



# Driving transformation when change is exponential

**Razat Gaurav**, CEO of Planview, the leader in portfolio management and value stream management, shares why bridging the strategy-execution gap is essential for transformation.

## What is the biggest challenge organisations face when connecting strategy to execution?

The biggest challenge between strategy and execution is change—change from technology shifts, geopolitical shifts, demographic shifts and even generational shifts. It's not a new phenomenon. But what has changed is that the pace of change is exponentially faster. Companies must be able to quickly analyse and adapt or evolve their strategy—and how those changes are executed—while still driving important business outcomes.

## Why is digitalisation a magnifying glass on the disconnect between strategy and execution?

Digitalisation is an imperative in almost every organisation in every industry today, and that's what's leading to more than \$3trn of annual spending on it. The rationale behind digitalisation is sound, but studies show that much of that work is wasted—more than 40%, in some cases. This is largely due to the disconnect between strategy and what's being executed by teams across the business.

## How do you envisage technologies like artificial intelligence (AI) affecting the strategy implementation gap?

AI has existed for years. What has really changed the game is how large language models can train on massive amounts of data with very sophisticated neural networks. And then, they can serve insights in a common language to people who know nothing about code or neural networks. This includes bringing key data and insights that impact strategy planning and execution across every organisational function.

## Planview recently sponsored a survey showing that 86% of respondents think their organisations need to improve accountability for strategy implementation. What challenges do organisations face around measurement?

The key thing that gets in the way are data silos. Most organisations are swimming in data, yet most of that data is not usable to make decisions. Curating the relevant data to align with your priorities and objectives is critical to achieving accountability for strategy implementation.

## How can organisations ensure a common understanding of strategic goals?

What we find is that many organisations have three major gaps.

First, organisations are measuring inputs or outputs, but they're not measuring outcomes. Particularly when dealing with digital transformations, the business and technology teams must work together to focus on the outcome.

The second gap is around creating a synchronised, connected approach to objectives and key results—what some organisations call OKRs. Is leadership in alignment with the way an individual contributor gets measured? And does the individual contributor understand how they impact their leadership's OKRs? That bidirectional synchronisation is key.

And then the last piece is how the different functions in the organisation—finance, manufacturing, sales, and so on—align their OKRs to help achieve the company's objectives and key results.

## How can organisations effectively reallocate financial, technological and human resources in response to change?

Reprioritising in a data-driven way is a challenging task. But when you add a data foundation and create a system of record for the initiatives you're working on, you can create the visibility and transparency required to make decisions that optimise key outcomes. Companies today are able to do this even more quickly through a generative AI interface to gain insights on the most optimal way to reprioritise.

## How can companies align their culture with their strategic business objectives?

Culture is a critical success factor in dealing with change and bridging the strategy-execution gap. It's defined by the reason a company exists, and it emerges from your organisation's purpose, vision for the future and core values. This is especially important as companies navigate the changes that come with digitalisation and transformation. They ultimately need to have a culture that allows for that transformation to happen and be successful. Companies need cultures that allow people to do their best work, experiment and fail fast to get through the learning cycles.

## What should leaders do first to narrow the strategy-execution gap?

My first piece of advice would be, take a deep breath because change is constant. As organisations, as leaders, as individuals, we all have to be ready to adapt and change. But beyond taking that deep breath, there are three things I'd advise organisations to do.

First, figure out the three initiatives that will actually move the needle. Second, define OKRs and an incentive structure for the outcomes you're trying to achieve. Third, invest in systems that allow you to break out of those data silos to execute as one organisation, as one team.

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