

Effective Strategy Execution

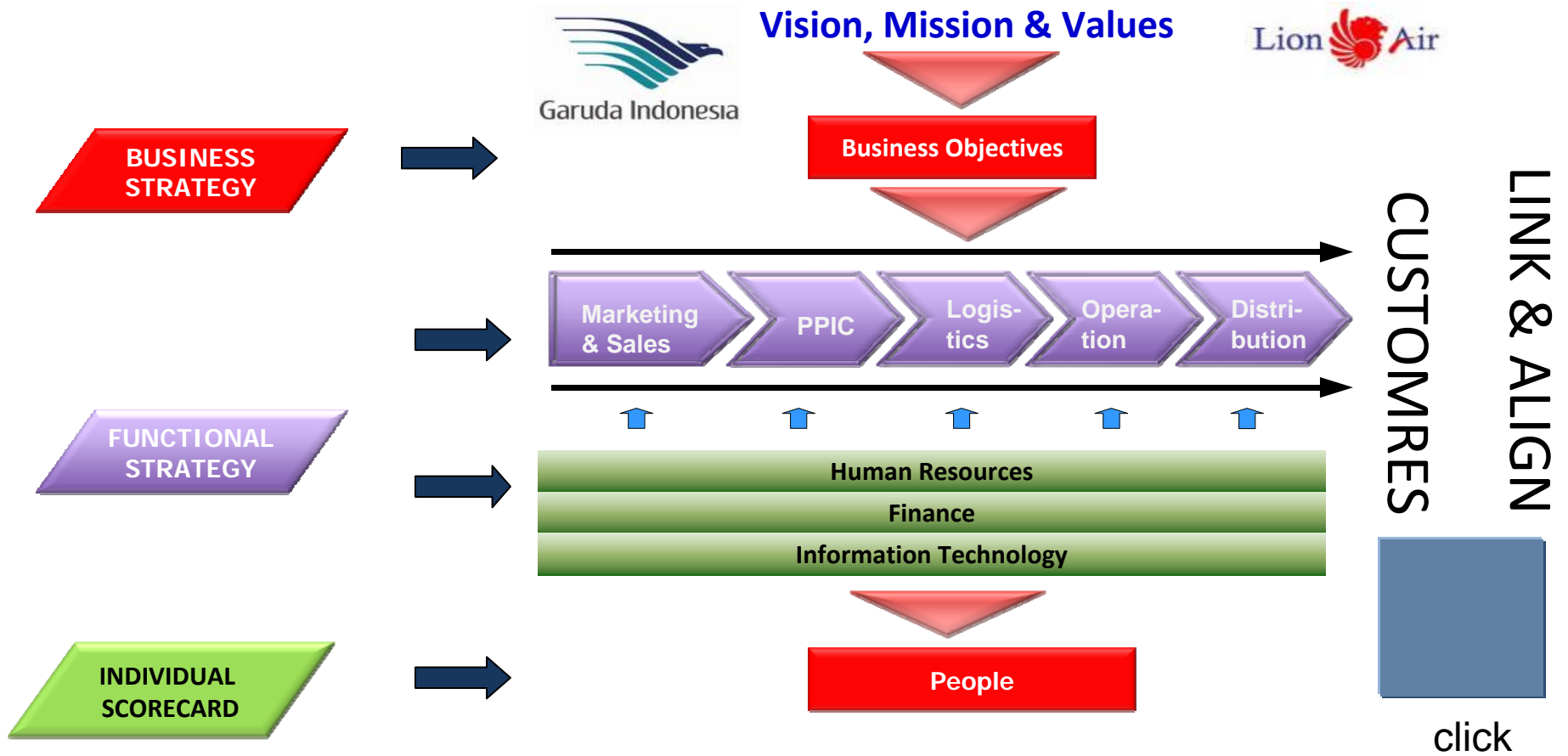
Firdaus Alamsjah, Ph.D.
Executive Dean



Welcome to BBS Knowledge Sharing..., Firdaus Alamsjah (Feri)

