### The CEO Playbook for Growth



THREE DISCIPLINES OF ACCELERATION

The ultimate guide on how to accelerate growth and thrive through disruption



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### Welcome, you've come to the right place

Accelerating growth and succesfully executing the business plan is essential for almost every company in the world. Yet, many fail. Today's fast-paced business climate add new challenges to achieving real acceleration of growth. Constant internal and external disruptions sure aren't making it easier.

The CEO Playbook for growth will give you the know-how you need to make your company succeed with its business plan and reach your most important goals – in time.

When we say that many companies fail with their strategy execution, we mean it. More than 80% of strategic initiatives and business plans fail in execution. To understand how to fix this you need to understand what's wrong. In the initial part of this Playbook, you'll get an outline of the basic problems and their causes.

After that, you're equipped to take on the solution. And it's actually quite easy. The solution for successful organizational strategy execution is based on three simple, yet very effective disciplines.

We will guide you through each

Johan Grönstedt Chief Strategy Officer Howwe Technologies

discipline and give you practical tips you can use to succeed with your business plan and acceleration of growth.

After reading the CEO Playbook for Growth you will have a new toolset to enable yourself, your leaders, and your employees to leverage three pragmatic practices. They will allow you to accelerate the execution of your business plan in a disrupted and remote environment. It will probably change your way of working to the core. And believe us, it's not a day too late.

Happy reading - and enjoy your organization's financial improvements once you get started with the Three **Disciplines of Acceleration!** 





### **Strategy Execution is Broken**

Why strategies fail and tips on how to fix it

# Disruption is Constant - and Requires Constant Adaptation

Changes come fast and often unexpected. Disruption can be internal, such as a new ERP-system or reorganization. Disruption can also be external. The pandemic is an example of an external disruption, but it can also be factors such as a challenging competivite landscape. There's no doubt that Covid-19 has put disruption on everyone's lips. With disruption around every corner, it is crucial to have your organization set up to adjust and align quickly. Fast forward to page 13 to learn how.



Let's start by taking a look at how long the typical Fortune 500 company, the largest companies in the world, survive. Back in 1958, that number was 61. Over time, as different technical disruptions made their entry, the average number of years steadily goes down. In 2018, pre-Covid, the average number of years was down at 18. That's a dramatic decline, but it's not stopping there. It is projected to reach 12 years by 2027.

A survival rate going from 18 to 12 might not seem like that big of a shift. But in reality, it means that 75 percent of the companies that dominated the world in 2018 wouldn't be here by 2027, just a decade later. Disruption comes from both directions. It's quicker to enter the market, and with today's technical possibilities the barriers of creating a company has never been lower. At the same speed, technical disruption is driving companies out.

With disruption happening at this speed, many companies struggle. Many are not set up to cope and lack a systematic way to steer and align the organization through disruption. The risk of being run over by competitors is high. Today, it's no longer a matter of surviving through one disruption, but thriving through multiple.

With a **proactive way of working** you are on top of your goals, no matter what disruption you have ahead.

Global Transformation

Remote workplace

New technology

**ERP** Implementation

New processes

Merger & acquisition

Shifting Compliance

**Economic Depression** 

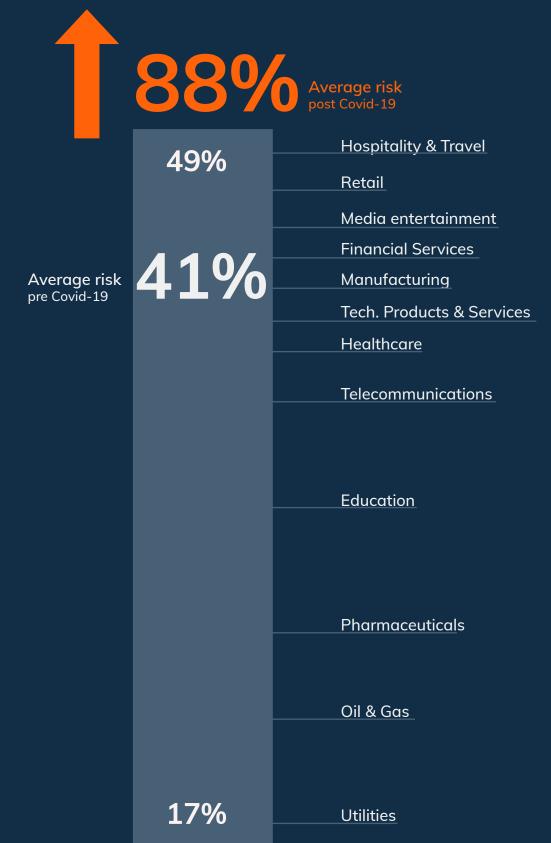
Changing CRM System

# Is your organization equipped to not only survive, but thrive through disruption?

Cost-reduction program	International competition		
Regulations	Stock market set-back Fast-moving startups	Price Erosion	
BI Implementation	Currency fluctuation		
New markets	Digital environment	Organizational redesign	
С	competing Products		

