



## The Last Mile: Connecting Strategy to People

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When telco CEOs discuss capital expenditures with stock market analysts, they are often focused on expanding, upgrading and maintaining their network infrastructure. At some point in an analyst meeting, the analyst will ask the CEO to talk about investments in the "last mile". The last mile is the critical connection to the end-user at their homes where demand is created. Without the last mile secured, the billions spent on the other parts of the network infrastructure are rendered instantly useless.

Similarly, inside every enterprise there are large investments being made to enable execution through the people "infrastructure", and this people infrastructure also has a critical last mile. For example, large companies spend tens or hundreds of millions of dollars annually on major people infrastructure areas, such as new IT infrastructure and collaboration tools, new ERP systems, and new performance management systems, to name just a few. During times of change and transformation, these investments can double or triple.

However, your company is very likely mismanaging the last mile when it comes to people. **The last mile in this context is defined as the beliefs, behaviors and capabilities people need to execute your company's strategy.** The last mile is where engagement is built and where employees apply discretionary effort to drive execution. The last mile is also where strategies go to die.

When change gets difficult and progress stalls, everyone looks at the "unconnected wires" of the last mile and wonders why it's so difficult to make the connection with individuals in your company. Why is it so hard to build alignment? Why is it so hard to influence the right "daily execution" to support the strategy?

“The last mile is also where strategies go to die.”

Your CEO, company leadership and HR departments have been puzzling over the last mile for some time. Your external consultants in IT, Strategy, Comp/Benefits and Recruitment all scratch their heads while staring at the last mile. If it were as easy as connecting a fiber optic cable to a home, then your nearest IT consultancy could easily solve this problem for you. But people are complicated, and they're smart, and they have low tolerance for poor practices in this area.

## First, Stop Making These Mistakes

1. **Stop putting process over people:** Stop over-attending to structures, processes and systems while ignoring individuals' beliefs and assumptions. Beliefs don't fit on an org chart or a process flow diagram. So, while you're busy plotting your new processes and structures, the org is busy plotting ways to undermine your efforts if you don't help people develop new beliefs and capabilities to support the new strategy.
2. **Stop this 95%/5% time allocation:** *You are spending 95% of leadership time on Strategy, Goals and Metrics and 5% of leadership time on Mindset, Beliefs and Capability.* On the surface, business seems to be a perfectly analytical domain. Describe your strategy, pick your goals and metrics, and allocate resources—what could be more black and white? However, your organization is filled with the same human beings that anthropologists, sociologists and psychologists have spent the better part of a century studying for what drives beliefs and motivation. Because your business is not populated by automatons (yet), you must bring people along, and that means realizing that the shifting of values and beliefs during times of transformation is not an event, but a continuous and critical part of your job. The building of new beliefs and capabilities deserves as much senior leader attention as the attention your C-suite spends on creating the strategy in the first place.
3. **Stop believing that change in information equals change in behavior:** This statement may seem obvious, but we see this repeated constantly with the same low yield. If business were a purely analytical sport, then the logic of your strategy ought to compel people. We repeatedly see one-way communications being delivered by senior leaders during town hall meetings, off-sites and more. The audience passively receives the one-way transmission and is expected to go demonstrate new behaviors to support execution.

## New Experiences, New Beliefs

In times of rapid change, you need to provide powerful experiences that allow teams to practice with the new behavior and capabilities you are so urgently asking of them. Why? Successful adults in corporate environments are a particularly stubborn group of human beings. They don't like to be told what to do. Instead, they persuade themselves based on their own experiences.

Reflect for a moment on all the important things you have learned both professionally and personally. Most of the knowledge and beliefs you hold today can be connected to past experiences. This linkage between current beliefs and past experiences is key. So, if you want your organization to adopt the new beliefs that a strategy shift is right for their business, their customers, their teams and

themselves, you need to create powerful experiences that demonstrate why and how the market is evolving and what the implications are for their roles in the organization.

Your people need these experiences to practice new habits, and unlearn old habits. Simulating new ways of working and leading gives your people the practice they need to increase performance and speed execution. When people can practice making new decisions, make mistakes (safely), and create their own "self-induced" beliefs about the strategy, ownership and commitment increase.

Designed right, these experiences will instill in your teams the same level of conviction that the C-suite has around market evolution and the need for change. Further, when your senior leaders are involved in creating and facilitating these experiences, the last mile begins to shrink.

# E=AMC

## The Last Mile: Strategy Execution = Alignment x Mindset x Capability (E = AMC)

The last mile, when managed correctly, puts peoples' beliefs and behaviors at the center of execution. The three biggest factors on the people side of execution are: Alignment, Mindset and Capability. The examples below come from several major global companies who are undergoing massive transformations in 2016. These companies are spending millions of dollars on infrastructure, systems and processes, but they are also attending to the people side of execution—they are attending to their last mile.

### Alignment — Getting people to understand the "Why, What, How" of the new strategy

At a global software company, a rapid cascade of strategy communication and alignment sessions are being delivered in an experiential format by leaders at all levels. This company's leaders own and communicate the strategy in a powerful and engaging way as they share it with their employees. Within two months, the new strategy was delivered in a high-impact and meaningful set of experiences to 20,000 key employees.

### Mindset Shifts — The shifting of core beliefs to support a re-set of a company's strategy

At a global IT company, senior leaders are grappling with one of the most intangible aspects of change: shifting mindsets. To jump from an old mindset to a new mindset, individuals and teams need opportunities to practice, test and apply new behaviors. Below are examples of two major mindset shifts that are being worked on by this organization. In both cases, carefully designed experiences take people on a journey of understanding why and how they need to shift mindset:

**Old Mindset:** "My job as an executive used to be to create a strategy roadmap once a year, break it down into tasks and metrics, and get teams to follow."

**New Mindset:** "Today, my job is to know that the best customer-centric ideas come from my team, and that our focus and strategy may change in a matter of weeks, and I need to be comfortable with uncertainty and ambiguity."

**Old Mindset:** "It's just an enterprise solution; it doesn't have to be beautiful."

**New Mindset:** "Enterprise solutions must now meet the same ease of use standards and design elegance as consumer solutions."

### **Capability Building – defining and building the new capabilities required for a new strategy**

This client's core financial services business is being disrupted. The key issue going forward is "defining what great looks like" for multiple manager levels in the new business model. This client's transformation requires new daily behaviors, new business logic and new capabilities.

For example, the organization must build new capabilities in product development, customer experience and revenue recognition. To achieve this level of capability-building in a short period of time, this company is using a series of powerful business simulations and experiential learning events, combined with performance coaching, laid out over 12 months in a highly contextual and results-oriented learning and execution journey. The journey assures that the practice translates directly into actions and results.

### **Conclusion**

New strategies and business transformations require new beliefs, new mindsets and new capabilities. When your organization takes the time to understand market shifts and 'what great looks like' in the new environment, practice new ways of working, and test new beliefs, employees generate their own commitment and conclusions. This results in a much higher degree of ownership and accountability, and accelerates execution. When your senior leadership team helps create and facilitate powerful experiences that build alignment, mindset and capability, then your organization is beginning to master THE LAST MILE.

### **About BTS**

BTS focuses on the people side of strategy, working with leaders at all levels to help them make better decisions, convert those decisions to actions and deliver results. At our core, we believe people learn best by doing. For 30 years, we've been designing fun, powerful experiences™ that have profound and lasting impact on people and their careers. We inspire new ways of thinking, build critical capabilities and unleash business success. It's strategy made personal.

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