

How Decisive Leaders
Execute Strategy

DESPITE

Obstacles, Setbacks, & Stalls

MOVE

PATTY AZZARELLO

WILEY

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To Al and Jim

(In order of appearance)

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INTRODUCTION

Why Great Strategies and Change Initiatives Fail

A while back I was asked to participate in one of those executive leadership programs where you go off-site with your peers and role-play a business simulation over the course of a couple of days.

You found yourself in charge of a fictional business, needing to make smart decisions, trade-offs, and investments to grow your revenue and profits in competition with your peers and their pretend businesses.

One of the tools you had in this simulation was the ability to make investments in various predefined “initiatives.” These initiatives were things like “manager training,” “supply chain cost reduction,” or “accelerating product development.”

Investing in an initiative would result in an advantage, like extra profit from cost reductions or shorter time to market. You couldn’t just apply these initiatives. Just like in the real world, if you wanted to invest in an initiative, you needed to find the money to fund it from somewhere else in the business. You could either make a short-term profit trade-off, or take investment from another part of the operation to fund the initiative.

But unlike the real world, all you needed to do was to choose an initiative and fund it—and then your business gained the advantage in the simulation. You simply wrote the check and collected the benefit. Just like that. Every time.

One of the most senior executives joked, “The great thing about these initiatives is that they actually work! In our world, we just spend the money on the initiative, and then it doesn’t help. I wish our initiatives worked this well.”

Everyone laughed.

Isn’t that awful? That we can all so easily relate to spending money on strategic initiatives that don’t work? Why do we keep doing this?

STRATEGY WITHOUT EXECUTION = TALKING

At the heart of every execution problem is the fact that there are not enough people doing what the business needs to move forward.

Whether we are talking about transformation, specific strategic initiatives, or overall business strategy, I frequently observe that execution stalls because of some particular, common, and chronic challenges—systemic issues that occur in all organizations, which leaders often just accept as an unchangeable part of the environment.

One of the challenges is being too busy. You can't get to be a \$1B organization if you are too busy being a \$200M organization. When short-term pressures regularly take priority over doing more strategic stuff, you end up burning all your time and resources reacting to issues and opportunities in an ad hoc manner, instead of making progress on the strategic work that will enable you to scale. New initiatives require new work. People (at all levels) are just too busy and distracted to get traction on or even start doing the new thing. It's not that your strategy is wrong or the initiative wouldn't help; it's that it doesn't get done because no one has time to do it.

Mid-Level Manager Stall

If you talk to the executives, they often cite frustration with mid-level managers and directors who are “not strategic enough,” because they do not personally make the decisions and trade-offs necessary to actually get the new work done at their level and below. They keep waiting for direction from above.

Decision Stall

If you talk to the mid-level managers, they often cite that execs fail to provide enough clarity—there are persistent debates and unanswered questions that keep people waiting vs. doing. Also, lack of clarity causes an automatic lack of alignment that results in skepticism, weak support, or passive-aggressive tendencies in the ranks.

Resource Stall

Agreements about what should be started (and what should be stopped) are not clear or not even attempted. Resources stay attached, often

fiercely so, to the current way of doing things—so it's virtually impossible to do different or new stuff.

Organizational Angst

There is no such thing as a perfect organization, but there are also some fatal flaws that will prevent forward progress. When you have the wrong people in key roles or a structure that is competing against itself, you will stall. Or when you have groups or programs that are just not functioning properly, you burn huge amounts of time and energy recovering from work that should have been done better or differently or faster.

WHY I WROTE *MOVE*

I personally find it very frustrating when organizations fail to progress, and I want to help.

There are answers to these chronic, systemic issues that stall forward progress—practical answers and doable things. Strategic investments actually can pay off. But the organizations that make their strategy successful do some specific things on purpose to accomplish it.

I always seemed to have a knack for stepping into stalled organizations and getting them moving forward or turning them around. As a CEO and general manager, I have always had an ability for getting teams focused on what really matters, driving lasting change, and engaging people to join in and go with me.

In my own career I have:

- Executed turnarounds that most didn't expect to succeed
- Transformed organizations whose morale started in the dumps
- Built several successful and highly motivated management teams
- Defined and successfully implemented new business strategies

Through these experiences and, more recently, advising many other organizations on implementing their business strategies, I have developed a very practical view of what makes strategies stall and what makes them go. In *MOVE* I will share that formula for how you can get your whole organization to decisively advance your strategy.

