Opinion

4 Reasons Why Plan Execution Fails

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Are your performance goals for 2015 being met? Is profit tracking within forecast expectations? Is your company following the strategic plan you charted? For many trucking companies, the answer to each of these questions is a very disappointing 'No.'

Too often, owners and top executives develop strategic plans that excel in detail yet fail in execution. Following are four common plan execution obstacles and possible solutions.

1) Obstacle: Employees aren't held accountable.

Failures in accountability happen for many reasons and at all levels, but the most destructive occurrence is when the owner or top executive does not hold his/her direct reports accountable. When accountability is missing from the very top, it permeates down through the organization. Lower-level employees noticing a lack of plan support from their not-held-accountable supervisors become less concerned about their own plan-support efforts.

Owner inability to hold executives accountable is due to several reasons, including:

- Shared ownership with family members or partners who have conflicting strategies.
- Indifference or lack of support from key employees (those with high influence and whom you can't do without).
- Owner's or top executive's ineffective, 'avoid-conflict' management style.

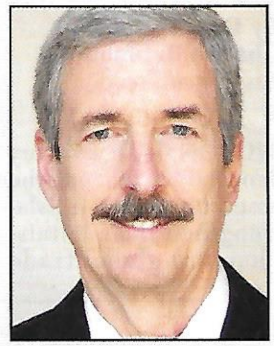
Solution: Assess accountability obstacles and make needed changes. Lack of owner or top executive accountability is a difficult problem to overcome because it requires that executive to recognize his/her shortcomings and then take corrective action. When an owner acknowledges those shortcomings, example solutions include:

- Purchasing majority interest in company or hiring outside expertise to resolve strategy conflicts, between family and/or partners, before plan introduction.
- Have a corrective interview with the unsupportive key employee and possibly reassign him/her to a less-influential position and/or a redesigned bonus plan based 100% on plan's success.
- If owner with avoid-conflict management style can't become more assertive, require progress reviews during monthly executive committee meetings and use committee critiques of each executive's progress to force accountability through public peer pressure.

2) Obstacle: No one in charge of implementing plan.

Within each plan strategy are enablers — processes, reports, training and communications — that have to be implemented, often in a specific order, to support higher goal performance. Plan enablers usually are in defined-but-undeveloped form. They require individual employee, individual department or joint department efforts to develop. However, employees and departments tend to set their own self-serving priorities and do not voluntarily devote time to enabler development that doesn't directly benefit them or their goals.

Solution: Assign plan implementation responsibility. Appoint a respected employee within the organization known for strong organizational and communicative skills to the position of plan director. Make a public announcement that this person will manage plan implementation and has full authority to assign tasks and deadlines to all employees in the organization, including department heads. Require weekly updates from the plan director.



3) Obstacle: Plan is not department integrated.

For example, a specific driver-turnover metric may be a plan goal for the human resource department. The associated improvement strategy includes fleet manager driver-mentor training from the operations department, pre-inspection of trucks for new hires in the maintenance department and the shedding of high-detention customers by the marketing department.

If the operations, maintenance and marketing departments, each with their unique goals, are not somehow accountable or rewarded for supporting the HR department's driver-retention metric, that goal most likely will not be met.

Solution: Provide weighted executive bonus opportunities based on individual, company and plan goals. Develop an executive bonus program that pays out for goal obtainment in three areas — individual performance, company performance and development of assigned plan enablers. The more heavily your plan depends on between-department cooperation, the higher the payout percentage should be for plan enablers.

4) Obstacle: Employee workload is too high.

Often when employees first hear of a new plan to improve bottom-line performance their immediate thought is, "I already have too much to do." This is particularly true of middle managers, employees directly involved with driver management and customer service. It doesn't matter if their "maxed-out" belief is an actuality or perception. Overworked employees assigned additional tasks, such as plan enablers, will not willingly work harder or longer but instead will start making choices about what they can complete. When employees, particularly those in midmanagement, start deciding what tasks will and will not be performed, total company performance will suffer.

Solution: Assess workload conflicts and establish priorities. Sit with employee groups concerned with high workloads, observe their daily tasks and assess actual workloads. For those groups where workloads are too high, prioritize which tasks must be done. Look for ways to eliminate or reassign lower-priority tasks.

The above are plan-execution obstacles. Another group of plan obstacles includes insufficient resource support, unattainable goals, insignificant rewards and undefined best practices. Each of these is a pre-execution obstacle, the result of a poorly crafted strategic plan.

Remember, a plan without detail, clarity and defined activities will fail on its own lack of merit. Improved performance and profitability can be built only on a solid foundation.

CostDown Consulting, based in Grayson, Georgia, provides trucking company owners and executives with strategy planning, executive performance management programs and driver-retention services.