

 eBook

# Destination: **2022**

The strategy leader's guide to  
getting, and staying, on course



**CATALANT**

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## Introduction

The turbulence of 2020 and 2021 has challenged the notion that a business can simply chart a predictable course and reach its desired destination on time and as expected. Unprecedented market volatility, a global shift toward remote work, and changing employee demographics and expectations have forced business leaders to rethink how they approach and reach their goals.

It's about time.

Because while the coronavirus pandemic seemingly thrust businesses into chaos all at once, the nature of work was already changing dramatically. Business leaders were already coming to grips with the many ways that technological advances, skills gaps, and changing employee expectations were pressuring them to offer a new vision for how their organizations aligned in pursuit of their most important objectives.<sup>1</sup>

This is the moment strategy leaders have been waiting for. If you are responsible for planning, pushing, steering, and landing your organization's most critical strategic initiatives, now is your chance to challenge old ways of thinking and give your organization the tools it needs to chart new courses for success.

In this eBook, we'll examine why organizations struggle to align strategy, work, and people and offer insights into how forward-looking leaders help their teams to navigate through choppy skies, harsh terrain, and shifting seas in pursuit of their goals.

<sup>1</sup> Fuller, J., Wallenstein, J., Raman, M., de Chalendar, A. (May 2019). Future Positive. Published by BCG, Harvard Business School.


## Where did we make a wrong turn?

Every company has a plan or roadmap. For large organizations, the strategic plan is typically hashed out over months of painstaking negotiation, fact-finding, and forecasting. Then the plan is approved by senior leaders and transferred to a slide deck that is shared with leaders of different business units and cross-functional teams to execute. A year later, few of the plan's objectives have been realized. How did we get here? With so much resting on the company's strategic objectives, why haven't we gotten better at getting the work done? Where did we go wrong?

Business and technology leaders often cite culture<sup>2</sup> and capability gaps<sup>3</sup> as the biggest obstacles to reaching company goals. But isn't culture a reflection of leadership's ability to focus teams on outcomes and inspire action? Research shows that most organizations focus too much on "management" (i.e. processes, procedures, controls, outputs) and too little on "leadership" (i.e. people, behaviors, new competencies, aspirations, outcomes), leading to a lack of strategy-execution alignment.<sup>4</sup>

Increasing focus on outcomes, building new competencies, and inspiring execution across teams may sound simple enough. But it turns out that strategy-execution alignment is a huge challenge. While the right strategic direction may seem clear to leadership, they struggle with the fact that teams often lose their bearings along the way. In fact, only 30% of strategy leaders believe that work execution within their organizations is aligned with strategy.<sup>5</sup> And alignment is only getting harder.

The accelerating rate of technological advancement and market disruption, shifting workforce expectations, increasing organizational complexity, and the proliferation of productivity and project management tools are just a few of the forces challenging businesses to evolve. Leaders who understand these forces are more likely to help their organizations build the capabilities they need to adapt and thrive on the journey toward their most important goals.

 Only 30% of strategy leaders believe that work execution within their organizations is aligned with strategy.

<sup>2</sup> Gartner, *Predicts 2020: Leadership Gaps, More Than Culture, Inhibit Digital Business Transformation*, Darren Topham, Janelle Hill, Simon Mingat, 17 December 2019.

<sup>3</sup> Gartner, *2020 Gartner Execution Gap Survey*, 2020. (Cited in Gartner, *Leverage 3 Business-Capability-Driven Frameworks to Accelerate Digital Strategy Execution*, Janelle Hill, Donna Scott, Tomas Nielsen, 27 August 2020.)

<sup>4</sup> Gartner, *Identify Execution Gaps to Support Strategic Delivery Success*, Darren Topham, 17 April 2020.