### CEO:S FEAR THAT DISRUPTION WILL PUT THEM OUT OF BUSINESS

This is a graph showing the percentage of CEOs in each industry who say the risk of being put out of business increases significantly as a result of disruptions.



### The Consequences of Disruption

41 percent of CEOs say that they have to proactively adjust or they will be put out of business as a consequence of disruption. The same number after the entry of Covid-19 was 88 percent.

We mentioned that disruption can be internal or external. Internal disruption often leads to loss of focus on core business, whereas external leads to loss in the core business. The latter might seem more critical, but many underestimate the harm of losing focus.

#### The question becomes: What should I do to survive?

Many turn to big cost reduction programs, organizational redesigns, or transformation programs. Big transformation programs, even successful ones, take an average of five to seven years to complete. At the point when you successfully implement your strategy, it's already obsolete.

Daring to prioritize goals and having tools in place to quickly align the whole organization behind new directions is key to success. Failing to realize the importance of having a system to support change and before facing a disruption, no matter if its's a pandamic or an implementation project is a big, and unfortunately common, mistake.

Do you fear disruption? And even more importantly, are you equipped to handle disruptions ahead of you? By being proactive and equipped to handle the disruption you can thrive, instead of fighting to survive, and be the one to outexecute competition.

Identify where your organization is struggling and focus on how to change that.

### "

Your life as a CEO will be a lot easier if you make sure you are equipped to drive change before you start executing it. Howwe creates a proactive way of working, making everyone in your organization involved and engaged in change processes.

Ulf Arnetz Founder and Chairman – Howwe Technologies

### **Business Strategy is Broken**

Already in the management team, only half of the members share the same top three initiatives as the CEO, meaning that the other half is spending their time and energy driving other priorities.

Do you think that your business plan is well anchored in your organization? Think again. Merely half of an executive team can list their company's top three initiatives.

One common reason is that leaders struggle to prioritize the most important initiatives. With too many goals, the focus is cluttered, and nothing achieved.

The result? Employees don't know what to focus on. Yet 82% want to contribute. This is well supported in several studies and frankly, quite obvious. It is difficult to accelerate growth if those who are going to execute your strategy don't know what to execute. It's up to you as the governing body to guide the enthusiasm and energy of the employees towards where you want them to go. But how, you might ask? You will find the answer in the Three Disciplines of Acceleration.

Adding headcount to the graph below makes it even more interesting. Only 13% of the employees know the top three priorities. Imagine the power you can achieve if you get 100% of your employees to actively work to fulfill the most important goals. Spoiler alert - that's the effect created with the Three Disciplines of Acceleration.



### Why Execution Fail

**SUCCESS** 

Eight out of ten strategic initiatives fail. That's a shocking number. Luckily, you have the tools to turn that number into zero in front of you, in this Playbook. But to fix it, you first need to know what's broken.

### 31%

Fail to create accountability and follow-up progress.

# 34%

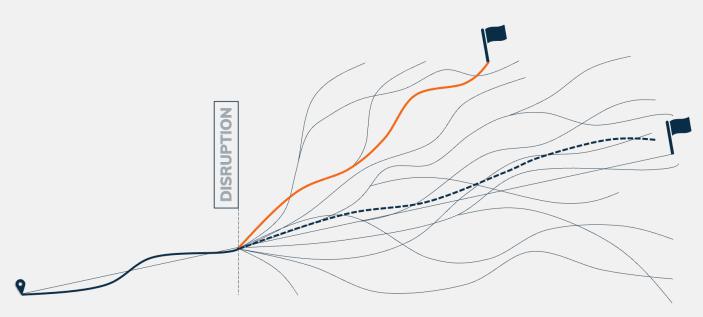
Fail to steer on lead measures driving results and outcome.

### 26%

Fail to narrow down to few, clear prioritizations.

