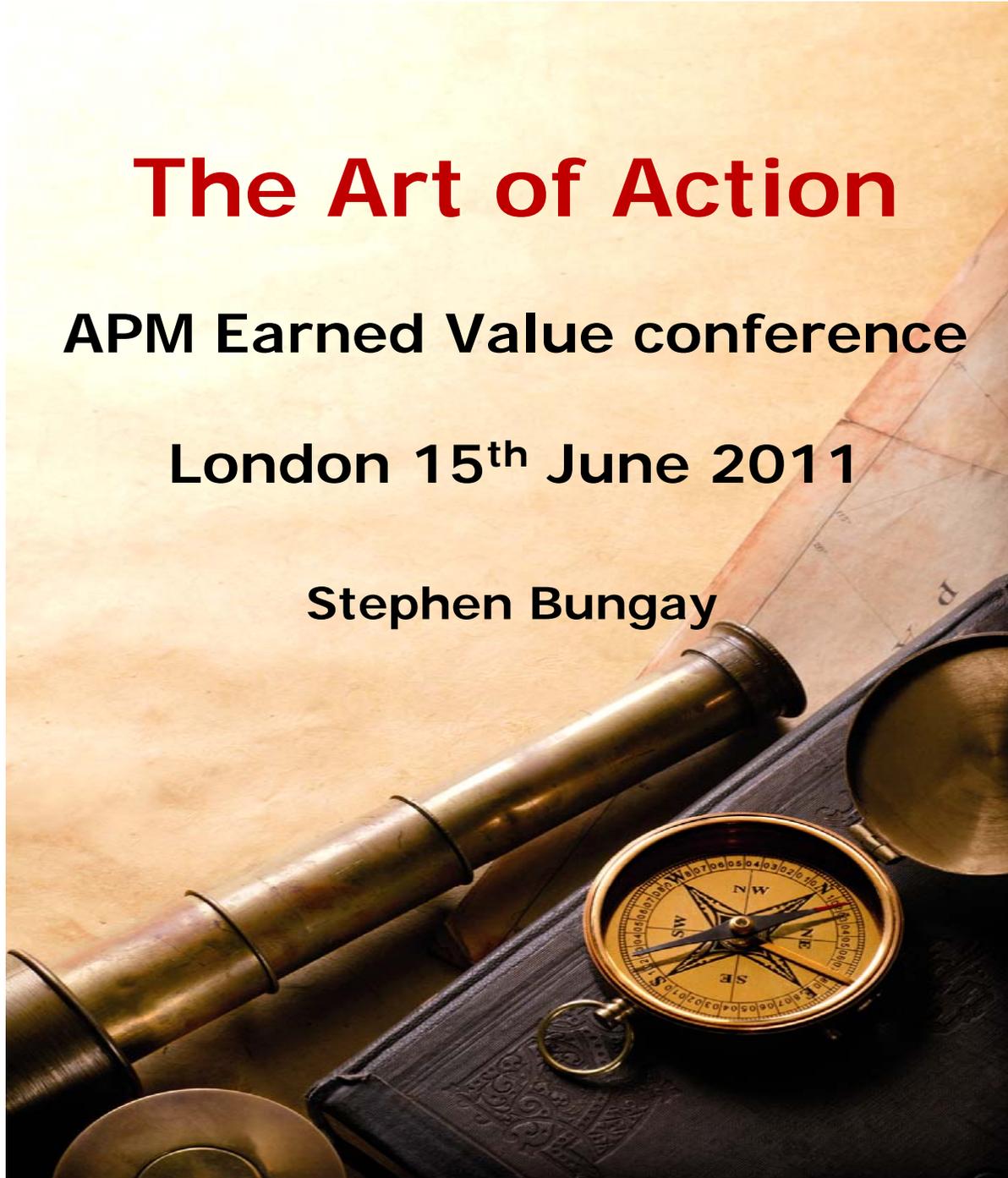


The Art of Action

APM Earned Value conference

London 15th June 2011

Stephen Bungay



ASHRIDGE

20th century business thinking: metaphors

- Business is a science
- Organisations are machines
- Managers are engineers

20th century business thinking: implications

- Outcomes are predictable
- Optimise the parts and you optimise the whole
- Managers plan, workers do

20th century business thinking: consequences

- Nasty surprises
- Silos
- Paralysis

Individual malaise - common symptoms

- I understand the strategy - I think - but what does it mean for me?
- I have seven long-term goals, twelve medium term initiatives and twenty three short term objectives. What am I supposed to do?
- I am actually measured on achieving budget
- There's too little direction from the top
- There's too much interference from the top
- This is a very complex business

