



Harvard Business Review

REPRINT H03ZJN
PUBLISHED ON HBR.ORG
NOVEMBER 21, 2017

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AWAKENING/GETTY IMAGES

The common perception is that strategy is done at the top of the org chart, and execution is done below. It is exactly the opposite – let me explain why.

First, I should explain that I have always hated the use of the term “execution.” Its common definition is fundamentally unhelpful, and contributes to what executives often call “the strategy-execution gap.”

Usually when businesspeople talk about “strategy” and “execution,” the former is the act of making choices and the latter the act of obeying them. My quibble with this characterization is that the things that happen in the activity called “strategy” and the activity called “execution” are identical: people are making choices about what to do and what not to do. In my 36 years of working with companies, I still haven’t seen an example of a strategy that was so tightly specified that the people “executing” it didn’t have to make major choices—choices as tricky and important as the so-called “strategy choices” themselves.

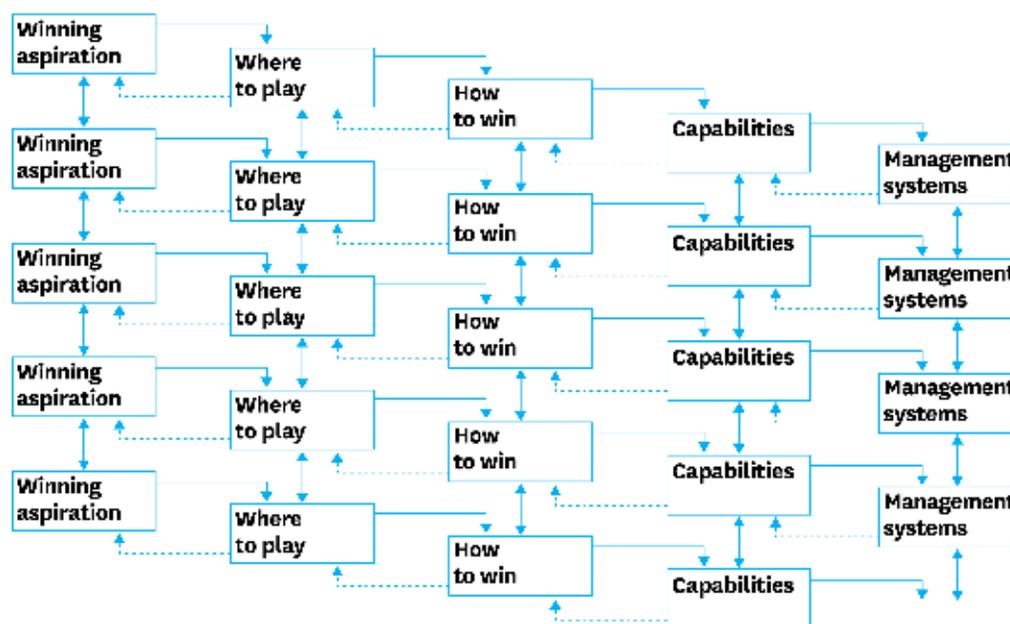
For example, imagine that the CEO’s chosen strategy is to differentiate on the basis of superior “fit and finish,” e.g., the flawlessness and detail-orientation of her products. She asks her EVP of manufacturing to please go execute that strategy. That strategy is not sufficiently specified for the manufacturing EVP to just do it without needing to contemplate making some a number of key choices—nor will it ever be. What are the various plausible ways of beating my competitors on “fit and finish”? Which has the highest probability of success? Is it even a plausible way of winning against competitors who already focus on “fit and finish”?

Since those choices look remarkably similar to the kind of choices made by the CEO, it begs the question: Why on earth do we call the CEO’s choices “strategy” and the EVP’s choices “execution?” Of course, as people are wont to point out, the EVP’s choices are constrained by the CEO’s choices, so aren’t they fundamentally different? That would only be a valid argument if the CEO’s choices were truly unconstrained. But ask CEOs and they will give you chapter and verse about the many constraints they face, from capital markets to boards of directors to regulations.

In complex organizations, there is very little choiceless doing. Even after the Manufacturing EVP decides how to differentiate on fit and finish, his SVP Plant Operations will have to make some important choices, as will her VP of Plant Logistics, and so on. The is why my conception of strategy work in organizations is as a series of interconnected choices: What’s our winning aspiration? Where will we play? How will we win? What capabilities do we need in order to win? And what systems do we need in place to manage those capabilities? We might visualize it this way:

How Strategy Really Happens in an Organization

It's an interconnected cascade of choices.



SOURCE: PLAYING TO WIN: HOW STRATEGY REALLY WORKS, BY A.G. LAFLEY AND ROGER L. MARTIN (HBR PRESS, 2013)

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No matter where you are in the organization, the choices are the same: they are all where to play/how to win strategy choices. The arrows show that you can't either start at the top and proceed downward or start at the bottom and proceed upward. You have to toggle back and forth until the choices fit with and reinforce one another.

And that is why I describe leadership in this layered choice cascade as follows:

1. Make only the set of choices you are more capable of making than anyone else.
2. Explain the choice that has been made and the reasoning behind it.
3. Explicitly identify the next downstream choice.
4. Assist in making the downstream choice, as needed.
5. Commit to revisit and modify the choice based on downstream feedback.

Until recently, I had never once heard a useful or compelling definition of execution that distinguished it from strategy – literally not a single one. That is, until in a strategy seminar for senior Verizon executives, a young executive named Andres Irlando offered up the following: *Roger, wouldn't you call execution the act of setting up that series of choice cascades, identifying the manager responsible for the choices in each cascade, and following up to ensure that they make the choices for which they are responsible?*

A brilliant answer! Strategy is the act of making choices about “where to play” and “how to win” across the various levels and parts of the organization. Execution is the act of parsing out responsibility for those choices, making sure people actually *choose* (instead of waffling around in indecision).

This reverses the normal implied responsibilities. While the traditional definitions hold that strategy is done at the top and execution is done below, in this alternative, more useful definition, strategy choices are made *throughout* the organization and the responsibility for execution lies at the top.

If there’s a “strategy-execution gap” in a company you lead, consider whether adopting the role of the executor would help you close it.

Roger L. Martin is the director of the Martin Prosperity Institute and a former dean of the Rotman School of Management at the University of Toronto. He is a coauthor of [Creating Great Choices: A Leader’s Guide to Integrative Thinking](#) (Harvard Business Review Press, 2017).