<sup>5</sup> Gartner, *2019 Gartner Strategy Execution Benchmark Survey*

## Can't we go any faster?

Before the pandemic, the pace of change and market disruption was already accelerating. In the late 1970s, companies in the S&P 500 could expect to remain there for around 35 years. By 2020, the average tenure was closer to 20 years. According to McKinsey, that number will drop to between 10 and 15 years by 2025.<sup>6</sup>

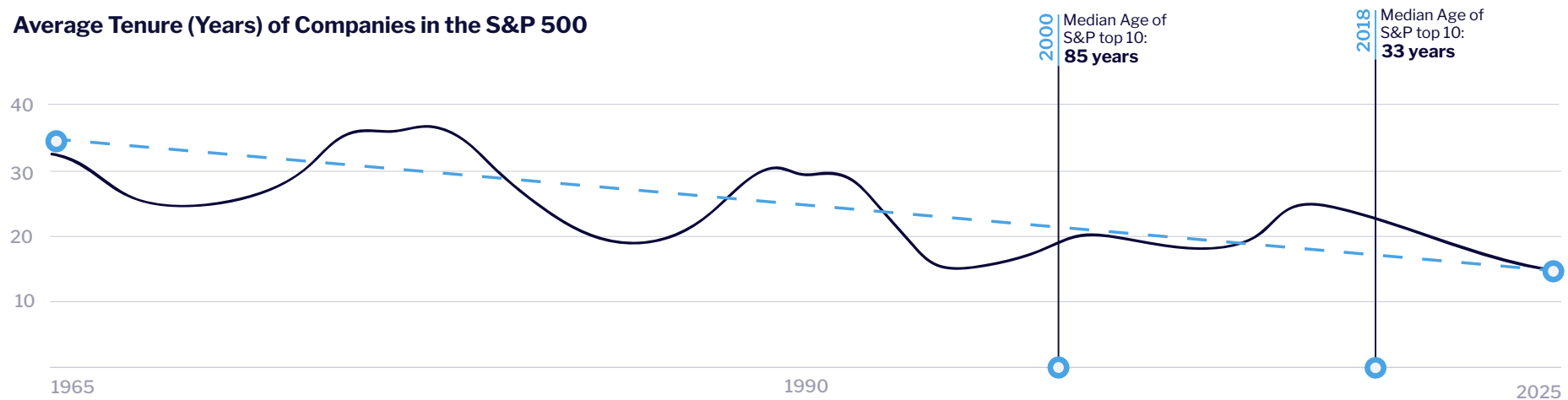
Think about what that means. From this point forward, every decade or so, more than half of the largest and best-known companies in the world will be displaced. So while business leaders are helping their teams navigate through increasingly tumultuous conditions, they're having to do so at a faster and faster pace.

Today's businesses are contending with a pandemic, environmental health and sustainability concerns, demographic changes, social unrest, a changing political and regulatory landscape, and emerging digital technologies. With markets changing faster than ever, anticipating and adapting is critical for productivity and resilience.

To move fast enough to adapt to these pressures and avoid being disrupted, forward-looking leaders are rethinking their organizations' operating models, moving away from rigid, bureaucratic, and siloed ways of working, toward more decentralized, autonomous ways of decision-making and executing.

Forward-looking business leaders understand that, while the goals of the business are steady, the strategies and tactics used to reach those goals will be different across teams — and are likely to shift over time. With this understanding, leaders focus on ensuring that teams understand the goals, are empowered to make smart contextual decisions as they continuously chart their courses, and are provisioned appropriately along the way.

### Average Tenure (Years) of Companies in the S&P 500



<sup>6</sup> Pitchbook Data, "3Q2018 VC Valuations Report," November 2018. McKinsey & Company, "Traditional company, new business: The pairing that can ensure an incumbent's survival." June 2019.