19th century military thinking: metaphors

- War is an art
- Organisations are organisms
- Officers are leaders

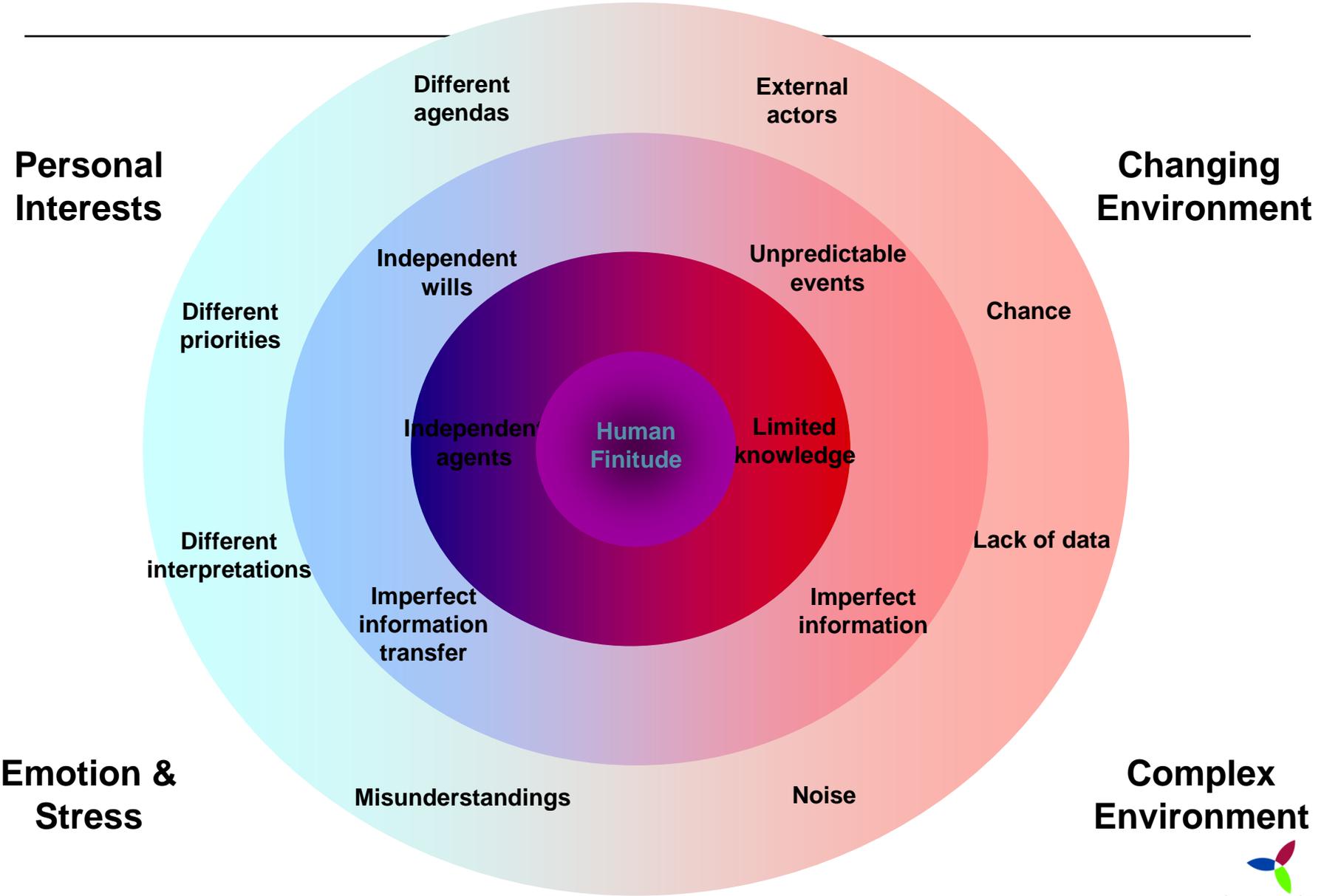
19th century military thinking: implications

- Outcomes are unpredictable
- Do and adapt
- What counts is aligning and motivating people

