



The Data
Behind
Successful
Strategic
Planning and
Execution



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Executive Summary



The traditional approach to strategic planning has not evolved to match the pace of modern high-growth businesses. Companies invest substantial time and resources to annual and quarterly planning,

but about **90% of businesses** fail in the implementation of those plans. In other words, teams are taking the time to plan, yet still don't see the progress they need to meet goals.

– Doug Walner, CEO

Failure to Launch

Business leaders who believe their company excels in these areas:¹



Developing strategy



Implementation



Will achieve lion's share of strategy objectives

The solution to making strategic plans more impactful begins with how businesses approach the planning and execution process. At Align, we work with thousands of CEOs and their teams at various stages

of their journey to scale. Through an analysis of our own data and research from working with our user base, we have organized the findings around several overarching themes:

- **Strategic planning is a continuous, dynamic process – not something that starts and stops at the beginning and end of each quarter.**
- **Catalyzing growth starts with focusing on internal organization – not necessarily customer-driven metrics like increasing sales or reducing churn.**
- **Goals need to be central to individual, team and company-wide activities.**



1. https://www.slideshare.net/SpeculandRobin/strategy-implementation-survey-results-2012?from_action=save

Adopting a new approach to strategic planning and execution requires a cultural change that starts at the top. Change won't happen over night and it will take commitment from the full team. This is a commitment we've seen have a tangible

impact on company performance. We looked at data from 1,900 companies using Align over a four-year period and found when companies plan, execute and evaluate performance on a continuous basis it led to:

Increased productivity or output

3.5x

Companies on Align typically see a 3.5x increase in number of priorities completed from month 1 to month 15. The number of priorities taken on compounds over time as companies hone their execution skills. The increase in capacity is also reflected by the number of priorities completed

Improved communication

5

The average company on Align has 5 daily or weekly huddles. These meetings keep important information flowing through the organization and keep goals at the center of everyone's workflow.

More engaged employees

5%

Teams that participate in daily or weekly huddles not only improve communication but also see a 5% increase in eNPs (employee net promoter score, a metric used to measure engagement)

Putting this into action



Getting to the **3.5x increase** in productivity

Nearly every CEO we talk to has aggressive growth goals and is looking to implement a solution to help meet those goals. Adopting a system of continuous planning, execution and evaluation takes time, but there are actions that you can to set your team up to realize incremental gains.

For Gootee Construction, using Align was the first time most of their employees formally wrote out measurable goals and assigned accountability. That exercise alone was impactful.

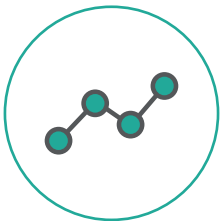


We always make goals, but they never had any meat. Now we take the time to make them specific and measurable and enter them into a system. We know quantifiably that we completed 50 priorities last quarter in contrast to the 1-2 we might have completed in previous periods.

– QUOTE ATTRIBUTION

After completing the exercise of creating **SMART (specific, measurable, attainable, relevant and time-bound)** priorities, companies not only assign accountability but set quantifiable metrics to benchmark performance. This removes the anecdotal nature of evaluating what works and what doesn't. It equips your team with quantifiable metrics to decide where you should focus your efforts in order to meet your goals.

Following strategic planning sessions, managers and their teams set priorities which cascaded directly from the company priorities. From there, they set a cadence for updating the KPIs daily and weekly. This gives managers and their employees the ability to quantifiably say if they had a good week – this is one of the ten Rockefeller Habits found in Scaling Up, a methodology used by more than 40,000 scaling businesses.



In months 1-3 using a system of continuous strategic planning management companies see a **10% increase** in Priorities completed.



Over the course of one year on Align, companies average a **12% increase** in total Priorities taken on month over month



Companies on Align that complete 80% or more of their priorities have used a system of continuous strategic plan management for two years and complete **33% more priorities** year over year



After 14 months on Align, companies complete about **37% of their total priorities.**

Looking at these metrics daily and addressing strategy execution planning weekly enables teams to be agile. It also eliminates surprises at the end of the

quarter or year. Individuals at all levels of the organization, from front-line employee to CEO, know if they are on track to meet goals throughout the entire period.

Case Study: **Gootee Construction**



Gootee Construction started using Align to build a better company culture and quickly realized the benefits to productivity and communication. With a construction team of approximately 100 people working in the field – and the company’s involvement in more than 25 different projects at any given time – the ability to manage lots of moving parts is essential.