## Can't we go any faster?

In-depth research from industry analysts<sup>7</sup> and insights from our own customers are revealing major changes to how work is defined, how work is structured, how work is funded, and how work is overseen in 2021 and beyond:

- ① **How work is structured**  
Businesses are moving from project-oriented to product-oriented work structures.
- ② **How work is funded**  
From a stringent, centralized funding model to a flexible, multi-modal model
- ③ **How work gets done**  
From waterfall to agile and hybrid methodologies
- ④ **How work is overseen**  
From high visibility into relatively few portfolio initiatives to less visibility into more initiatives

Taken together, these trends represent a major shift in how businesses operate. And while these changes empower teams to move faster, ensuring that goals are communicated clearly, that progress is reported in real-time, and that teams are supported as needed through every leg of the journey is impossible without the right tools and processes to communicate and navigate.


<sup>7</sup> Gartner, Evolving for Digital Business: 6 Key Roles for Today's PMO, PMO Research Team, 3 December 2019.



## Who can help us navigate through rough conditions?

It's never been easier to find new project management tools and methodologies. A simple web search for either returns millions of hits, expanding the ability of small teams to get their work done in the way that works best for them.

But what does that mean for business leaders and program managers? The proliferation of tools and processes leads to fractured data, which makes it impossible to understand how your teams are progressing toward goals. In fact, Gartner predicts that by 2025, “50% of strategically-focused enterprise portfolio management offices (EPMOs) will be tasked with the unification of fractal ecosystems.”<sup>8</sup> Strategy offices, transformation offices, and EPMOs are more important than ever for communication and navigation, but they often struggle to evolve from tactical planning to real-time orchestration across teams — they simply lack the visibility and resources to help teams adapt, evolve, and stay on course.

 Effective strategy execution not only requires a clear understanding of goals and visibility into progress. It also requires access to the right capabilities at the right time."

Alignment starts with clear, multidirectional communication about goals. And since different teams may have different approaches to getting their work done, you need to have tooling flexible enough to meet them where they are. If one team is approaching your target destination by sea, a lighthouse may be an effective method to signal the right direction to head; but if they're traveling by plane, that solution is unlikely to end well. How do you ensure that all of your teams have an understanding of the right direction to go?

To complicate matters further, effective strategy execution not only requires a clear understanding of goals and visibility into progress. It also requires access to the right capabilities at the right time. And as disruptions become more and more frequent, businesses increasingly need to access and allocate resources — both money and people — flexibly along the way. But how do business leaders find and deploy the right people to keep the journey moving forward?

<sup>8</sup> Gartner, The Recipe for Enterprise Agile Success Has Adaptive Program Management Ingredients, Sarah Davies, Wan Fui Chan, 23 February 2021.

## ➤ Who can help us navigate through rough conditions? (cont.)

Even if your teams know the right direction to head, how do you empower them to navigate through major, unforeseen obstacles that arise along the way? What do you do when they aren't equipped with the right knowledge, skills, and tools? These questions are especially important because 60% of business leaders blame emerging and unforeseen capability gaps for delays in strategy execution.<sup>9</sup> Meanwhile, 80% of leaders say their organizations do a poor job of reallocating people to support shifting priorities.<sup>10</sup>

And the problem is only getting worse, as specific skills are becoming outdated at a faster and faster pace. According to Gartner, 30% of the skills required in 2017 are already obsolete.<sup>11</sup> That means organizations need to consistently build new capabilities, access new and emerging skills, and rebalance their existing workforce as the needs of the business change along the journey.

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## ⚡ How do we stay motivated when the journey gets tough?

Beyond accessing the right capabilities, business leaders understand that strategy-execution success depends on people feeling empowered, inspired, and bought-in to their vision — any leader who has seen a large initiative or transformation fail knows this instinctively. Aligning people with goals is a much bigger issue than simply finding the right capabilities, as critical as that may be.

Despite broad agreement among business leaders about how important it is to get broad buy-in to a transformation (or other large interconnected initiative), it seems that organizations are not only bad at aligning the right people with the right work, they're also bad at aligning their people around a common cause, mission, or goal. According to a recent article in Harvard Business Review, only:

- **28%** of employees feel fully connected to their company's purpose
- **39%** say they can clearly see the value that they create
- **22%** agree that their jobs allow them to fully leverage their strengths

Getting both top-down and bottom-up visibility into how employees are contributing to company goals helps to foster a culture of accountability and ownership that keeps teams focused on achieving their goals, even when they're encountering obstacles along the way.

