measure if we are on target to achieve them.” Then sum up the team’s responses on a flip-over chart and remove any duplicate goals. It is OK to assess the goals with some rigor; for instance, increase sales and increase turnover should be listed as separate goals. If you end up with more than three to five important goals, or if your team does not agree on the three Wildly Important Goals — well, then, you are probably squandering resources and could increase efficiency by making sure that everyone rallies around the Wildly Important Goals.

In this connection, it is important to note that high-performance teams are characterized by shared goals and shared responsibility for results. This way, everyone knows the exact wording of the goal and is clear about how success will be measured. The overwhelming majority of employees do not work in real teams, but in what might be called work groups in which the manager owns the goal and takes responsibility for results.

*I’m very demanding about performance. I’m very demanding of myself and I’m very demanding of the people around me. But I know that to be able to be demanding, you have to empower people. You can’t be demanding of someone who isn’t empowered; it isn’t fair.*

Carlos Ghosn

**Case from Danske Bank's Finance Center in Glostrup, Denmark**

As the Glostrup branch of Danske Bank initiated its development process at the turn of the year 2004/2005, the 65 employees and their management team were facing considerable challenges. A new branch structure had brought together employees who did not know each other. Employee satisfaction was low, and employees generally lacked a sense of responsibility. Furthermore, the employee replacement rate was high, and the management team facing the challenge of motivating employees was newly established and inexperienced.

After a number of conversations between the newly appointed branch manager, Frank Vestergaard-Olsen, and FranklinCovey, a strategy was set up, including the formulation of Vision, Mission, and Commitment.

The Vision was to turn the Glostrup branch of Danske Bank into the world's best local multi-purpose bank. The Mission was to build job satisfaction, customer loyalty, and good management. And, finally, the bank would ensure employee commitment through principle-based management, personal development, and delegation of responsibility. "We simply needed to force ourselves to think in a new and different manner if we were to achieve our goals," says Frank Vestergaard-Olsen. That led to the formulation of their Wildly Important Goals and a measure for each of these goals:

- INCREASE REVENUE
- NEW CUSTOMERS
- MORE CUSTOMER MEETINGS

The implementation of these Wildly Important Goals was at the heart of the process to change the branch. And that proved far from unproblematic. "It is quite a challenge to change bank employees' attitudes," says Frank Vestergaard-Olsen. "Bank employees are, almost by definition, decent people. That is, they are meticulous, cautious, precise, and stable; they do not put on airs or offend. Did I say 'boring and incapable of change'? No, I did not. But the process required every single employee to search within themselves to determine how far they were willing to stretch to achieve the Wildly Important Goals. The process triggered psychological mechanisms and made each of us consider what our defining characteristics are – a process that was not in all cases considered desirable. In some persons, the process created a sensibility that was painful."

Although the Glostrup branch once had a low level of employee satisfaction - and was placed second to last in the regional branch list – it currently ranks third. Furthermore, the branch has moved to the top of the Bank's internal balanced scorecard. But the process leading to change in the bank employees' habits has not come easy. One of the surprising results in the report FranklinCovey prepared after the first nine months of the process was the employees' endorsement of the Wildly Important Goals that were initially defined as one of the primary points of orientation.

*Please email us at [info@franklincovey.dk](mailto:info@franklincovey.dk) if you would like to receive the whole <<Danske Bank case study.*

*A team is a small number of people with complementary skills who are committed to a common purpose, performance goals, and an approach for which they hold themselves mutually accountable.*

