

## COMMON LOGJAMS AND MISCUES

Our strategy research suggests that successful companies get things right in *direction, integration and execution*. Their less fortunate peers suffer in different ways, but here are the most common patterns of strategic miscue and failure from our broad-based research and experience:

**Miscues in strategic direction.** We estimate that no less than 30% to 40% of companies pursue directions that are unlikely to succeed in creating new value, near-term or long-term. Some of these organizations are really quite sophisticated, but their strategic compass is broken. They have fundamental problems with strategic direction.

**Miscues in strategy integration.** Most companies face basic challenges in the integration of strategy, resources, process and structure. We estimate that 50% to 60% of companies experience significant problems with regard to strategy integration, and these present major barriers to the creation of new business value. Strategy integration problems can render any company into mincemeat.

**Miscues in strategy execution.** These are legendary, but the reality here will surprise many business observers. We estimate that of those companies with sound, realistic foundations in strategy direction, fewer than 20% to 30% experience significant problems in strategy execution. The foundation of sound direction serves good execution.

What does all this really mean? One assessment you can take away relates to the true scope of strategy management and leadership. That scope must include direction, integration and execution. Strategy, in its purest form, connects and discerns these elements. Another assessment is that execution is a common and frequently voiced challenge, but half of all companies are probably pounding away on a strategic agenda that has flawed direction and integration elements. For executives, this explains why people might not be willing to engage in the process, and why they are just a little skeptical of the latest program and the latest appeal to play in the new business plan. Credibility depends on the alignment of direction, integration and execution. This reflects on the relevance of strategy to employees.