# EXECUTING STRATEGY FOR RESULTS (15.711)
JANUARY 8-9, 2025 8:30-16:00

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**Classroom:** E62-233



## I. INTRODUCTION

A recent survey of more than 400 global CEOs revealed that excellence in execution was the number one challenge facing corporate leaders, topping a list of 84 issues including innovation, geopolitical instability, and top-line growth. These executives are right to worry about execution. Between one-half and two-thirds of companies fall short when it comes to executing their strategy.

This course is designed to help Sloan EMBAs bridge the gap between strategy and execution by introducing a set of tools—based on research and field-tested in organizations—to drive execution in their own organization.

## II. STRUCTURE OF THE COURSE

The course consists of eight sessions. Two of the sessions--Brahma and Netflix--are case discussions that introduce key themes of the course. It's very important that you read these cases carefully and come to class ready to discuss the preparation questions.

The remainder of the sessions introduce practical tools to help you and your organization drive execution more effectively. Each of the tool sessions are structured as follows:

- *Required reading* that introduces the tool (e.g., FAST goals, simple rules) and provides examples of its use in practice. We will not rehash the content of the required readings during class, so you will need to read these in advance to get the most out of the course.
- *In-class discussion* to discuss how the tool might apply to your own teams and organizations. These sessions will be very interactive, and provide you with an opportunity to ask questions and move beyond the basics covered in the required readings.
- *Worksheets* to help you consolidate your insights from the reading and discussions, and translate them into actionable insights to improve execution in your own organization. These worksheets are designed to provide a starting place for your insight into action memos (described below).
- *Supplemental materials* including additional articles, webinars, and online diagnostics for students who want to dig deeper on a specific topic. These supplemental materials are purely optional, and not required preparation for class. They can, however, be quite useful when writing your insight into action memos applying a specific tool to your work context.

**III. GRADING AND REQUIREMENTS (**This course is only offered pass/fail).

**Pre-class survey (20%)**: Prior to the first class, each student will be required to complete an online survey assessing strategy execution in their current or most recent employer. The survey questions will introduce the main themes of the course and will help the instructor identify key challenges to execution faced by members of the class. All responses will be completely confidential. The survey should take approximately 20 minutes to complete. You will receive an email link to the survey on December 17, and **you must complete the survey by Tuesday January 7 at 11:59 pm.**

**Insight into action memo (80%):** During the course, we will discuss tools to drive strategy implementation. Each student will select one of the tools, and write a short memorandum linking the frameworks to their professional experience. You can reflect on a past experience related to strategy execution, that did not go as well as it could have, and describe how you could have managed the situation more effectively using a tool from the course. Alternately, you could focus on a current execution challenge you face and describe how you could use one of the course tools to address it. This memo is an individual assignment. We will discuss the structure and content of the memos during class. **Insight into action memos will be due on January 23 at 11:59 pm.**

**IV. SCHEDULE OF SESSIONS AND READINGS**

| session | Time | Topic | Required readings |
|---|---|---|---|
| | | **January 8** | |
| 1 | 8:30-10:00 | Brahma case discussion | *Brahma versus Antarctica* case |
| 2 | 10:10-11:30 | Myths of strategy execution | Why strategy execution unravels, and what to do about it |
| 3 | 1:00-2:30 | Strategy for execution | Turning strategy into results |
| 4 | 2:40-4:00 | FAST goals | With goals, FAST beats SMART |
| | | **January 9** | |
| 5 | 8:30-10:00 | Netflix case discussion | *Netflix Culture* mini case |
| 6 | 10:10-11:30 | Building an execution culture | How to fix a toxic culture |
| 7 | 1:00-2:30 | Leading discussions to drive execution | Closing the gap between strategy and execution |
| 8 | 2:40-4:00 | Simple rules | *Simple Rules,* chapter 5 |

