The secret to being a strong leader? Stop debating "strategy"

Annette Verschuren, CEO of NRStor and formerly of Home Depot Canada and Michaels Canada, shares her secret: focus on action

May 18, 2016 Annette Verschuren

"Only 20% of your time should be spent planning."

In this excerpt from her new book, Bet on Me, *Annette Verschuren, Chair and CEO of NRStor, shares the tactic that's made her most successful: tossing aside "strategy" and focusing on execution.*

If there's one thing that will prevent you from getting results and capitalizing on your best ideas, it's waiting for the perfect plan. I'll go out on a limb and say that nothing kills progress like a brilliant strategy. When I review my career, I can honestly say that any success I have experienced has had less to do with strategic planning and almost everything to do with action. I'm not saying I don't plan, nor am I suggesting that you abandon any attempt to craft an articulate vision for your life, career or organization. Everyone needs a destination and a basic plan for reaching it. But I have observed that the main thing preventing people from reaching that desired destination is unwitting procrastination, most often in the form of the hunt for a brilliant plan.

As a leader, your job is to get results. Results aren't the byproduct of thought, but of making decisions and taking action—quickly. Whether you are an entrepreneur launching a new business, a leader within an established company trying to improve operations or the executive director of a non-profit trying to get maximum results on a shoestring budget, the ability to quickly bring solid ideas to fruition will determine your success. Anything that prevents you from deciding and acting isn't helpful.

Opportunity has its own sense of timing, and very often that timing is different from yours. After I left my executive position in 1992 at Imasco—which had interests in tobacco, banking and restaurants—I knew I wanted to start a retail business, and I was certain I wanted not to launch an entirely new company but to bring an established retailer to Canada. After researching Michaels, I approached them, and I was willing to invest my own hard-earned money in the venture. All of these moves might suggest that, when I finally signed on the dotted line and became the founding president of Michaels Canada, I was totally prepared and had a plan in place for exactly how I would launch. You can see where I'm headed with this. Despite having steered myself directly into this venture, when my two partners and I signed the papers, we did not in fact have a brilliant plan for how we'd launch. Life and business don't work that way. They both move quickly, so most of the time we're only able to focus a few short steps in front of us. That means we rarely have the time to create the kind of elaborate plans we may believe we should have in place, because we are busy responding to the opportunity in front of us.

Any experienced retailer with a bird's-eye view of my first six months at Michaels might have wondered if we'd still be open by the year's end. We had an established brand, an opportunity to blow open the Canadian craft market, a few hundred thousand dollars' worth of capital to build some new stores, and that was pretty much it. My entire plan for the launch of Michaels could fit on a single sheet of paper. My two partners and I knew two-thirds of what we needed to know in order to be successful: Brian McDowell and I had a strong handle on operations; Jerry Payton was experienced in purchasing. We knew very little about supply chain, and we couldn't afford to invest in a sophisticated inventory-tracking system or spend the time acquiring import licences, both items typically considered must-haves for a major retail operation. What's more, we were about to open a national retailer without our own warehouse.

We negotiated a deal with freight company Kuehne & Nagel to rent space in their warehousing facility and pay them a fee to help us manage our inventory. It was considered a risky strategy, given how critical it was to have total inventory control. To understand why inventory control is so important, think about what it would do to a crafts retailer to not have Christmas-themed decorating supplies during the winter holiday season. Or imagine ordering twice as many wreaths and assorted Santa supplies as you need, and only discovering that you overbought in early January. You could put those Santas on sale, but by that time the market will have moved on to Valentine's Day. Either mistake could cost you your shirt. Relying on an outside party to handle such a crucial step was a risky thing to do. In fact, our "plan" had so many holes in it that if an MBA class had reviewed our startup strategy, most students would have considered us touch and go at best. Heck, I knew we didn't have a great plan. But I knew we couldn't afford to dither, wasting our time and money as we tried to come up with a better plan. We had to act. We had already tied up most of our capital in buying inventory, hiring a skeleton staff and building new locations. We were under the gun to open our stores and start generating cash.

