

Discover the secrets to turning a great strategy into great performance

At any time of the year, many businesses are reviewing their current strategy, and planning for next year.

While some companies have a culture of following their strategy to the letter, most companies do not take the exercise seriously enough.

Having a strong strategy that is well communicated to the employees can turbo-charge the success of the business. Conversely, falling short of strategic objectives year after year can cause employees to render the whole process as worthless.

In the early 90s, IBM changed their strategy from a product-oriented company to a solutions-oriented company. With the change, their fate dramatically improved from an annual loss of hundreds of millions to profits of billions.

While businesses have been strategizing for hundreds of years, only a few firms are able to turn their strategy into great results. How do they do it? Furthermore, how can you replicate their results? Check out this month's tip below for several ideas.

In the fall of 2004, Marakon Associates surveyed 197 companies worldwide with sales over \$500 Million. They found that companies, on average, would only reach 63% of their strategic objectives. More than a third of the respondents placed the figure at less than 50%.

This means that most companies have a gap of 60 to 100% between their strategy and their actual performance.

Where does your company find itself?

To close the gap, here are a few tips:

1. Communicate the strategic objectives across the company.

One of my Fortune 500 clients printed the strategic objectives on a card which could be placed with the security badge. That way,

employees could carry the strategic objectives with them, and thus review them regularly.

2. Align Personal goals with company goals. Although the strategy may be well communicated, employees need to know how they can each play a part in meeting that strategy. Furthermore, having personal goals aligned with company strategy will allow accountability to flow throughout the organization.

3. Reward and develop those who are doing well. While companies only hire good employees, the employees will tend to move toward the goals which seem to be the best for the company. By emphasizing how meeting strategic objectives is important through rewards and employee development, employees will naturally be drawn to meeting the strategic objectives.

James Allan partners with businesses to improve human and organizational performance.

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