- Professional Experience
 - Executive Dean, BINUS Business School
 - Managing Partner, BINUS Consulting
 - Director, BiNus International
 - Faculty Members at IPMI, UI, Unud
 - Teaching, facilitating, and consulting in Operations Management for more than 15 yrs to universities and corporations
 - Industrial Analyst at the Presidential Office and BPPT
 - Exxon Natuna Ltd
- Professional Memberships
 - Indonesian Production and Operations Management Society (IPOMS)
 - APICS
 - Alpha Pi Mu (Industrial Engineering Honor Society, USA)
- Education
 - Degree
 - Ph.D. and MSIE in Industrial Engineering (Houston, USA)
 - Insinyur in Mechanical Engineering (ITB, Indonesia)
 - Non Degree
 - Certified Strategy Execution Professional – GML & QPR
 - Implementing Strategy - The Wharton School
 - Indonesia Executive Program - GE Management Development Program (Crotonville, USA)
 - Project Management - Sundridge Management Development Program (London, UK)
- Research Interests: Strategy Execution, Supply Chain Management, and Business Process Improvement
- ⁻² Hobby: Reading, Sports, Travel, and Music

The Importance of Integrating Strategy



Major Obstacles in Implementing Strategy*

1. Poor or vague strategy
2. Not having guidelines or a model to guide strategy execution efforts
3. Insufficient financial resources to execute the strategy
4. Trying to execute a strategy that conflicts with the existing power structure
5. Inability to generate “buy-in” on critical steps or actions
6. Lack of upper management support of strategy execution
7. Lack of feelings of “ownership” of a strategy or execution plans among key employees
8. Lack of incentives or inappropriate incentives to support execution objectives
9. Poor or inadequate information sharing between individual or business units responsible for strategy execution
10. Unclear communication of responsibility and/or accountability for execution decisions or actions
11. Lack of understanding of the role of organizational structure and design in the execution process
12. Inability to manage change effectively or to overcome internal resistance to change

Top 5 Killers in Implementing Strategy*

- 1 Unclear communication of responsibility and/or accountability for execution decisions or actions
- 2 Poor or inadequate information sharing between individual or business units responsible for strategy execution
- 3 Poor or vague strategy
- 4 Inability to manage change effectively or to overcome internal resistance to change
- 5 Lack of feelings of “ownership” of a strategy or execution plans among key employees

Indonesian vs. American Managers

Major Obstacles in Implementing Strategy	BBS	WBS	GR
Unclear communication on accountability/ responsibility	1	4	5
Poor information sharing	2	2	4
Poor or vague strategy	3	5	2
Inability to manage change	4	1	1
Lack of ownership on execution plan	5	5	8
Insufficient financial resources to execute the strategy	12	11	12

Similar but in a different order...

* Based on surveys by BBS, WBS, & GR)

** BBS = BINUS Business School, WBS = Wharton Business School, GR = Gartner Research

Covey Model

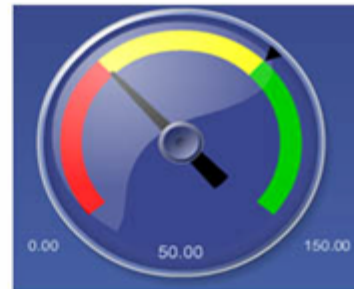
Four “Disciplines” in Execution (4DX)