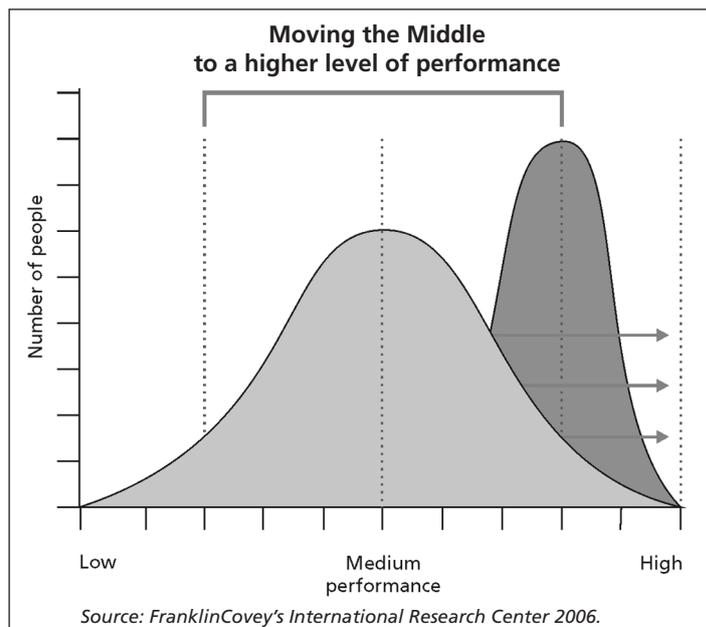
Jon R. Katzenbach, *The Wisdom of Teams*

FranklinCovey's execution process is based on achieving measurable results at 3 levels within a 3- to 6-month period.

1. The process must lead to a measurable financial result (ROI of a minimum of 5 to 10 times).
2. The process must build a stronger team that is better equipped to meet future challenges (measured before and after the process using the xQ Execution Survey).
3. The process must develop five essential leadership skills (measured before and after using the 360 Degree Benchmark).

The objective of the process is to achieve sustained superior results over time. Therefore, it is essential to strengthen the team and ensure that managers develop the skills needed to retain and motivate team members in the future.

The whole purpose is to move the company's average performers (the middle 60 percent) significantly closer to the 20 percent top performers. This will contribute substantially to the achievement of sustained superior results.



*The Runaround Dilemma**Because we don't know what is really important to us, everything seems important.**Because everything seems important, we have to do everything.**Other people, unfortunately, see us as doing everything, so they expect us to do everything.**Doing everything keeps us so busy that we don't have time to think about what is really important to us.*

Unknown

The overall process in which leaders and teams participate is called The 4 Disciplines of Execution. The starting point is to eliminate the four barriers to effective execution.

**Discipline 1. Focus on the Wildly Important**

Great execution starts with focus - pinpointing what must be done, or everything else becomes unimportant.

**Discipline 2. Act on the Lead Measures**

Twenty percent of all activities generate 80 percent of results. You can find the best goal-achievement measures by identifying the 80/20 activities that make all the difference, and then translating them into measurable actions.

**Discipline 3. Keep a Compelling Scoreboard**

Employees and teams play differently when they are keeping score. The right scoreboard will motivate and encourage the team to go for excellence.

**Discipline 4. Create a Cadence of Accountability**

Superior performers thrive in a culture of accountability that is repetitive, positive, and self-regulating. Each team participates in a simple weekly process that accentuates success, analyzes errors, and corrects the course to realign with goals whenever necessary to create the ultimate performance management system.

### 3. Leadership focus – engaging the thoughts and feelings of employees

#### Many companies miss the opportunity to achieve creative contributions

Employees easily lose their passion and energy if they cannot relate their daily efforts to the company's overall goals as well as their team goals. If you do not feel appreciated or believe that you are contributing to a shared goal — one you believe in — work can be demoralizing. Many companies miss out on the opportunity to solicit employees' creative contributions towards achieving great results simply because the employees are not genuinely engaged in developing the team's goals and actions.

This assertion is substantiated by the following data from our global execution survey (xQ, Execution Quotient):

- Fewer than 15 percent of employees could name the company's three most important goals.
- Only 55 percent agreed that "the most important goals of my organization are reflected in my team's goals."
- Only 39 percent agreed that "the goals of my team are translated into individual goals."
- Only 28 percent indicated that they consult with their leaders to decide how to achieve the Wildly Important Goals.