# **Navigate Through Disruption**

It starts with you and your leaders – but that's not where it ends



Finding waypoints to execute your strategy in time will not only make you survive but thrive through disruption.

This takes us to the next crucial question: the role of CEOs and management when it comes to execution of the business plan. A traditional approach still dominates the market, where the governing body of the organization states where we're at and where we're heading – the goal flag. As the leaders start to execute, they will most likely notice deviations, urging a need to nudge the organization back into the direction they want. However, disruptions are increasingly making this approach untenable.

Typically, an organization doesn't sit still and let the disruption just flow over them. They try to react. But when they do, misalignment occurs, moving the goal flag in a different direction. How quickly can we relocate the goal flag and find a new direction? And once we do, how quickly can we ensure that the whole organization becomes aligned and starts executing towards the new goal in a structured way?

It usually takes an average of 6-12 months to set a new direction, and another 12-24 months to get the organization there. Do you have that kind of time when disruption hits?

#### Surviving disruption comes down to two skills;

1. How good are you at pointing out a new direction?

2. How fast can you realign the whole organization and get them to execute on the new goal?

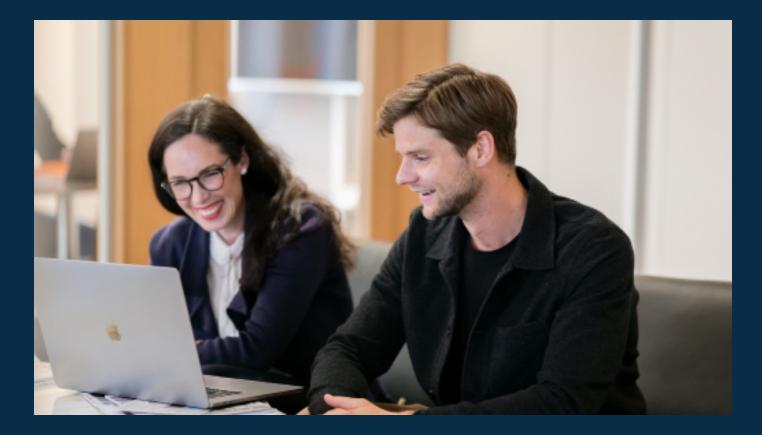


### **Three Disciplines of Acceleration**

Three simple, yet effective: disciplines that will not only make you survive, but thrive, through disruption.

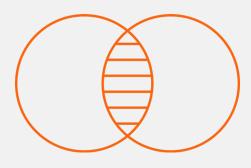


The Three Disciplines of Acceleration effectively target and eliminate each reason to why traditional strategy execution fails.



#### THE THREE DISCIPLINES OF ACCELERATION

# **Prioritize & Align**



Focus on less to achieve more by prioritizing the Most Important Goals for your company and align them throughout the organization.

# Too many goals and intivaties clutter the organization

65% of executives report that they have too many conflicting priorities; initiatives that are not aligned cross-functionally in the organization. This makes the organization stressed and cluttered.

There's an inverse relationship between the number of goals that you have and the number of goals that you can succeed with. Let's break it down into numbers. Research shows that with 10 goals, you succeed with none. With two set goals, you will achieve both of them. That's why our golden rule is maximum two simultanious goals per team at a time.

#### Prioritize by business value

Let's add another dimension: business value. 80% of leaders' time is allocated to prioritize intiatives that account for 20% of the strategy's value.

#### Focus on less to achieve more

By focusing on the top two highest business value drivers, you could find roughly 70% of the total business value.

Number of goals	2	3-10	>10
Goals achieved	2	1-2	0

The ability to focus is what differentiates high-performing teams from the rest and to focus, you have to prioritize.

#### YOUR CHECKLIST FOR PRIORITIZATION

### CEO and management team prioritize the two Most Important Goals



#### Dare to rank priorities on business value

This is crucial, but might be sensitive on an interpersonal level, indicating that one manager's goal is less important than the others'. It can also be tricky to evaluate where the highest business value is found; in the cost-saving project or in the expansion or new generation launch.



**Cascade your top priorities through your organization** Align top-down and let every team prioritize their Most Important Goals. <u>Ensure team goals support the goals</u> from the team above.



**Brake the goals down into actionable Key Activities** Define the Key Activities that help you make progress on your Most Important Goals and let every team in the organization do the same thing.

By following the principles in the discipline Prioritze & Align, your organization knows both what they're doing and why they're doing it. We'll look at what it is that defines a good Key Activity in the next discipline: Steer & Measure.