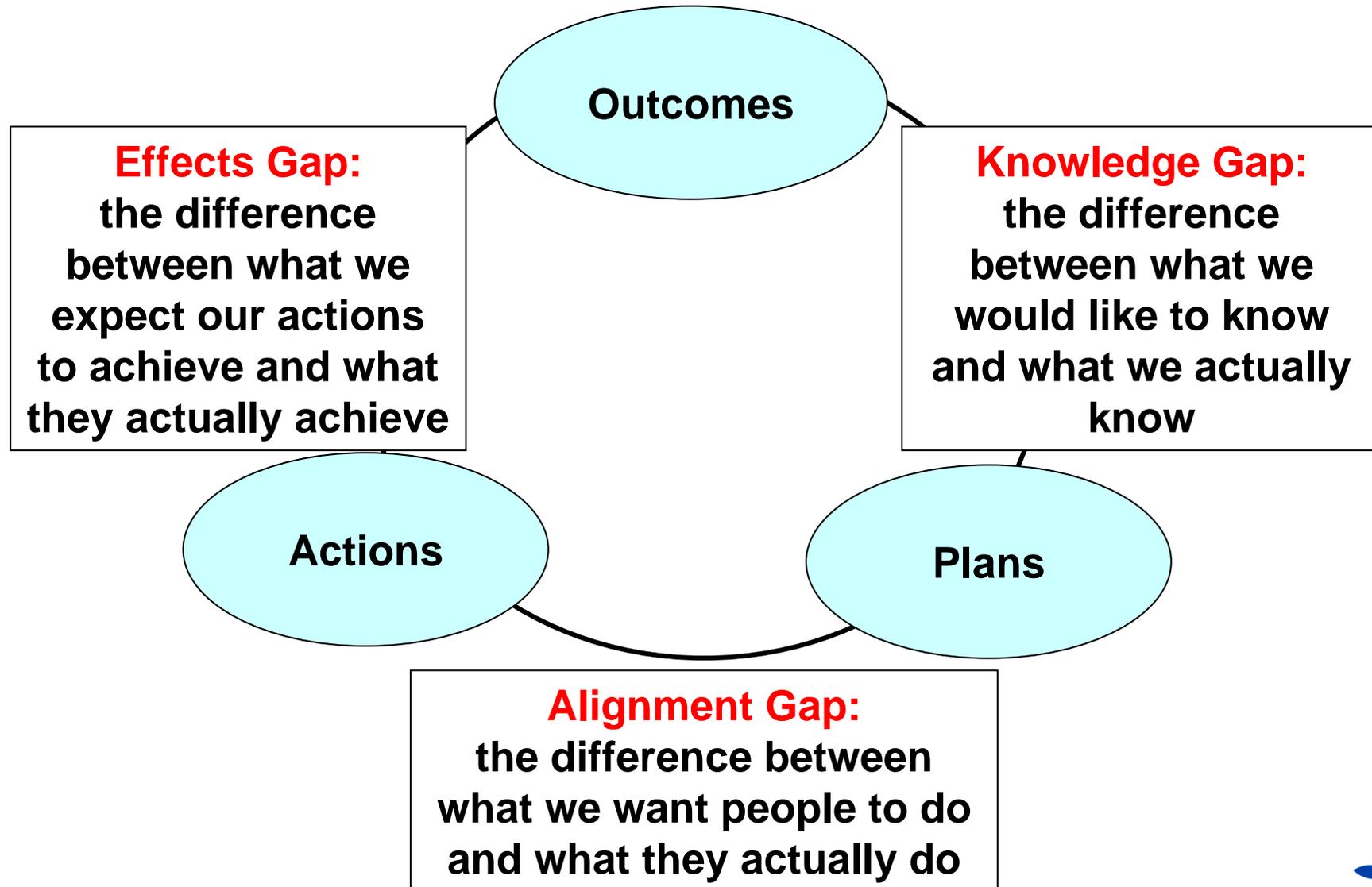
The theorist



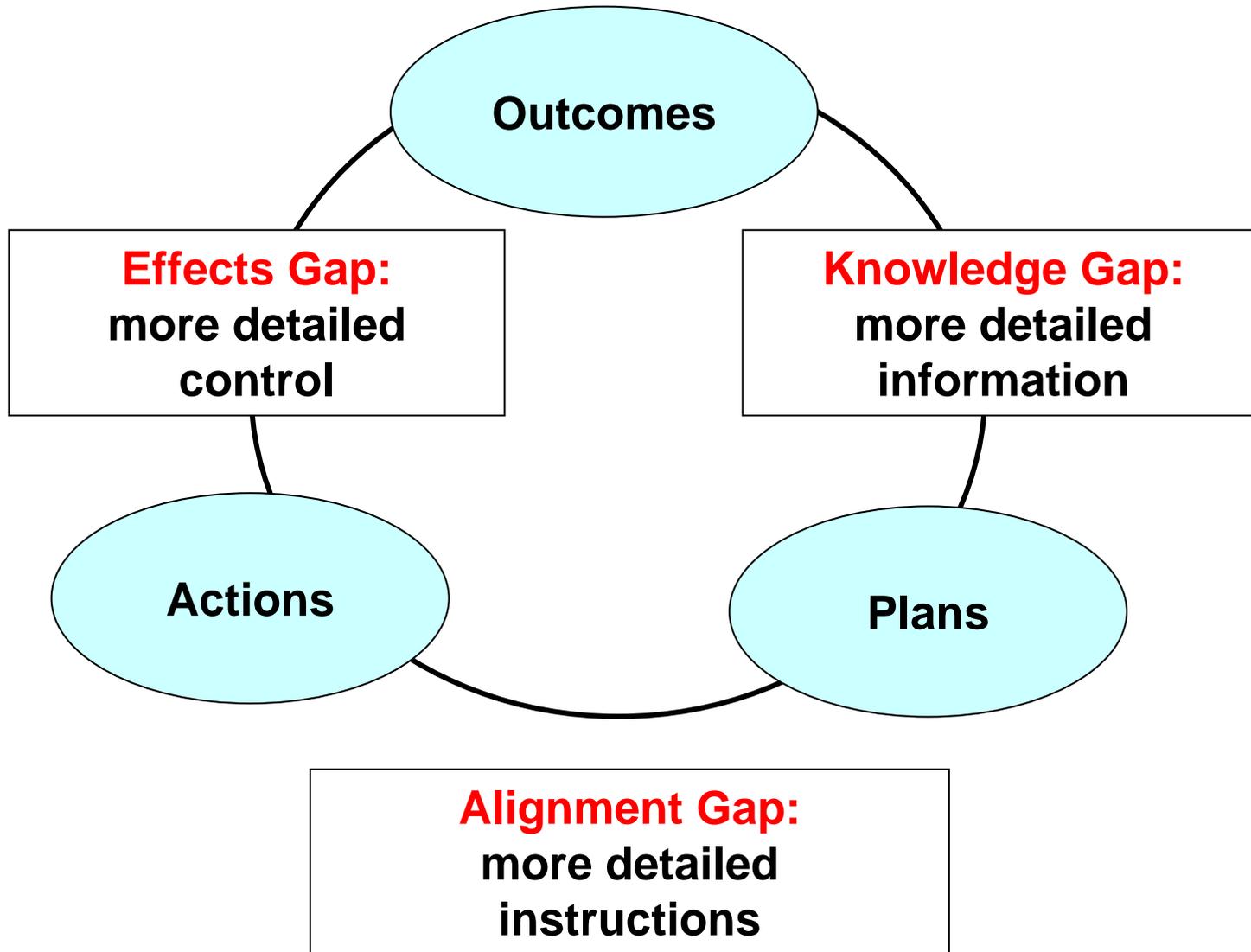
The overall concept of friction



The problem: three critical gaps



Usual reactions



The result



Warner Bros. Pictures / Lucasfilm Ltd.