Every day and to the best of their ability, employees make decisions on behalf of the company. On a weekly or monthly basis, probably hundreds or thousands of decisions are made.

*I make progress by having people around me who are smarter than I am and listening to them. And I assume that everyone is smarter about something than I am.*

Henry J. Kaiser

Therefore managers cannot assume that goals are achieved simply because they have been communicated to the organization. The daily whirlwind of urgent matters, e-mails, voice

mails, and other people's priorities creates a considerable level of "static" that can make it quite a challenge for employees just to "survive" a normal working day.

We all need goals and feedback to assess if we are on the right track and, not least, to gauge the course corrections needed along the way. Obstacles should be eliminated or overcome, and management must contribute to the process regularly. Management contribution encourages employees and ensures the assistance and guidance that are critical to maintaining employees' focus and commitment.

A while back, I was with a management group in which the chief executive commented on some of his employees' efforts by saying, "They don't take responsibility for reducing the number of errors even though we have repeatedly pointed out that they should. It shows that they are extremely careless and, unfortunately, I don't think we can solve the problem with them on board."

After an extensive dialogue on the subject, I summed up by asking, "Do you believe that these employees start every working day by deciding that today I want to make as many mistakes as possible and be as careless as I can? If that's what you believe — well, then only one solution remains. But I'm convinced that only a minute minority of the workforce would ever start a working day with such an attitude." During the continued discussion, the management group found a new and more constructive approach to solving the problems.

On the other hand, I frequently encounter employees who, after a number of years, have become discouraged and defeatist because they're not involved and consulted on decisions relating to their specialty.

**Many leaders should learn to listen empathically**

Many leaders need to learn how to listen empathically and to communicate with and involve their employees and teams to ensure that everyone knows his or her role and value in achieving the team's Wildly Important Goals. In this way, each employee becomes capable of prioritizing and "clearing the path," while managers learn more from the details that

contribute to goal achievement.

Creating a balance between organizational discipline and creative entrepreneurship is necessary. The leader must pay continuous attention to team engagement and accountability by giving feedback and making ongoing course corrections to align with the strategic plan.

In the following table, I have summed up what I see as the primary drivers towards building teams that achieve sustained superior results.

From	To
Work Group	➤ High Performance Team
Management Style	➤ Leadership – focus on the 5 Leadership Skills
Manager owns the goal and carries the responsibility	➤ Team owns the goal and takes responsibility for results
Follow-up and control	➤ Real engagement and self-control
Lacking use of talent and potential	➤ Unleashing talent and potential
Division between those who think and make decisions, and those who work	➤ Everyone thinks, decides and works

*If there is anything I would like to be remembered for it is that I helped people understand that leadership is helping other people grow and succeed. To repeat myself, leadership is not just about you. It's about them.*

Jack Welch

Changes in attitude and focus are essential in achieving sustained superior results in teams and in the company as a whole, but they are also central in enabling each individual employee to contribute optimally. Such changes will lead to an increased sense of meaning for every employee and — not least — reduce the stress frequently caused by a high workload combined with little or no ownership.

#### **4. The leadership gap - are we playing for fun or keeping score?**

How do you achieve superior team accountability and personal commitment in relation to your goals? The world of sports provides a range of eye-opening examples.

Imagine you are observing a group of children playing soccer from behind a soundproof glass wall. Naturally, they play because they enjoy the game. But do you think you can tell if they are playing for fun or if they are keeping score (for real)? My guess is your answer would be yes — because it would be possible to observe their enthusiasm, intensity, effort, and cheers whenever a goal is scored. Keeping score significantly changes behavior and commitment. And everyone knows what you need to do to win — you need to score goals! You cannot win by getting more corners, throw-ins, or free kicks; in the end, only goals count. Well-defined goals and clear scoreboards have the same effect on behavior and commitment in a team or company.