In the quarter before Gootee Construction began using Align, Ben Gootee said the company would address, define and accomplish one or two meaningful priorities. **In the quarter after implementation, they completed almost 30.** Ben credits this change to the improved communication as a result of using Huddles and visualizing progress with Priorities.

Critical Numbers and Priorities on the Company Dashboard in Align gave Ben a 360-degree view of his company’s status relevant to the strategic plan. This allows him to see where progress is taking place and where there are bottlenecks. “Before Align, people knew generally what they needed to be doing,” Gootee said. “But these accountability tools are what gave us that extra 20% to really move us forward.”

Setting communication rhythms



Communication can make or break a company's ability to execute. About 25% of most senior executives say good communication is one of the main reasons why strategic initiatives succeed at their organizations. But research also shows that 95% of employees do not even understand their organization's strategy, and only 1 in 5 organizations review strategy execution monthly.

Establishing communication rhythms is a crucial part of strategic plan management. The most effective organizations have a cadence of daily, weekly, monthly and quarterly meetings. At face value, this can sound daunting to a team, but in application, these meetings keep information flowing through the organization and often eliminate unnecessary email chains and longer meetings.



My employees thought, 'Great, another meeting' but they quickly realized spending 10-15 minutes each morning eliminated unnecessary hour or hour and a half long meetings we were having once a week."

- Ben Gootee, Gootee Construction

Companies average about 5 daily or weekly Huddles on Align. Daily huddles should last no longer than 15 minutes. It forces you to intentionally look at your workload for the day and commit to the one thing you will do to move your quarterly priority forward.

There is also a direct correlation between Daily or Weekly Huddle participation and productivity.



Organizations using Align to manage daily and weekly check-ins have:

48%

more priorities added*

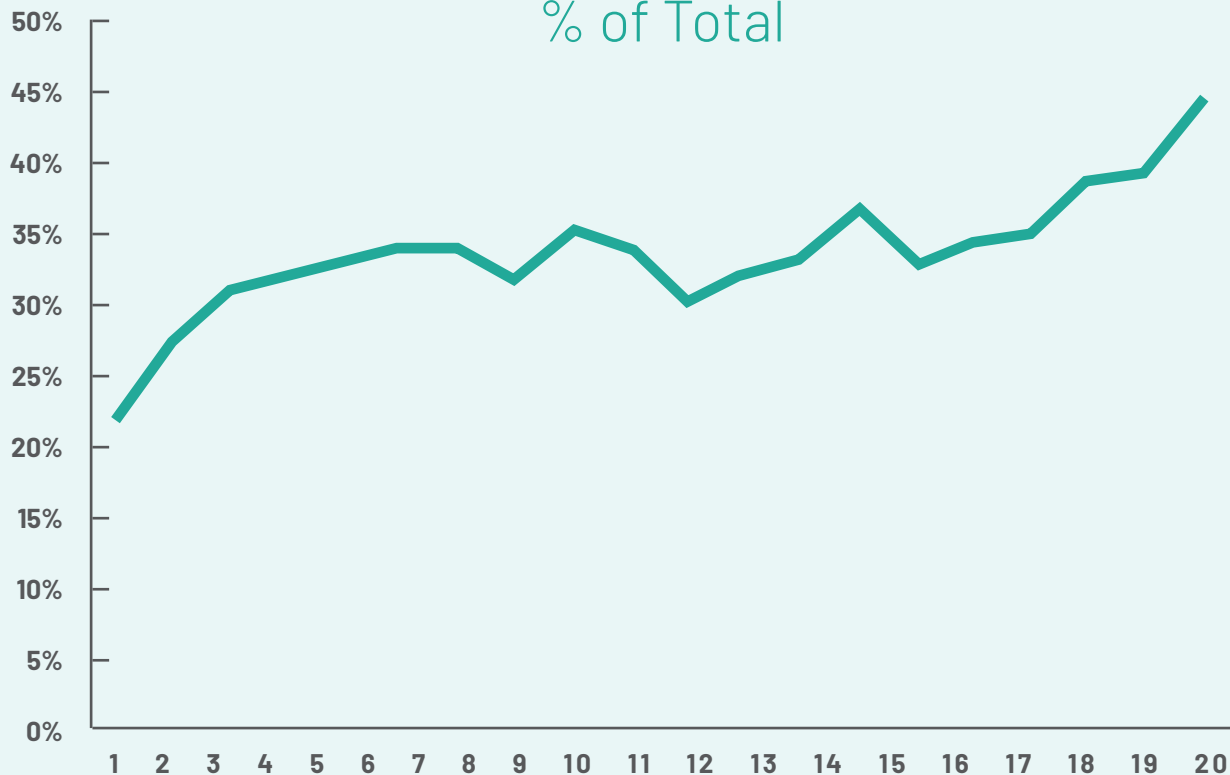
60%

more priorities completed*

*compared to companies who do not participate in huddles.