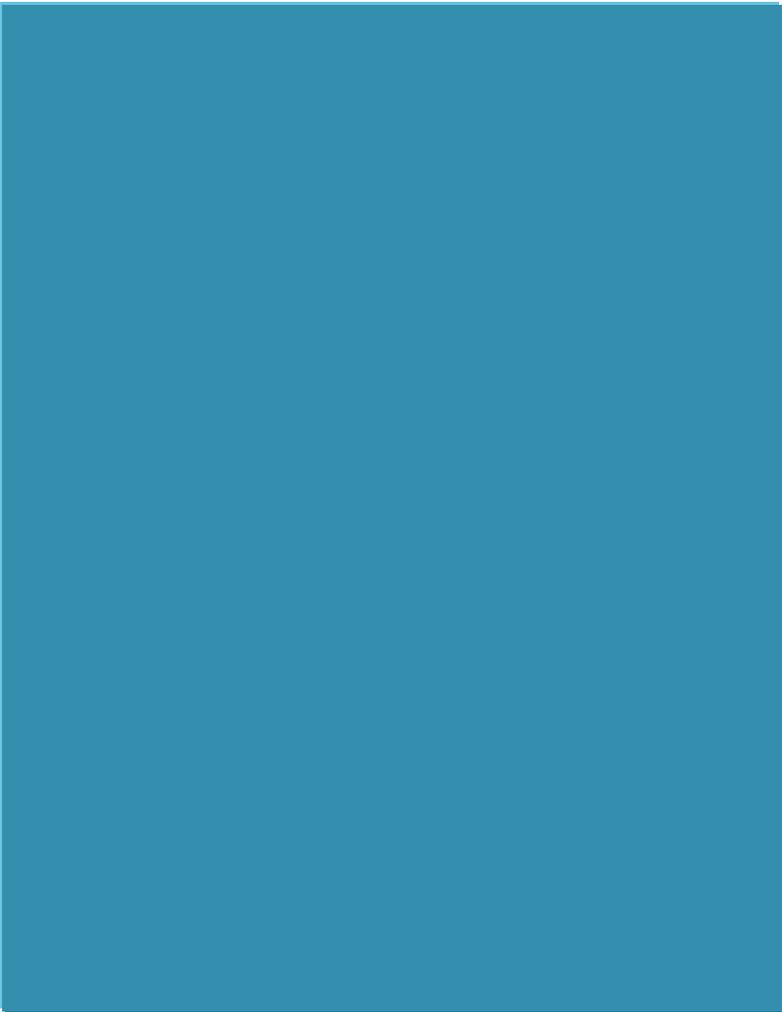
Three mistakes

Confusing *understanding* with *information*

Confusing *clarity* with *detail*

Confusing *outcomes* with *measures*

The reformer



The practitioner



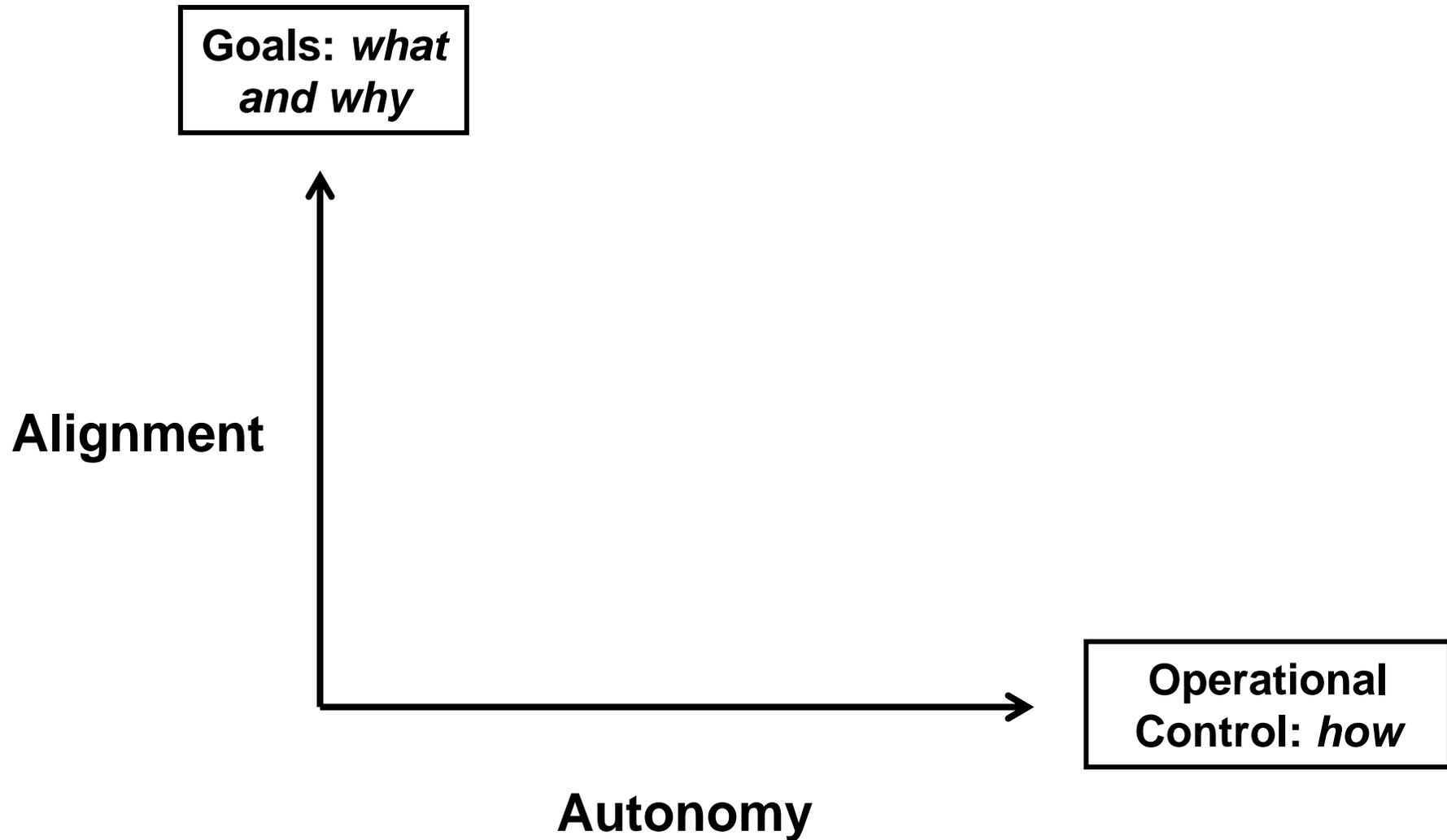
The dilemma

Alignment

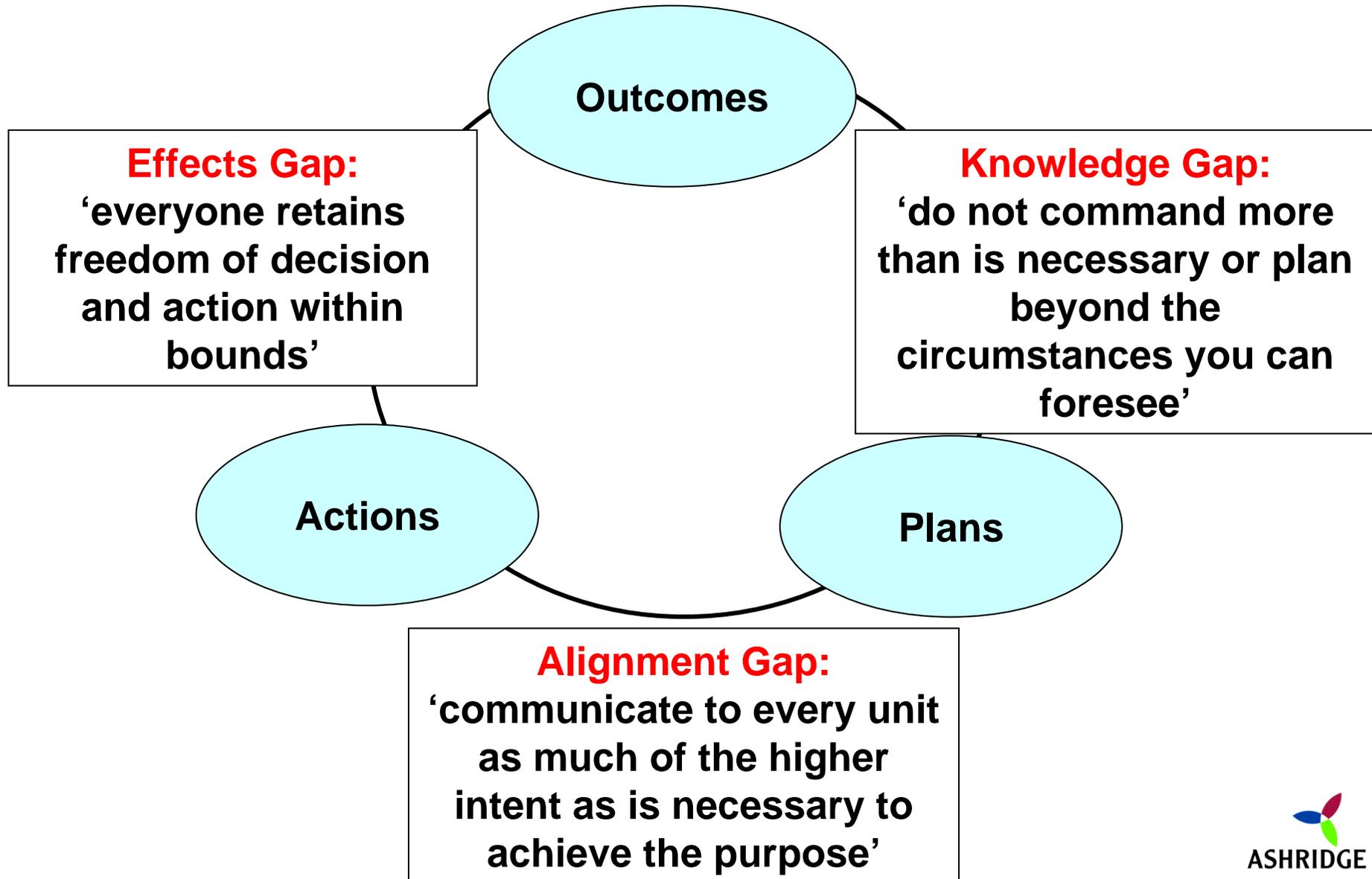


Autonomy

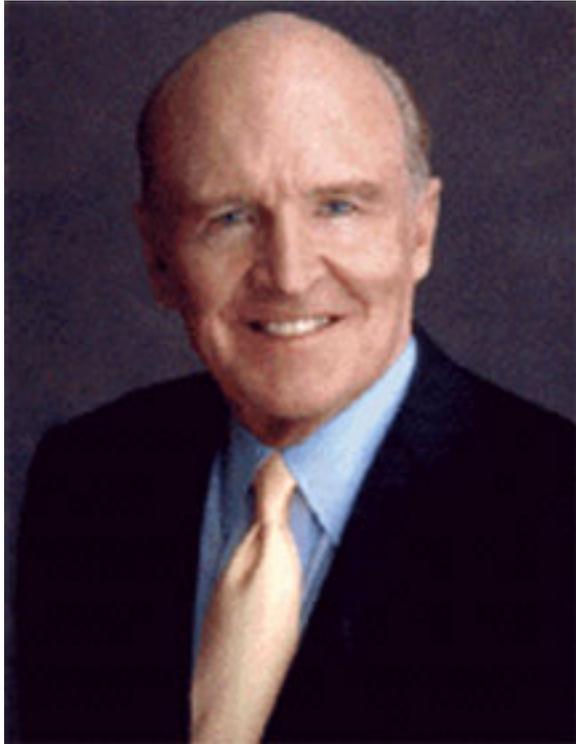
High alignment enables high autonomy



Von Moltke on the three gaps



A follower of the guru – ‘planful opportunism’



‘The Prussian General Staff, under the elder von Moltke...did not expect a plan of operations to survive beyond the first contact with the enemy. They set only the broadest of objectives and emphasised seizing unforeseen opportunities as they arose... *Strategy was not a lengthy action plan. It was the evolution of a central idea through continually changing circumstances.*’