Another interesting characteristic of team sports is that players are always clear on the consequences of not living up to expectations. The trainer or team leader interviews all players periodically to make sure that expectations are always communicated clearly. This is widely accepted because it is an important part of being a winning team. Furthermore, any individual or team results are applauded. Successes are celebrated immediately, and team members give each other feedback on how everyone is doing.

According to FranklinCovey's xQ surveys, the following factors are not part of the everyday activities in many companies:

- Only 22 percent of respondents review individual assignments with their manager every month.
- Less than half (45 percent) agreed that “we make sure our plans are implemented.”
- Only one in every ten (11 percent) agreed that “in our organization, consequences and rewards are clear.”
- Only 21 percent answered that results were measured clearly, and less than 5 percent could mention the three most important measures of the company.

*The most creative and productive work comes when people freely make commitments to one another, not when bosses tell them what to do.*

Jim Collins

In great teams, everyone always knows if the team is on track, and all team members know when you have achieved a goal (when you are winning). Every team member assumes responsibility for achieving the goals and makes sure the team makes course adjustments whenever necessary.

In my experience - and as the xQ percentages indicate - the overwhelming majority of teams are playing “for fun” and often don't know the score that determines if the team is winning or losing. Many leaders will contest this claim because the Key Performance Indicator (KPI) measurements are frequent and because all teams are informed of their progress through a number of business information systems.

Such performance management systems are important management tools, but frequently the complexity of KPI leads to confusion rather than clarity in the company's teams. Goal management research indicates that clarity and simplicity provide the best starting points for achieving goals with excellence.

One of the consequences of unclear goal management is that most employees fail to connect their department's results with the management's distribution of rewards and reprisals. Only 11 percent of Danish employees see a clear connection between these results and consequences.

### **Focusing on the few Wildly Important Goals**

The missing link in many performance management systems is the lack of involvement of the teams measured. I believe that each team must create its own scoreboard to focus everyone on the few Wildly Important Goals. The scoreboard should indicate decisive lag measures (how the team has performed in the past). But the scoreboard should also measure how the team is executing its current activities, which lead to successful goal attainment (lead measures).

6.7.

Execution: The Key to Great Results

The primary differences between a Balanced Scorecard and a Team Scoreboard are:

Balanced Scorecard	Team Scoreboard
<ul style="list-style-type: none"> <li>• Builds management focus</li> <li>• Performance Management System</li> <li>• Primarily retrospective</li> <li>• IT reporting</li> <li>• Set up by management</li> <li>• Leads to a long-term perspective</li> </ul>	<ul style="list-style-type: none"> <li>• Builds team engagement</li> <li>• Team Execution System</li> <li>• Focused on lead activities</li> <li>• Physically visible for the team</li> <li>• Set up by the team</li> <li>• Leads to focus on everyday activities</li> </ul>

This example from Denmark illustrates a Team Scoreboard

**VILDT VIGTIGE MÅL**  
means  
**WILDLY**  
**IMPORTANT**  
**GOALS**



5. Motivation - a confidence-inspiring story paves the way for successful execution

*You can buy a man's time; you can buy his physical presence at a given place; you can even buy a measured number of his skilled muscular motions per hour. But you cannot buy enthusiasm... You cannot buy loyalty... You cannot buy the devotion of hearts, minds, or souls. You must earn these.*

Clarence Francis

Time and again, I see employees who distrust many management initiatives and suspect hidden agendas whenever new measures are introduced. Employees' mistrust and lack of confidence can undermine even the best of strategies and execution processes. Frequently, the lack of trust is based on experience from previous internal implementation processes, strategic planning, and other initiatives. Naturally, the level of trust varies from one company to the next, and successful execution of the company strategy relies heavily on the level of trust or mistrust in the company. A number of studies indicate that companies with a high level of trust send 30 to 35 percent fewer e-mails than similar companies with a low level of trust. Consequently, a high level of trust saves reading and writing time and reduces costs.