## V. READINGS AND PREPARATION QUESTIONS

### SESSION 1: Brahma case discussion

- Required reading:
  - *Brahma versus Antarctica: Reversal of Fortune in Brazil's Beer Market*, London Business School case CS04-015.
  - Brahma case workbook with exhibits
- Preparation questions:
  - How would you assess Brahma's performance? What measures are most important in measuring the effectiveness of Brahma's strategy and execution?
  - Is the Antarctica merger a golden opportunity for Brahma? What, in your assessment, would be the single most important source of value creation through the merger? Are you confident Brahma could execute on this merger?
  - In 1990, Antarctica was better positioned than Brahma in terms of financial performance, brand equity and market share of their respective flagship beers. How did Telles and his management team overtake Antarctica in the following decade? How much of Brahma's success would you attribute to strategy? How much would you attribute to superior execution?
  - What organizational changes enhanced Brahma's ability to execute? How important were changes in organizational elements such as information systems, top leadership, middle management, processes, resource allocation, and culture?
  - What role did Telles play in Brahma's transformation? How did his experience as a trader prepare him to lead Brahma? How would you describe him as a leader?

### SESSION 2: Myths of Strategy Execution

- Required reading:
  - Donald Sull, Rebecca Homkes, and Charles Sull, 2015, "Why strategy execution unravels—and what to do about it" *Harvard Business Review*, February
- Additional materials (purely optional):
  - Donald Sull and Charles Sull, 2022, "Preparing your Company for the Next Recession," *MIT Sloan Management Review*, December.
  - Donald Sull et al., 2018, "No one knows your strategy--not even your top leaders," *MIT Sloan Management Review*, February.
- Preparation questions:
  - How would you describe how your organization executes strategy? What processes, tools, and practices are most important in translating strategy into results?
  - Which elements of strategy execution work best in your organization? Which elements of strategy execution do not work as well?

**SESSION 3: Strategy for Execution**

- Required reading:
  - Donald Sull et al., 2017, "Turning Strategy into Results," *MIT Sloan Management Review*
- Additional materials (purely optional):
  - Developing a strategy for execution webinar. Elaborates on turning strategy into results article.
  - Donald Sull et al., 2017, "Four Logics of Corporate Strategy," *MIT Sloan Management Review*. Presents a simple framework to distinguish between business unit and corporate strategy.
  - Donald Sull et al., 2018, "Six steps to communicating strategic priorities effectively," *MIT Sloan Management Review*. Some practical tips on communicating a strategy for execution.
  - Donald Sull and Stefano Turconi, 2017, "How to recognize a strategic priority when you see one," *MIT Sloan Management Review*, September.
  - Strategic priorities: The good, the bad, and the ugly. An online interactive to assess the effectiveness of your organization's priorities.
- Preparation questions:
  - Prior to class, please identify your organization's strategic priorities. In your assessment, do these strategic priorities provide a useful guide for strategy execution? Why or why not?
  - How could your strategic priorities be improved?

**SESSION 4: FAST Goals**

- Required reading:
  - Donald Sull and Charles Sull 2018, "With Goals, FAST beats SMART," *MIT Sloan Management Review*
- Additional materials (purely optional):
  - Webinar with John Doerr discussing OKRs. Godfather of OKRs discusses how to put them into practice and overcome common obstacles.
  - Felipe Castro, *The Beginner's Guide to OKRs*. Super practical intro to using OKRs
  - Setting goals to execute your strategy webinar. Elaborates on FAST goals.
  - How FAST are your goals? Online interactive to evaluate your organization's goals.
- Preparation questions:
  - Reflect on your current employer. Do you use a formal process to make and manage goals? If so, what aspect of the process work well? What does not work as well?
  - How could your organization use goals to more effectively drive strategy execution? What could you do with your team and colleagues to improve the effectiveness of goals?