A NOTE ABOUT CHANGE VS. TRANSFORMATION

There is much written about leading and managing change and getting through transitions—getting people emotionally bought in, motivated, and ready to change.

In *MOVE* I go beyond the initial change and focus on what it takes to make a transformation really stick after you start the change, for the whole time required to make it happen. But for a moment, let's review what is important about the initial change process.

The Change Equation

Much of the wisdom about motivating an organization to change is referred to in the “formula for change,” created by Richard Beckhard and David Gleicher in 1969, and then refined and popularized by Kathie Dannemiller in the early 1990s. It is sometimes called “Gleicher’s formula.”

If you haven’t seen it, this is useful stuff:

$$D \times V \times F > R$$

D = Dissatisfaction with Current State

V = Vision of the Future

F = First Concrete Steps to Get There

R = Resistance to Change

Basically, this equation says that if any one of the things on the left is zero, the resistance, no matter how small, will not be overcome, and the change will not happen.

The most common takeaway from this is that you must make an effort to make sure that D is not zero, meaning if people are too comfortable, they will not change. Dissatisfaction helps motivate change.

But the Harder Part Is in the Middle

What I have found, over and over again, is that even if you get through that initial change and get a good start on it, progress often stalls after a short time, and people go back to what they were doing before.

Even sufficient Dissatisfaction, Vision, and First Concrete Steps are not enough to ensure lasting transformation. Vision defines the exciting goals and end point. First Concrete Steps define the beginning.

And then there is the great, vast abyss in the Middle.

“Are We Still Doing This?”

No matter how vitally important a long-term initiative is to a business, the gravitational pull for people to go back to their day jobs is enormous.

**The thoughts of not starting, stopping, going back,
not changing, and not continuing when it gets
tough are so much more powerful and comfortable
than the thoughts of *Hey, let’s stick with this
new, hard thing.***

To lead a successful transformation, you need to get enough of the people actively moving forward instead of asking, “Are we still doing this?” You also need them to be showing the way forward for others.

I wrote this book to give organizations—the leaders and the whole team—the necessary tools to confront the ongoing hazards of stalled execution at every step along the way.

DOING SOMETHING DIFFERENT

Getting your whole organization to do something different than what they are already doing, and then sticking to it through the “Middle,” is one of the most difficult things in business, and it’s one of the hardest challenges a leader faces. The Middle is where you need not just desired intentions, but real, defined work to happen.

The Middle is where change can begin to really take hold. When you get very clear about what happens in the Middle, then the whole organization can see the progress, and can believe that you really will achieve the vision at the end. The Middle is where you make it stick. The Middle is the hard part.

The secret (which is not so secret) is that you can *lead* a transformation from the top, but you can’t *do* a transformation from the top.

Success lies in getting the whole organization to feel personal ownership in the transformation.

As leaders, we need to figure out how to keep our strategic change alive and moving forward without constant management intervention. How do we make the whole organization not only own the change, but have the ability and the motivation to keep it going?

Inspired by the Gleicher formula, I have created Patty Azzarello's model for successful business transformation: MOVE.

MOVE

The MOVE model is the useful shorthand for the four key elements of a successful business transformation. It defines the four steps for how you get and keep your whole organization moving forward and not asking, "Are we still doing this?"

M Is for the Middle

**Strategies are often stated in end goals. An end goal, no matter how inspiring it is, is not enough.
The "Middle" is the important part.**

A good strategy defines what you will *do*. What you will *do* describes what happens in the Middle and how you will fund, measure, and resource it. In fact, if you want to know what your strategy is, look at your budget. That will speak loud and clear about what you are actually doing regardless of what you say your strategy is.

While you are in the Middle, without the right measures that define your strategy in a concrete way, you can't know if you are making progress. And if you can't see that you are making progress, you will most likely not keep going. Everyone will stay very busy with what they are already doing, and your transformation will stall. The leaders and the team need to get fiercely aligned on the specific, clearly defined, resourced, and sponsored outcomes that need to happen throughout the Middle to bring about the long-term success of your strategy.

O Is for Organization

One of the tough things about a business transformation is that when you initially sign up to do something different, in that moment you still have the same people. Usually the new thing is bigger, more sophisticated, or more challenging in some way. One of the ways I see organizations get stuck is that they try to do the new stuff with the old people. Not everyone will be capable of what the new way requires. Not everyone will be able to step up.

Your job as a leader is not to make the best of the team you have, but to build the team you need.

Everyone in the organization needs to personally invest in understanding what is required and how they can take personal ownership to help lead the change from their roles.