So rather than second-guessing our mediocre plan, we focused on ensuring we were pulling it off to the absolute best of our abilities. I made a point of developing a strong relationship with our warehouse and inventory control partners at Kuehne & Nagel, because I knew the strength of that arrangement underpinned the success of our launch. When we saw that our first location was taking forever to open, we established a new store operator position and got John DeFranco, who was then employed by Michaels, to help us create a store launch process and then use that as a checklist to expedite the launch of future stores. (After 10 years at Home Depot, DeFranco went on to become president of PetSmart Canada.) I spent no time wondering if I should have done things differently. Rather, I focused on staying present, observing what was and wasn't working, course correcting and making sure the actions we were taking were done as well as possible.

I'm happy to report that our mediocre (at best) strategy, combined with our brilliant execution, paid off. We opened 17 stores in 26 months. After our initial store launch—a two-month process in all—we perfected execution so subsequent stores were up and running in an average of three weeks after major construction elements were in place.

I believe that 80% of your overall efforts as a leader should be directed toward execution, toward making things happen. Only 20% of your time should be spent planning. Think about that: 80% of your time. In my experience, this level of commitment to execution is rare, which is why so many leaders and organizations struggle to get the results they desire. I want to outline some of the common ways I have seen emerging leaders get bogged down by strategy at the expense of action. If any of these examples resonate with you, don't despair. Not only are these mistakes common, but they usually come from the best of intentions. We overplan because we want to do a great job, and we have been taught that the way to get results is to plan well. While this "rule" might seem sensible on paper, when it comes to the real world, it just doesn't hold up.

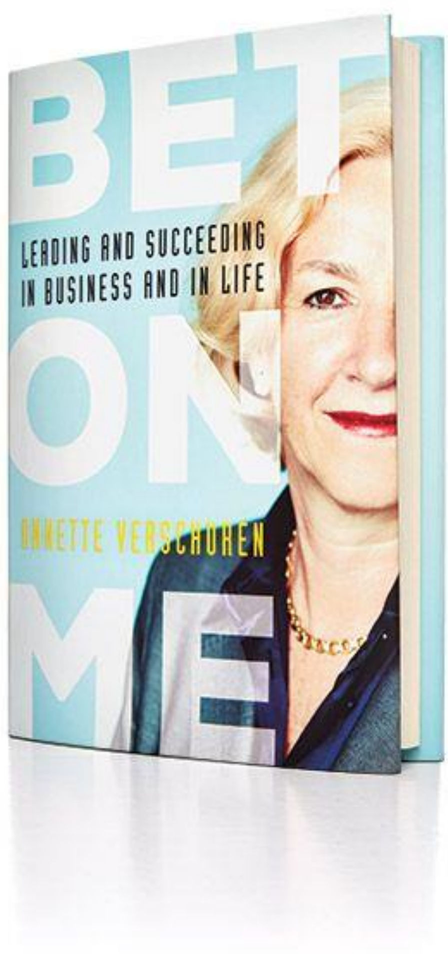
I have fallen prey to most of these pitfalls at one point or another. As you'll discover, many seem, at first glance, to be perfectly rational things to do, when in fact they can derail progress and forward momentum. But look back on your own experience and consider instances in which your time and effort might have been best spent taking action. The key is to be aware. When you notice yourself or someone on your team hesitating or failing to take action because of one of these stalling techniques, gently draw attention to the problem and then refocus on your best next move.

Overplanning is common when it comes to personal investing. People don't invest because they have too much information. Should I listen to this financial expert or that one? Should I invest in this fund or that one? What's the very best decision I could make? Days, weeks, months, even years pass, and that person has forfeited lots of compound interest in favour of seeking too much counsel. Years ago, after a short period of planning, I decided how I would manage the bulk of my investments. I hired an investment adviser, and together we agreed on an investment strategy and what we'd put into this portfolio: growth-oriented mutual funds from respected institutions and shares of stable, well-managed companies. Do I have the most up-to-date, sophisticated investment strategy? Probably not. Do I take full advantage of the brilliant financial advisers I have within my network? I do a pulse check regularly but not so often that I might be repeatedly tempted to change my approach. Instead, I have focused my energy on trusting my own plan, one that includes input from a small handful of people, and executing this plan consistently. Sticking to this plan has allowed me to be free of second-guessing. Meanwhile, I know of others who have consistently out-earned me, but in paying too much attention to the latest brilliant fund manager or financial wizard, they have not been as effective with their money.