**SESSION 5: Netflix case discussion**

- Required reading:
    - *Netflix and the Streaming Wars*, MIT Sloan case study
    - Netflix case workbook with exhibits
- Preparation questions:
    - Who is Netflix' target customer? What is the company's value proposition? Why do customers sign up for Netflix? How does Netflix deliver its value proposition to its target customers? What resources and capabilities are required for Netflix to execute on its strategy?
    - How important has the corporate culture of Netflix been in explaining Netflix ability to execute its strategy? How did each of the five core values promote strategy execution? How might they undermine execution?
    - How did Netflix make sure that abstract values like "ownership" or "transparency" shape employee behavior? Which concrete practices helped to translate corporate values into action?
    - Do you think that the company's culture will provide a sustainable source of competitive advantage in the future? Why or why not? More broadly, can a corporate culture sustain execution capacity?

**SESSION 6: Building an execution culture**

- Required reading:
    - Donald Sull and Charles Sull, 2022, "How to fix a toxic culture," *MIT Sloan Management Review,* September.
- Additional materials (purely optional):
    - Donald Sull et al, 2019, "Measuring culture in leading companies,*" MIT Sloan Management Review,*
- Preparation questions:
    - **Please note** the assigned reading describes four levers--top leadership, distributed leaders, norms, and work design--to affect a specific type of cultural change--reducing toxic behaviors. Our in-class discussion will focus on these four levers, but apply them to building a culture of execution.
    - Reflecting on the Brahma case, how did Marcel Telles build a culture of execution? What were the most important cultural values that Telles was trying to instill in the company? What was the role of top leadership in building the new culture? What was the role of distributed leaders? How did he change established social norms within Brahma? What changes did he make to work design? What other actions were important in transforming Brahma's culture?
    - Reflecting on the Netflix case, how did Reed Hastings build a culture of execution at Netflix? What were the most important cultural values that Hastings was trying to instill in Netflix? What was the role of top leadership in building the Netflix culture? What was the role of distributed leaders? How did Hastings, and the leadership team, translate corporate values into social norms that guide behavior on a day-to-day basis? What role, if any, did work design play in reinforcing Netflix' corporate culture?

- In your own experience, what has worked well to build a culture of execution? What steps have top teams taken to build culture? Distributed leaders? What has built or reinforced social norms? How has work design shaped culture?

**SESSION 7: Leading discussions to drive execution**

- Required reading:
  - Donald Sull, 2007, "Closing the gap between strategy and execution," *Sloan Management Review*.
- Additional materials (purely optional):
  - Donald Sull and Charles Spinosa, 2007, "Promise-based management: The essence of Execution," *Harvard Business Review*, April
  - Donald Sull and Charles Spinosa, 2005, "Using commitments to manage across units," *MIT Sloan Management Review*, Fall
- Preparation questions:
  - Based on your own experience, what are the key obstacles to effective discussions in terms of how to make sense, make choices, make it happen, make revisions?
  - What practices have you observed or used that improve the quality of each of the four types of discussions? What made them effective?
  - Reflecting on your own experience, please think of an initiative, investment, or decision that did not work as well as planned. What went wrong in terms of the four types of discussion?

**SESSION 8: Simple rules**

- Required reading:
  - Donald Sull and Kathleen Eisenhardt, 2015, *Simple Rules*, chapter 5
- Additional materials (purely optional):
  - Donald Sull, 2015, "The simple rules of disciplined innovation," *McKinsey Quarterly*, May. Simple rules can help prioritize opportunities and implement innovation.
  - Donald Sull and Kathleen Eisenhardt, 2012, "Simple rules for a complex world," *Harvard Business Review*, September
  - Simple Rules--How to Thrive in a Complex World, Talks at Google. Overview of simple rules, where they are most effective, and how to embed them in organizations.
- Preparation questions:
  - Please consider a specific activity or decision that would be a good candidate for simple rules in your organization.
  - What is the specific bottleneck you would address with simple rules? Is this bottleneck clearly linked to your strategic priorities? Do the alternatives exceed available resources, including time, talent, or cash? Is this bottleneck at the intersection of different teams, functions, or silos?
  - What process would you use to develop the rules? Who would lead the process? How ensure key stakeholders buy-in? Which teams should help

develop the rules and which users from those teams would invite to be on the team to develop rules? How could you test your preliminary rules quickly and at low cost?

- How will you measure the impact of your rules? Are there short-term proxies for long-term impact?