V Is for Valor

This part of the model is about having the grit, persistence, and guts to stick with the change when everyone is losing confidence, questioning you, and presenting emergencies that seem more important in the moment.

As a leader, you need to demonstrate your commitment to the transformation with every decision that you make every single day.

I see too many leaders undermine their strategic initiatives and sacrifice their long-term success by overreacting to short-term pressures. This is another reason why the hard part is in the Middle. Your team will naturally be skeptical, because let's face it, so many strategic initiatives have been abandoned before. Your team will be inclined to wait it out. They may even think that it's a safer bet to wait it out than to start working on new stuff, and risk falling behind when everyone else has switched back to the old stuff. So as a leader, you need to be brave and focused and keep reinforcing decisions to move forward when everyone is tempted to go back or to abandon new work to keep reacting to short-term pressures.

E Is for Everyone

Remember, you can lead a transformation from the top, but you can't implement a transformation from the top.

Success requires everyone—not just management. Everyone. This is critical. To engage everyone requires that you fundamentally change how you think about communicating. Real engagement happens when communication is not just top-down from you, but is a *conversation* that involves *everyone*. You know you have communicated successfully when you are not the only one talking about it! People need to see that their peers have embraced the new strategy before they will feel safe to also get on board. They need to see and feel evidence of transformation throughout the whole Middle, so they will be personally motivated to keep going.

WHY SHOULD YOU READ *MOVE*?

MOVE is a successful leader's execution handbook, but because a key part of the *MOVE* model is to involve everyone, it is also an important guide for the whole organization. The whole organization will benefit from reading *MOVE* because your transformation must be planned and fueled from the beginning by engaging *everyone* in the process.

CEOs, general managers, leaders of nonprofits, and any manager at any level aspiring to move their business forward will benefit from the ideas, lessons, and real-world examples in *MOVE*. And your whole team will also benefit from understanding what their role is in implementing the business strategy—because you can't get there without them. They actually hold the cards. So invite them in from the beginning.

Where my prior book *RISE* was targeted at individual effectiveness and success, and how to create value and satisfaction in one's career, *MOVE* is targeted at organizational effectiveness and success: how to implement strategy, how to create business value, and how to develop focused, motivated, high-performing teams in one's business.

You and your team could be reading this book because:

- You need to scale your business, but you can't seem to make it happen because everyone is so busy. Your organization has trouble prioritizing.
- You have been talking about important initiatives for a long time, but you are not accomplishing them. You are having trouble getting traction.
- You want to improve how your organization communicates, functions, and executes.
- You want to motivate and engage your team in a more powerful way. You want to see more ownership, accountability, and strategic decision making.
- You have the nagging sense that your business is not reaching its full potential.

THIS BOOK IS NOT ACADEMIC

Everything I talk about in this book is based on real-world experience and examples. If you are looking to learn specific things you can do to **MOVE** your organization and strategy forward decisively, this is the book for you.

MOVE

PART 1

M = The Middle

Where Transformations Either Happen or Get Stuck

Latin proverb: Virtue is in the middle.

It's easy to get excited at the beginning and define long-term goals at the end. It's the "Middle" that's the problem! It's hard to keep an organization focused on doing something new and difficult for a long time. Since real transformation takes time, you need a strategy to maintain execution and momentum through the Middle.

CHAPTER 1

The Beginning of the Middle

Why New Strategies Stall After the Exciting Kickoff

Before we begin, let's talk about the very first moments of your new strategy. The beginning is great. You are clear, focused, ambitious, ready—and your motivation to move forward seems like the most natural and obvious thing in the world. This new initiative is seriously important to your company and your career. Everyone is on board. You are very committed.

But at this point—at the beginning—it's important to realize that your new strategy is fragile. It hasn't taken hold yet. Think of the launch of your new strategy like your first week of a gym membership: Will you really go to the gym every week and transform your life? Or will you go back to your old habits, and get busy with all the other stuff in your life after the initial inspiration wears off?

What you are facing is the long and vast abyss of the “Middle.” The Middle is where the transformation will happen—or not. One of the undeniable realities of the Middle is that it's the long part—and the simple, human fact is that:

It's really hard for anyone, not to mention a whole organization, to stay focused and motivated on doing new and difficult things for a long time.

This is the challenge your business transformation is facing. How will you and your team keep the focus and motivation to do the new, hard work every day, for the next 12–24 months, when it's just so much easier to . . . well . . . not to?