Jack Welch, *Jack*, p. 448

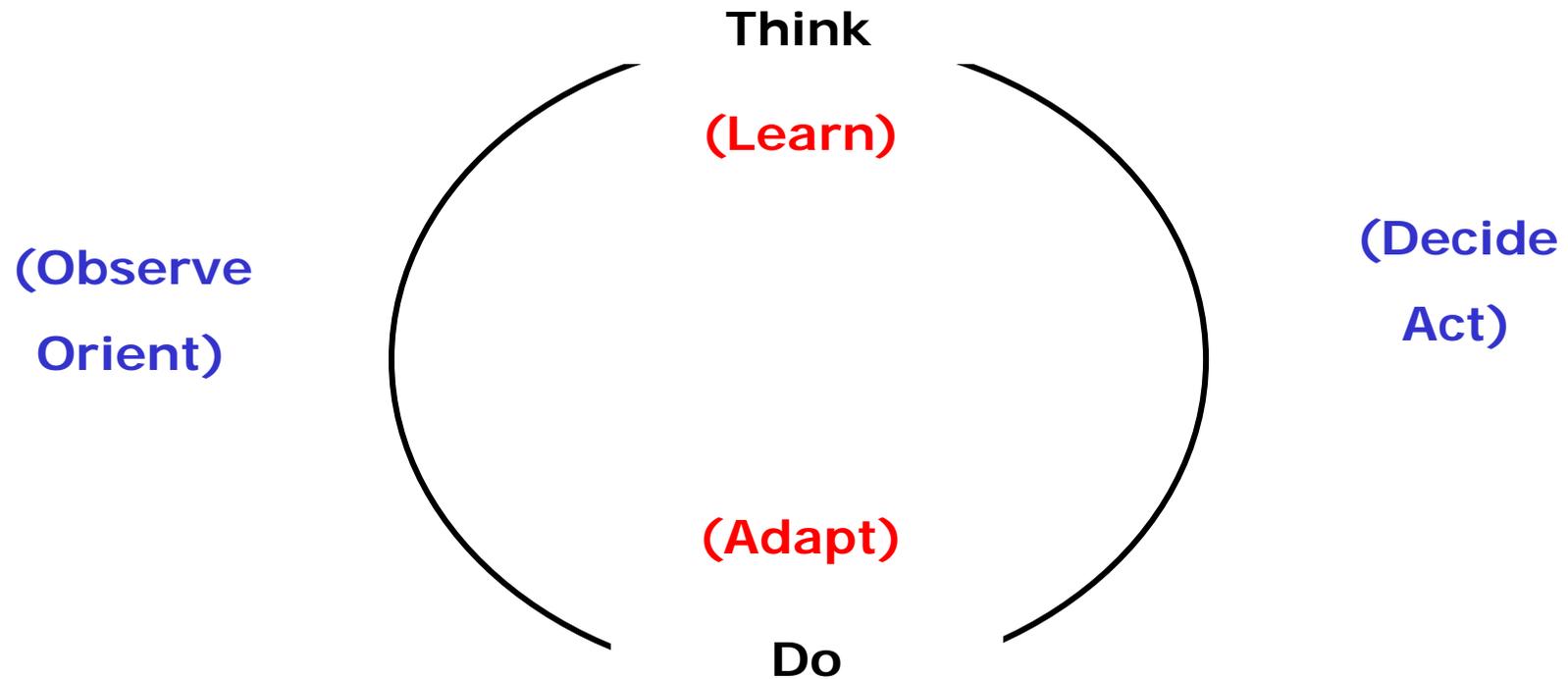
Giving direction: a demanding intellectual task

Tell me what you want – what you really, really want...



give me some resources, some constraints – and shut up!

Letting your people find the path



High performance – recurring patterns



Over 200
years...

Over 2,000
years...



Directed opportunism: the challenges

- Answer the Spice Girl's question
 - Making critical choices instead of setting multiple targets
- Get the important message across
 - Aligning your people with the outcomes instead of planning their actions
- Give space and support
 - Encouraging and guiding rather than appraising and controlling