#### THE THREE DISCIPLINES OF ACCELERATION

**Steer & Measure** 



In the second discipline you steer and measure the Key Activities driving growth on the Most Important Goals within each team, enabling you to reach each goal. In time.

#### Measure what matters

It's often said that "what gets measured gets done". In our opinion, too much time is spent on measuring things that don't really matter, wasting both time and resources.

When it comes to creating acceleration, the purpose is not, as in traditional activity management, to measure all activities across CRM, Project management tools, Business Intelligence, etc. You might get in-depth and detailed insight into the status of all activities, but not necessarily the right behavior linked to the organization's prioritization. This tends to clutter organizations with activities - not least because the team often lacks a clear priority in the first place.

#### **Proactivity and relentlessness**

You want to control and measure what actually affects the result. By measuring the result of the activities that drive growth you create proactivity.

Acceleration is about pinpointing the activities that naturally will not happen to the extent or quality that you want or need to succeed with the Most Important Goal. It is by being relentless with the Key Activities that an organization reaches its Most Important Goals.

#### Key Activities should be

- Proactive not reactive
- Important not argent
- Challenging not comfortable
- Simple not elegent

### "The essence of strategy is choosing what not to do."

- Michael Porter PhD, Harvard Business School

Historically, the CEO and companies at large have steered and measured based on results. There has been a trend and prestige in measuring performance goals in ever shorter intervals - where "real-time" seems to be the ultimate goal. The problem with that way of steering is that you just as quickly realize that no matter how much and frequently you measure, you ultimately measure a result. That is, as soon as you receive your report, you can only ascertain what has already happened.

Why is this a problem? You can't reactively drive change. With the Three Disciplines of Acceleration, you work with proactive initiatives and put focus on the activities that will drive change, not the outcome.

# The difference between a Key Activity and other activities?

### **Key Activities**

Has a direct effect on the lag measure and steering. Measuring it affect its frequency, quality or outcome.

#### **Low-Impact Activities**

Steering & measuring typical low impact activities do not affect its frequency, quality or outcome.

#### Key Takeaway

Focus on proactive activities. Only measuring your goal outcome, but not the activities that have an impact on it, helps you evaluate the past, not change it.

# **Commit & Visualize**

The third discipline enables leaders to visualize progress and empower all teams to proactively commit to Key Activities and follow up on their outcome. Each week.



Commit to clear activities, follow-up on achievements. Weekly focus and accountability on what's most important.

# Plan with speed and agility to execute with commitment and accountability

You have the plan set out; the Most Important Goals and Key Activities cascade on all levels of the organization. Now, it's time to start executing. The third discipline enables leaders to visualize progress, detect misalignment and adjust where necessary whilst empowering their teams to proactively commit to their Key Activities. This is where the acceleration takes off, in Acceleration Meetings.

### Ever been in a meeting with big promises but all talk?

71% of meetings are unproductive and inefficient. Unclear actions lead to confusion in 43% of meetings. We've all been there. Don't get us wrong, on the contrary, we love meetings. What we do differently, with a proven effect, is something called Acceleration Meetings.

#### The Acceleration Meeting

It is in these meetings the magic happens. A condensed 15-minute format with a fixed agenda helps leaders boost engagement and accountability to reach what's most important. Everyone in the team proactively commits, and the commitment goes beyond the professional role. You don't want to let your team down. Reaching your goal is a team effort after all. Transparency also makes everyone's contribution visible. This is how you create a winning culture of commitment.

A weekly meeting cadence is important. With quarterly follow-ups, you'll lose proactivity. The weekly meeting is your team's chance to be reminded of activities, support each other where gaps are arising, to proactively commit and celebrate progress.

#### Visualization creates relentlessness

Clearly seeing your team's progress makes all the difference. With visualization of progress, employees know where to focus and leaders are able to take action before a real problem arises.

### Fixing Strategy Matters Beyond Financial Results

The Three Disciplines of Acceleration create measurable and proven growth and financial improvement. For a majority of our customers, the acceleration of Key Activities exceeds 30% and they reach a Return on Investment up to 25 times their investment on EBIT. But the benefits are noticeable on all levels of the organization, not just at the bottom-line.

#### Increased motivation

Individuals and teams act and play differently when they are tracking progress, and with the transparency of the dashboard in Howwe, employees are motivated to succeed.

#### • A culture of commitment

People are more likely to commit to their own ideas than to orders from above. When employees commit in front of fellow team members, the commitment becomes a promise, not just a job performance.