<sup>9</sup> Gartner, 2020 Gartner Execution Gap Survey.

<sup>10</sup> Harvard Business Review, Why Strategy Execution Unravels and What to Do About It.

<sup>11</sup> Gartner, How to Find the Skills You Need When Hiring Is Not An Option, Helen Poitevin, Gartner IT Symposium/Xpo, October 2020.





## Companies Getting From Strategy to Execution Faster

At Catalant, we're fortunate to work with some of the world's most forward-thinking organizations. We've seen first-hand how many of them are adjusting to market pressures to drive better orchestration, move faster, and continuously deliver for their customers. Here are three examples of companies that have adopted strategic portfolio management processes and technology to drive more flexibility and adaptability.



### Global Beverage and Brewing Company

#### Problem

In order to evolve with rapidly changing consumer preferences, the company found that it needed faster access to scarce resources in order to increase agility and innovate faster.

#### Solution

The company used Catalant's platform to increase the impact of employees with high-demand capabilities in supply chain, operations, and business process improvement, forming a centralized talent pool to drive continuous improvement initiatives forward. Now, different business units can access the internal and external knowledge and skills they need to keep strategic work moving and accelerate execution.



### Multinational Manufacturing Conglomerate

#### Problem

The Integration Management Office (IMO) of a large organization needed to divest a large business unit on a tight deadline with little visibility into the cross-functional resources required to make it work. Manual tracking with spreadsheets and paper were ineffective and outdated almost as soon as they were filled out.

#### Solution

Catalant gives IMO leaders visibility into interdependent, cross-functional workstreams, the ability to map dependencies across multiple projects, and the access to the right capabilities at the right time. The result is a more efficient execution of divestiture playbooks to help the team meet its critical milestones.



### Fortune 100 Financial Services Company

#### Problem

A BU within a large financial services company struggled to plan, prioritize, and track the many workstreams involved in a large transformation effort. Leaders also found that the same 10% of high-performing employees worked on strategic projects, and that those teams were often overstretched and sometimes lacked the subject matter expertise to execute on certain projects.

#### Solution

The BU now has real-time visibility into strategic work, access to the right people at the right time, and the ability to adapt and intervene as necessary to keep work on track. The result is a more effective transformation journey, less reliance on costly consulting firms, and greater resilience through times of change.

## How Catalant helps

In our earliest days, we sought to disrupt the consulting industry by providing an online marketplace for finding and deploying high-end freelancers. Responding to customer demand over time, we built a tool that isn't simply for finding experts, but also for tracking and managing the work those experts contributed. In 2020, we launched Catalant's SaaS platform to help business leaders more effectively manage large initiatives and programs — and to deploy their own employees and Catalant experts all from the same place.

The Catalant Platform is purpose-built for strategy execution. Unlike other strategic portfolio management offerings, the Catalant platform is easy to deploy, intuitive for any business user to understand, and supported by an experienced team of Catalant professionals. Beyond that, it's the only strategic portfolio management platform that includes access to more than 70,000 world-class experts and 1,000 consulting firms on demand to help you get from strategy to execution faster.

With the Catalant platform, strategy leaders can:



### **Track strategy execution across multiple portfolios of work**

Prioritize, plan, and adjust course with real-time insights into how initiatives are progressing



### **Simplify the way you align people, work, and objectives**

Communicate and connect plans across silos to highlight dependencies and align work with objectives



### **Get the right people on the right work at the right time**

Ramp capacity up or down quickly with dynamic access to resources — both inside and outside of your organization — to get your most important work done

### Catalant Platform

## Execute today, plan for tomorrow

Align goals, work and resources with our easy-to-use platform

Let's Talk