Focus on Wildly
Measures



Act on Lead
Measure

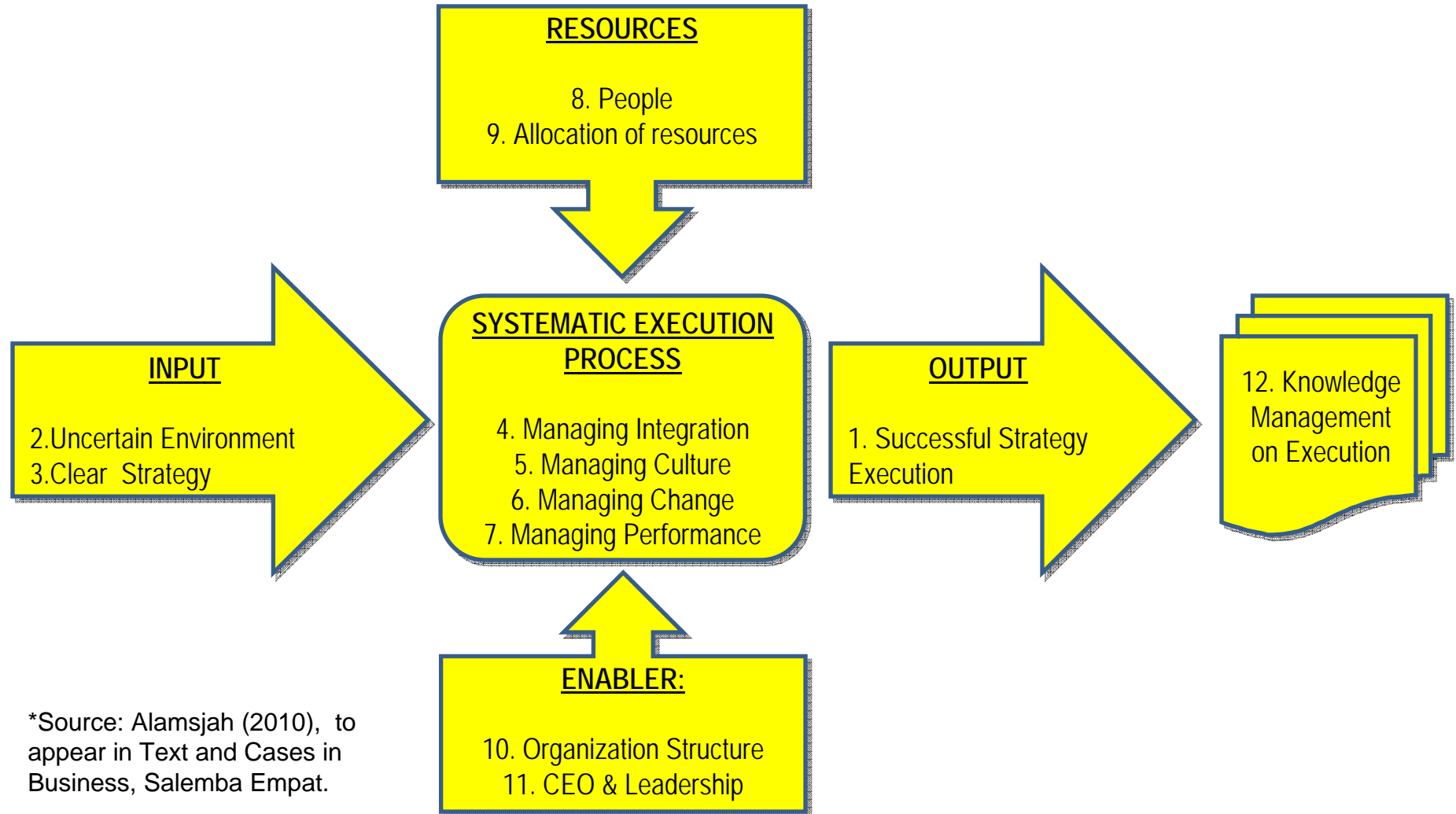


Keep a Compelling
Scorecard



Create a Cadence of
Accountability