The following equations from *The Speed of Trust* by Stephen M. R. Covey illustrate the importance of trust:

Low trust = low speed and high cost

High trust = high speed and low cost

Many companies have considerable unexploited potential in this area, as the results of the Danish xQ survey clearly demonstrate:

- Only 31 percent of respondents agreed that “we work in an environment of trust where people can freely express their opinion.”
- Less than 31 percent of employees agreed that team members cooperate closely
- Faced with the statement “we work by the principle that my success is your success,” only 32 percent answered that they “agreed” or “agreed completely.”
- 59 percent believed that their department colleagues undermine each other.

The traditional formula for successful strategy implementation is Strategy x Execution = Result.

By adding the dimension of trust to the formula to acknowledge its importance, we get:

(Strategy x Execution) x Trust = Result.

You can almost think of trust as a catalyst that taxes the company if the trust level is low and pays out an extra bonus if the level of trust is high. The tax — the increased cost — is the low trust level, which reduces effect and speed of change. Correspondingly, when the level of trust is high, speed and effect increase. Even if you have the perfect strategy and execution process, results will depend heavily on the level of trust, a relationship that can be illustrated as follows:

(Strategy x Execution) x Trust = Result

$(100 \times 100) \times 0.5$  (−50%) = 5,000

$(100 \times 100) \times 1.5$  (+50%) = 15,000

Trust is one of the 5 Leadership Skills I previously drew attention to. The leader has considerable impact in this area and can inspire employees to create a higher level of trust. The inspiration effect is also a valuable asset when the strategy is to be executed. The best approach is to create a “role model”; you can do this by working with a team for a relatively short time (3 to 6 months) to create superior results and letting everyone else witness the drastic increase in team members’ engagement and motivation.

*Above all, success in business requires two things:  
A winning competitive strategy and superb organizational  
execution. Distrust is the enemy of both.*

Robert Shaw

I recommend starting strategy execution and any other change processes by completing a so-called 360 degree pilot case to document the process, including the results and the improvements made qualitatively as well as quantitatively. Documenting results makes it crystal clear that significantly

improving results does not mean sacrificing employee well-being or increasing their stress; on the contrary, the process can yield a more exciting, manageable and motivating work life.

This approach has the great advantage of allowing everyone to see change happen, thereby creating a natural interest in the change process and a burning desire among other employees to participate in that process. Furthermore, everyone gains valuable knowledge about the challenges and barriers that the organization must overcome to achieve sustained superior results.

### **Change processes focusing on improving execution**

A change process that focuses on improving execution can yield significant results in just 3 to 6 months, including:

1. Measurable improvement of financial results.
2. Stronger teams that are better equipped for future challenges.
3. Leadership focus on improvement and development.

Change is frightening only when you do not know the results beforehand or cannot visualize its positive effects. And actually the consequences of the opposite — i.e., no change — are probably in many cases much more frightening.

*All organizations are perfectly aligned to get the results they get.*

Arthur W. Jones

## **6. Summary – the path to better execution**

Achieving sustained superior results is first and foremost a question of getting better at executing your most important goals. The good news is that anyone can succeed in doing so. In principle, any organization and any manager can learn the skills and acquire the focus needed to achieve great execution and superior results. You do not need unique market opportunities, unique knowledge, or unique leaders. It's all about focusing on the most important among all the important priorities — the very few Wildly Important Goals.

**Barriers found in a wide range of companies**

Next, you need to focus on the core employees - the 60 percent of employees who are neither high nor low performers. Obviously, moving those 60 percent to a higher performance level will have a tremendously positive impact on all results. Once you have identified the Wildly Important Goals, this is indeed possible, provided you also achieve goal clarity and accountability - and a high level of cooperative trust.

Naturally, it is important to monitor how well the organization understands the primary strategic priorities and goals and how well they are translated into specific actions. FranklinCovey uses xQ surveys to determine these issues and gauge the company's execution capability. Some typical barriers are found in a wide range of companies - for example, lacking knowledge of the most important goals and of the activities essential for achieving those goals; insufficient knowledge of results; and little or no accountability. Simply achieving clarity around the Wildly Important Goals will have substantial impact on results.