Economists sometimes talk about the law of diminishing marginal returns. The law works like this: You eat one bowl salted caramel ice cream, and it's bliss in your mouth. The second is amazing, but not quite bliss. The third is sugary. The fourth gives you a stomach ache. Seeking input from others is also governed by this law of diminishing marginal returns. When I am putting together a plan or seeking input on a course of action, I will choose two or three people I trust and respect, and who think differently from me. The thinking differently part is critical. Often we consult people who think the same as a way of reinforcing the path we want to take. I seek diverse input, make my decision and begin focusing immediately on pulling off that decision as well as I possibly can.

If there are instances in your life or career when you find yourself wondering what someone else would do in your situation or constantly seeking advice and input from others, you may be using this stalling technique as a way of devising a brilliant strategy while delaying taking action. When I notice this happening in my own life, I gently remind myself about the law of diminishing marginal returns. I make sure I have heard from a small handful of people with diverse approaches, and then I place trust in myself, make a call and act. This technique works every time.

The smartest person I know, my sister, Dorothy—has devoted her life to education and learning. She reads constantly,and I have never managed to bring up a subject in conversation that she doesn't know something about. But even my brilliant sister would agree it's all too easy for the pursuit of learning to interfere with the pursuit of action. Don't get me wrong; I'm a huge champion of education and learning. I'm the chancellor of Cape Breton University, after all. But I have noticed that emerging leaders will sometimes opt for more training or seek more knowledge when a wiser choice might be to take a different course of action.



Take my experience at the Cape Breton Development Corp., where I started my career. I had gone as far as I could go in that organization. I was having trouble finding other work. I was 30 years old. What I see many people who discover themselves in a similar situation doing today is earning an MBA, hoping the education will open up new doors. This is a reasonable bet. And education is always valuable. But I have to wonder whether some of those people would benefit more from taking a few of the career-propelling actions: asking their network for introductions, seeking operational experience or switching sectors. Something else I see is people devoting too little time to strategic networking in favour of securing one certification after another. Again, degrees, diplomas and certifications are all wonderful, but they can also be tactics that take you away from the world of action and real results. If you want to get more training, by all means pursue it. But augment your training with real-world action: networking, stretch assignments and good, old-fashioned hard work. These are the activities that deliver results for your team or organization. Nothing, and I mean nothing, is more saleable, promotable or valuable than your ability to take massive action and produce a payoff.

In a perfect world, everything happens in order. In the real world, the best you can do is try to pull things off in approximate order. I see a lot of startup companies led by inexperienced entrepreneurs get into trouble from overspending because they are trying to adhere to a brilliant strategy in which everything happens in perfect order.

Example: my startup situation at Michaels. The logical, ideal-world scenario would have been to invest right away in computerized inventory controls. After all, we had aggressive growth plans. By holding off on this investment, we knew we'd be creating headaches for ourselves later when it came time to overlay a new inventory-tracking system on an operating retail chain. And had we been committed to doing everything in perfect order, I would have spent a good chunk of time—weeks, if not months—searching for more capital to fund our startup. But in my mind, that would only hold us back from getting results. The results we needed were sales. And in order for sales to happen, we needed some stores in which people could actually buy something. If we had been focused on making the events happen in the perfect sequence, we might not have survived long enough to see our first sale.

If I ever find myself in a situation where something is taking longer than it should, I will always stop and ask myself if I'm waiting for one thing to happen in order for another thing to happen. For example, I might find myself waiting to book a meeting date with a prospective partner because we don't yet have a finalized proposal we can show him. The mistaken belief here is that we need a finalized proposal before we arrange a meeting. But do we? In all likelihood, no. We can book the meeting first and finish the proposal second. This is a simple example, but it's illustrative of the many ways we slow down our progress because we're attached to things unfolding in a specific sequence. My rule: Imperfect action is always better than order.

Source: This article is excerpted from "Bet On Me" by Annette Verschuren, available now from HarperCollins. Canadian Business http://www.canadianbusiness.com/leadership/annette-verschuren-bet-on-me/