FRAMEWORK IN EXECUTING STRATEGY (STRATEX)*



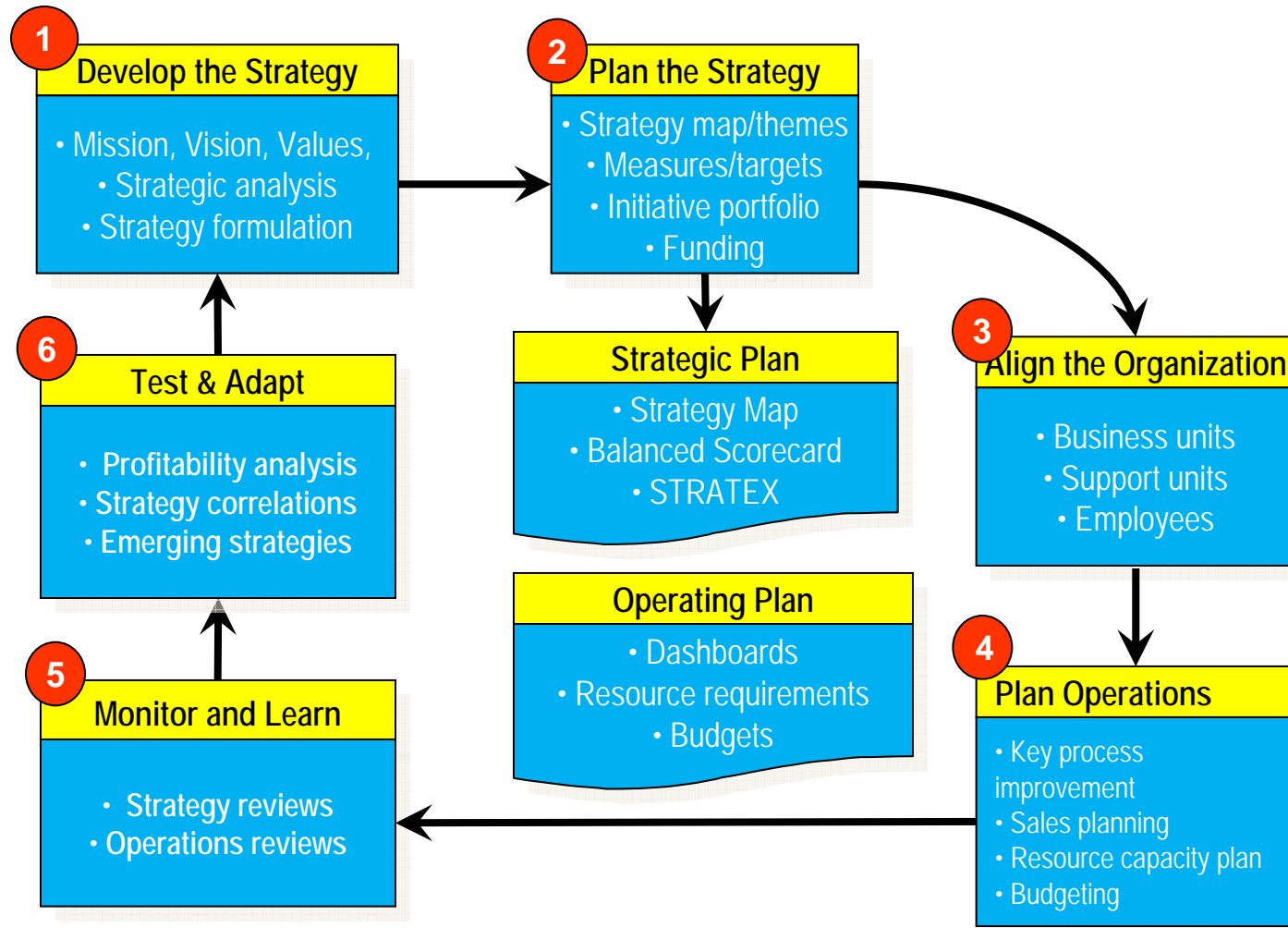
*Source: Alamsjah (2010), to appear in Text and Cases in Business, Salemba Empat.