Priority Completion over Time % of Total



Planning Period*

*Planning typically done by Quarter

Each company defines the cadence of Huddles that works best for it. In periods of high growth, you may need more frequent check-ins across teams. There's no exact science, but your team will figure out what works.

Improving communication also affects non-verbal efforts. With a larger remote workforce and teams spread geographically, it's difficult

to rely on face to face communication alone. Using centralized dashboards provides real-time communication so that employees don't need to wait on information from upper management - it's readily available in a shared tool.

Case Study: **Hagerty Insurance**

One company that put this strategy into action is Hagerty Insurance, the world's largest provider of specialty insurance to vintage vehicle enthusiasts. The company insures over 1.4 million vehicles and employs more than 1,100 people, with offices in the United States, Canada, Germany and the United Kingdom.

When McKeel Hagerty, son of company founders Frank and Louise Hagerty, took over as CEO in 1997, the company had just 50 employees. McKeel was able to lead the company's expansion and evolution into both an automotive lifestyle brand dedicated to the love and protection of driving, and a global leader in specialty insurance.

Through initiatives fueled by tech investments like Align, Hagerty **increased priorities completed by 60% in a 15-month period**. Hagerty employees use Align to track progress on over 600 individual priorities.

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Building Employee Engagement



Employees are arguably your most important stakeholder. Employees need to understand the strategic vision and overarching goals of the organization in order for leaders to fully leverage their capabilities.

However this isn't typically the case. On average, a company gives only 42% of its managers and 27% of its employees access to the strategic plan, making it very difficult for everyone in the company to be on the same page. Doing so severely limits your team's ability to execute as.

Goals need to be cascaded down from the company to the individual. Managers need to make a connection so the individual sees how their daily work contributes to the overall success of the organization. When there is a clear connection, employees understand why their daily work matters.

Building goals with employees, rather than assigning them to employees, fosters ownership and accountability. Cultivating this type of engagement boosts morale and has a positive correlation with productivity.

Companies on Align with an eNPS score of 50 or greater



Complete 45% more of their priorities completed each period*



Take on 41% more total priorities each period*



Complete 28% more tasks*

*compared to teams with an eNPS of less than 50.

Additionally, getting your employees engaged through daily or weekly huddles give everyone a voice and a stake in the company's progress and has been shown to lead to a 5% increase in a company's employee net promoter score.

In conclusion



Changing your approach to strategic planning has a positive financial and cultural impact to the organization. Verne Harnish writes in *Scaling Up* that “It’s time to break apart a 50 year-old business term – strategic planning – and think about it in terms of two distinct activities: strategic thinking and execution planning. Leaders need to shift their mindset. It’s no longer an activity with a finite start and stop at the beginning and end of a quarter. Plans should be communicated, measured and evaluated on a continual basis to best position your company for growth.

Ultimately, this approach becomes a competitive advantage for your organization.

Creating these repeatable, continuous processes that are constantly being optimized increases the capacity for growth within organizations, which is what sets them apart. The opportunity cost of evaluating plans at the start and end of each period is too great in the scale up world. The market landscape is constantly evolving – new competitors and substitutes emerge, consumer behavior changes – all on an ongoing basis and organizations need to be organized to respond to these changes. Digital tools like growth management software allow companies to implement the good business habits necessary to meet today’s ever changing business conditions.

<https://www.pmi.org/-/media/pmi/documents/public/pdf/learning/thought-leadership/why-good-strategies-fail-report.pdf/>

<https://www.sixdisciplines.com/thesixdisciplinesblog/strategy-execution-the-scary-statistics>

<https://boardview.io/blog/strategy-execution-stats/>

<https://aligntoday.com/success-stories/hagerty/>

<http://www.org-synergies.com/Strategy%20Execution%20Paper3.pdf>



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