As the leader of a transformation, you are committed and probably feeling substantial pressure to drive this transformation. You may have been brought into this role because others before you have failed. It is very clear in your mind where the business must go, and how it must transform to meet the needs of a changing market or new opportunity. You are ready to forge ahead. So you launch your new strategy with great fanfare in a big, company-wide, all-hands meeting with ice cream . . .

WHAT EVERYONE IS THINKING

I've eaten the ice cream . . .

This is a new thing I'm hearing about for the first time. It sounds like a new important strategy, but who knows for sure. I've seen new strategies come and go; most of the time it doesn't impact my life very much. In a few weeks or months, probably no one will be talking about this anymore. And since I'm already overworked, why bother investing more energy at this point. I'll just wait this one out.

Tell Me If You've Been in This Meeting

You're at a strategic off-site meeting to clarify your new strategy. You talk about the key, long-term things your business must invent, optimize, fix, change, or create. You use the words "game changing" and "innovative" when you talk about these ideas. You may have hired expensive consultants to create your new innovative and game changing strategy. There is tremendous investment, effort, and energy that goes into the beginning of a new strategy. Reaching the point of defining and aligning on a new strategy seems like a huge achievement in itself—and it is.

But then . . .

Everyone goes back to work.

Everyone stays busy on what they were already working on.

The new thing falls victim to the Middle.

The *beginning* is really clear and strong, with lots of investment, excitement, and great intentions. And the *end* is really well defined. But the problem most strategies face is that there is no real plan for the Middle—which is where everything needs to happen!

I have led several successful business transformations in my career. One of the things they all shared was a broken beginning and an inspiring end goal. But as with all transformations they also all shared a long, scary abyss in the Middle.

I learned early on from mentors and trial and error that, if you want to get anything serious done, it's not the goal setting and strategy that is the problem. It's the doing. And the doing is hard because it takes doing for a long time. Without the element of time, there is no real transformation.

It's easy to get an organization focused on a sprint. But in a transformation, you need to keep a whole organization moving in an often unnatural direction for a long period of time. And since human nature is not really built to naturally keep people engaged and focused over a long period of time, to succeed you need to really focus on this ambiguous expanse in the Middle and do many things on purpose to keep people in the game.

Later, in Part 4 (E = Everyone), I'll talk about how I convinced a whole organization of the need for change, and in Part 2 (O = Organization), how I restructured the team; but it's important to note that both of those things, while critical, are still only *beginning* things. Even though creating the right organization and engaging employees required work that is far from obvious and trivial, doing them well still left a long journey through the Middle that no one would be able to see, feel, or measure unless we clearly charted the points along the way to remove the ambiguity.

A GOOD STRATEGY DESCRIBES WHAT YOU WILL *Do* DURING THE MIDDLE

A big reason for the stalls that too often occur in the Middle is that many organizations mistake listing end goals as a strategy: *Our strategy is to double our revenue in these two key market segments. Our strategy is to provide innovative products that create a new market. Our strategy is to develop the strongest indirect channel.*

You become excited about the wonderful achievement at the end, but there is nothing in the definition of that end goal that tells you specifically what to do, which way to go about it, what problems you

need to solve, or what you need to fix, change, stop, or invent to get there—these are all things that need to happen in the Middle. These are all things that describe what you will *do*. I'll talk about how to accomplish this in the next chapter: Concrete Outcomes.

LEADERS: EXECUTION IS NOT BENEATH YOU

But first, here is an important point about leading execution. I see so many executives who keep their role in strategy at the big, exciting goal level. Many leaders resist getting involved with execution. It's as though they believe that once they communicate the strategy, people throughout the organization will suddenly understand what new work they have to do; resources will be automatically reassigned without any pain; and individuals will understand how to prioritize new tasks over current work, so it will just get done. It won't.

**Just because you said what the strategy is, it
doesn't mean people will do the right
things to implement it.**

Your job at making the strategy come true does not stop after you announce it. One of the hardest things to do is to get an organization to *stop* doing what it is currently doing and *start* doing the different thing that it needs to be doing. You can't just expect your team to find its way through the Middle. Without your involvement, your organization will go back to doing what it is already doing.

As a leader you need to get involved enough in defining outcomes and measures and holding people accountable to specific things, to make sure that the strategy is taking hold and is moving forward through the Middle. Managing execution is not micromanaging, and it is not beneath you.

**You need to take personal responsibility for what
happens in the Middle, because what happens in
the Middle is the part where stuff actually
gets done!**