#### • Team Spirit

When the team sees that the joint efforts on their Key Activities have a direct impact on the company's Most Important Goal, they become aware of their importance and team spirit increases together with the acceleration of growth.

#### • Celebration and correction

As each team engages in the 15-minute Acceleration Meeting that highlights the teams' success, analyzes failures, and corrects its course, they get the chance to reflect, celebreate wins and support each other through setbacks. You're all in it together.

#### Increased involvement

With clear Key Activities, employees know both what to do, why they do it, and see the impact their contribution has on the whole company, this is how you create fully invested teams.

#### • Transparency

By clarifying goals and activities and making them transparent, the business is strengthened and the commitment of colleagues increased.

When transparency is forgotten or deprioritized the consequence is often that the business development loses pace. A lack of transparency can also be experienced as keeping important information secret and the employee may feel forgotten or disconnected.

Showing how each employee and team contribute is valuable for the success of the business; motivation and commitment increase together with the self-confidence of each individual.



# Key Takeaways

Business Strategy is broken. With the Three Disciplines of Acceleration, it can be fixed. Here's a summary of the key takeaways.

According to Gartner, 89% of all mid-size and large companies don't have an application for digital goal steering. Many companies manage their strategy execution and goal steering with tools designed for a different purpose, such as Excel, and they often lack the methodology needed for the organization to become structured and relentless in its execution. That's where Howwe comes in to the picture. Howwe is an unique and market-leading platform based on the Three Disciplines for Acceleration.

We hope that the 'CEO Playbook for Growth' has given you new insights of how to not only survive, but thrive, through disruption. We call it the Howwe Way of Working. Leverage the Three Disciplines of Acceleration and outexecute competition.







Steer & Measure

**Commit & Visualize** 

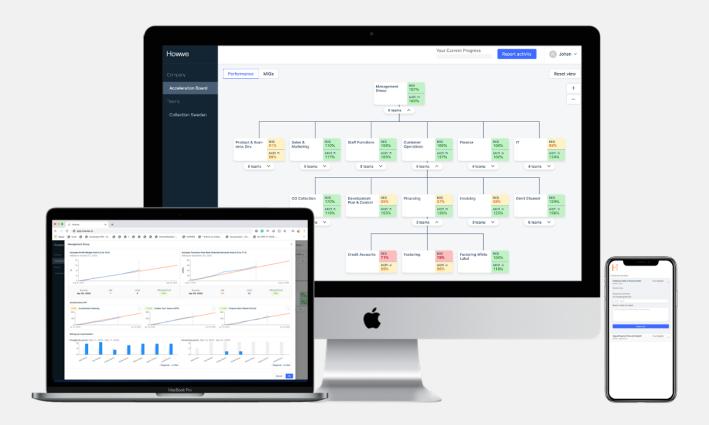
#### Key takeaways from the Playbook for Growth

- With a proactive way of working you can be on top of your goals, no matter what happens.
- Being open to change is crucial but not enough. In today's fast-paced world, being fast is a means of survival.
- Surviving disruption comes down to two skills; how good are you at executing readjustment and how fast can you realignment the whole organization
- Strategy must be understandable and actionable for all not just the C-suite.
- Focus on less to achieve more by prioritizing the Most Important Goals.
- The ability to focus is what differentiates high-performing teams from the rest.
- To succeed with your goals make sure everyone in the whole organization knowns what the goals are.

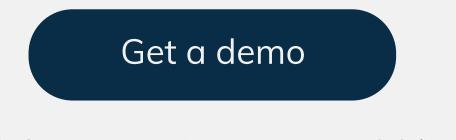
- When prioritizing goals, rank them by their business potential
- Next, decide which impactful activities you and your teams need to perform in order to reach these goals. We call these Key Activities
- Focus on proactive Key Activties and measure them. Measuring only your goals helps you evaluate the past. In order to become truly proactive you need to focus on the activties that will help you reach your goals.
- Be relentless with the Key Activities and your organization will reach the Most Important Goals.
- Strategy must be actionable and visualized for all, in one platform.

# Accelerate your Company's Growth

Are you ready to fix your strategy and start accelerating real growth? Good, we're here to get your organization started. The first step is a demo. No cost, no obligation, just one step closer to provable and measurable growth.



Howwe is a operating system for growth based on the Three Disciplines of Acceleration. It enables a proactive way of working and empowers the execution of strategy on all levels of the organization.



Howwe.io/ceoforum

Howwe.io

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