Understanding Your Business Using Balanced Scorecard (BSC)*

- BSC is a performance management tool to assist a company in translating its vision and mission into strategic actions
- It is done by incorporating and connecting financial and non-financial indicators and using cause-and-effect relationships

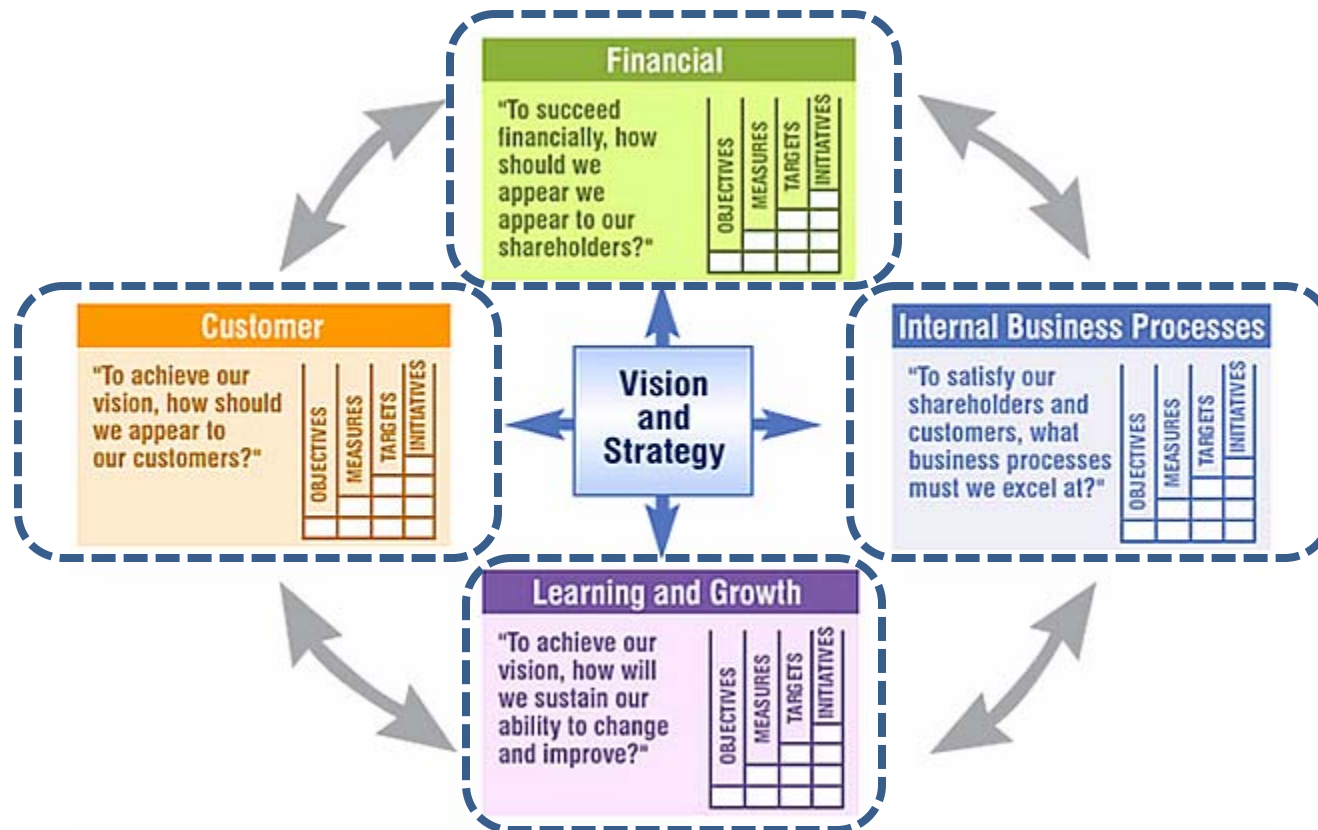
*) Source: Kaplan and Norton, "The Strategy-Focused Organization, HBS Press, 2001

Linking Strategy to Operations*



*) Source: Kaplan & Norton's
Execution Premium Framework

Four Perspectives in BSC



Strategy Map

- It is a logical and comprehensive architecture for describing a strategy
- A map that describes how value creation is created from intangible assets (learning and growth and internal process) into tangible assets (financial, customer) outcomes using cause-and-effect relationships

Exercise: Strategy Map

- Develop a Strategy Map of a Restaurant based on these “Strategic Objectives”



Key Takeaways

- List three important lessons that you have learned from this session

- #1

- #2

- #3

Coffee Break