Appendix

Intent and briefing



ASHRIDGE

A core alignment discipline: strategy briefing

1. My intent – our part in the plan

- what and why
- Measures

2. Higher intent

- one and two levels above

3. Implied tasks

- responsibilities to assign to realise my intent
- main effort

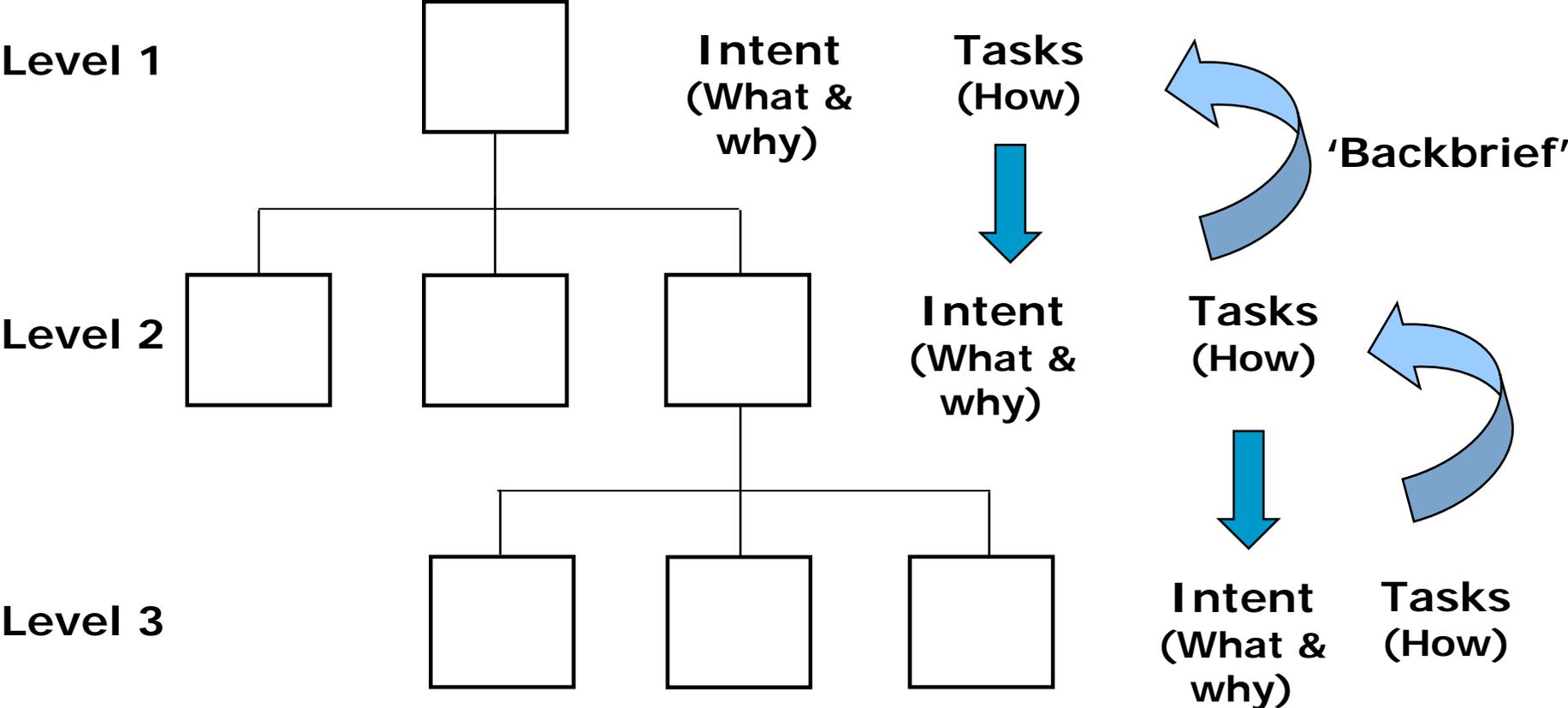
4. Defining the boundaries

- freedoms and constraints

5. Confirm the intent: has the situation changed?

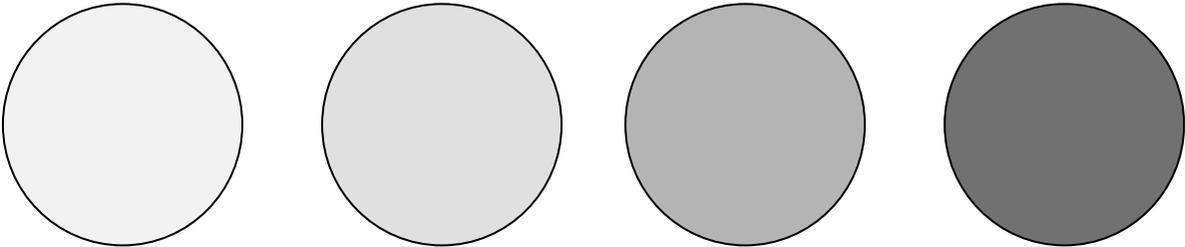
Cascading intent: each level is more specific

Strategic Intent



Ways of Thinking

Theoretical Thinking



Practical Thinking



The three 'S's of simplification

Articulating the essential point to create clarity by:

- Structuring
 - Turning lists into sets of relationships
- Selecting
 - What details matter?
 - What is merely detail and should be forgotten?
- Summarising
 - Articulating the meaning of a large number of facts

Crafting intent: the 'what' and the 'why'

Significantly reduce time-to-market for development, enhancements and support of high-quality products to our customers in a cost-effective manner in order to help aggressively grow our revenues and increase our margins.

To accelerate development, support and enhancement of critical products in order to enable sales channels to halt market share erosion by December 2003.

Measures:

Critical products available during 2003;

Market share 12/03 = market share 1/03