At FranklinCovey, we use a method called The 4 Disciplines of Execution over a 3- to 6-month period to optimize team resources and improve results significantly - both financially and with regard to team strength and leadership. In this process and similar processes, leaders must learn to unleash the full potential of employees by engaging them in defining goals as well as activities. Make results visible — and measure them properly using a scoreboard made by and for the team. The scoreboard and visibility of results will increase employees' sense of meaning and purpose and energize them.

Trust is an independent dimension of great importance. The level of trust can enhance or diminish results, depending on whether the overall level of trust in the organization is high or low.

A specific way to develop and improve an organization's execution capability is to start by creating success in a limited area and then implement the successful model more broadly. This approach tends to create positive expectations and engagement from the outset.

If you want to put execution improvements on the agenda, I hope you will enjoy the process. I don't hesitate to recommend it, as I am sure it will be worth your while. Again and again, I have witnessed significantly improved results after a short time in small companies and large corporations alike. If the organization maintains its focus on goals and activities, accountability, and a comfortable level of trust — well, then, the path to sustained superior results will have been cleared.



## 7. About the author

Carsten Lindgaard is a Founder and Partner of FranklinCovey nordic approach - the Nordic part of one of the world's leading consultancy companies. FranklinCovey provides its services in approximately 140 countries and more than 30 languages. Carsten Lindgaard brought FranklinCovey to Denmark in 2000, a few years after becoming fascinated by the simplicity and power of the habits described in *The 7 Habits of Highly Effective People*, Stephen R. Covey's bestseller.

In the 1990s, Carsten Lindgaard worked for the Danish company EDB Gruppen; he was in charge of establishing EDB Gruppen's activities in Sweden and served as Head of the company's SAP Department. Carsten Lindgaard, who has received very comprehensive FranklinCovey training, spends most of his time working as a specialist in execution processes in Danish and European companies. FranklinCovey nordic approach is represented in all of Scandinavia and has partners in Sweden, Norway, Finland, and Iceland.

*Feel free to contact Carsten Lindgaard for questions and comments about this article at [cl@franklincovey.dk](mailto:cl@franklincovey.dk).*

## 8. References

### Books

*Good to Great*, Jim Collins, 2001

*Execution: The Discipline of Getting Things Done*,

Larry Bossidy and Ram Charan, 2002

*The 8th Habit - from effectiveness to Greatness*,

Stephen Covey, 2005

*The Carrot Principle*, Adrian Gostick & Chester Elton, 2007

*The Wisdom of Teams*, Jon R. Katzenbach,

McKinsey & Company, 1993

*The Speed of Trust*, Stephen M. R. Covey, 2006

*The 80/20 Principle*, Richard Koch, 1998

*The 7 Habits of Highly Effective People*,

Stephen Covey, 1989

### Business case studies

- From Denmark – Danske Bank, Hewlett-Packard, Johnson & Johnson, etc.
- International – Gaylord Opryland Resort & Convention Center (the world's largest non-casino hotel), etc.

The Danish and international cases can be read and downloaded at [www.franklincovey.dk](http://www.franklincovey.dk). Select the "Viden" tab and find the material of your choice in the Download Center.

### Surveys

- Vilstrup survey (Danish xQ Study 2004).
- Harris Interactive (international xQ Study 2007).
- Getting to Great: Mapping Management Practices that Drive Great Store Performance, a Study Conducted for the Coca-Cola Retailing Research Council of North America by FranklinCovey 2006.



The article in this special edition describes one of the big challenges we see in business today - execution of the strategy. The article is written by Carsten Lindgaard who is a partner in FranklinCovey Nordic Approach.

FranklinCovey Nordic Approach is the Nordic part of the FranklinCovey Company. FranklinCovey is a world leading consulting company offering courses, workshops and educational materials that are highly estimated.

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