10 finer points of strategy

Quality, innovation, profitability, and growth all depend on having strategy and execution fit together seamlessly. If they don't fit—if you can't deliberately align them in a coherent way—you risk operating at cross-purposes and losing your focus.

Every leader should keep these 10 principles in mind:

1. Aim high. This is what people mean when they say "priorities." Don't compromise your strategy or execution.

2. Build on your strengths. You know what you and your organization are best at. Press ahead with your unique capabilities and you'll achieve more faster.

3. Be ambidextrous. This is about skills and diversity, not venturing into areas you don't know. Ambidextrous managers can think about technical and operational details in depth and consider its broader ramifications.

4. Clarify everyone's strategic role.

5. Align structures to the strategy. Set up all your structures, including incentives and metrics, so they reinforce your company's goals.

6. Transcend functional barriers. Bring people from different functions to work together informally and creatively.

7. Become a fully digital enterprise. No more excuses—it's way past time.

8. Keep it simple, sometimes. First, be as simple as possible. Second, let your strategy be your guide in adding complexity. Third, build capacity to manage complexity.

9. Shape your value chain. For instance, let your vendors track what's selling best.

10. Cultivate collective mastery. This is the state you reach when communication is fluid, open, and constant across functional boundaries.

Adapted from <u>"10 Principles of Strategy Through Execution,"</u> Ivan de Souza, Richard Kauffeld, and David van Oss, strategy+business.