The Most Overlooked Execution Blind Spot

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Throughout my 25 years of coaching and consulting with top management teams, I have witnessed the same problem over and over again in companies and organizations around the world. It goes something like this:

Senior management develops great strategic plans each year, which are beautifully cascaded down the organization until each function (and each individual) in the organization has clear goals and measures.

Individual managers closely monitor the performance of their teams, give regular feedback, and even communicate regularly to make course corrections and adjustments as needed.

Yet, despite everyone's best intentions, the organization does not achieve its full potential.

The big question is, why does this happen with such regularity, and how can you avoid it in your organization. Of course, there are many reasons why organizational performance can be sub-optimal, but I have noticed one that ends up being the culprit in organization after organization that we work with. In essence, the CEO or head of the organization fails to incorporate a very important step in the planning and goal cascade process – called Goal Mirroring. Let me explain.

Typically, the senior management team meets to discuss and finalize an overall plan for the organization, which in the case of a company, ends up becoming the CEO's goals or KPIs. Next, each division head develops his or her own goals. Once divisional goals are blessed by the CEO, the division heads share the plan with their direct reports and ask each of them to develop their own goals. This cascade process goes on until each person in the division has clear and measurable performance goals.

Once the cascade is completed in all divisions and functions, each group gets busy working on their respective goals. Each division head regularly updates the CEO through out the year on his or her area as per plan. All sounds logical isn't it? Then why doesn't the company achieve what it is supposed to? Here's the problem – most divisions tend to work in isolation rather than collaboratively with each other. Everyone gets so busy in their own silo that they forget the inter-related and inter-dependent nature of divisional goals. As performance goes below par, the blame game starts and there's conflict galore…..

You're probably shaking your head right now because you've seen this dance play out at least a few times already. So how can it be fixed. Simple: Before division heads cascade their goals to the rest of their staff, the CEO should host a goal alignment meeting wherein each division head presents his or her goals; and lists key internal dependencies. An internal dependency is the support A needs from B in achieving a goal. Once internal dependencies have been identified by division A, the corresponding division (B) head must include "mirror goals" in his goals to ensure division B does whatever it needs to do to support division A. By adding mirror goals, all division heads are now responsible for making it happen. What gets measured, gets done!

Here's an example. In a financial services company, the Chief Technology Officer's key goal for a particular year was to migrate all customers to a paperless, online system. By the third quarter it was clear that the goal would not be met. Why? Did the Technology Division not work hard enough? No. What did not happen is that the CTO failed to ask who the success of this goal depended on internally. Had he asked himself that question, it would be clear that unless the heads of the two primary customer management channels work closely with the technology division to convince clients to move from the manual to online process, the goal would be impossible to achieve. So, if the alignment meeting had taken place, the customer management channel heads would have created mirror goals to support the technology division in making sure the conversion happens as planned. But since they did not have mirror goals, the channel heads were focused on their main goal of growing the top line, at the cost of the online conversion goal.

An alignment meeting to understand the goals of all divisions, and to develop mirror goals to ensure collaboration, is a simple but powerful tool. Adding it to the annual strategic planning process can make all the difference between mediocrity and excellence.

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