Heidrick & Struggles

Why strategies stall, and what actually gets them moving

Harvard Business Review reports that 67% of well-formulated strategies fail—not because the thinking is wrong, but because they are never actually executed.[1] This is symptomatic of a challenge most CEOs face: strategy is formulated in the boardroom, but most people across the organization don't understand it, and even the ones who do often don't care enough about it to change where they prioritize and focus.

The reason has very little to do with strategy itself and everything to do with the human challenge of turning a complex plan into hundreds of teams pulling hard in the same direction, and with total commitment. All too often leaders pour enormous resources into making sure a strategy is robust and rationally watertight, and then rely on forgettable communications campaigns or an inconsistent and ineffective management cascade to build commitment.

The CEOs who close that gap understand something simple: (i) strategies are worth nothing unless people understand and care about them, (ii) strategy should be indivisible from culture—what people think about, how they decide things, and how they collaborate. A culture that's misaligned with strategy creates friction at every turn; a culture that's aligned with it turns a plan on a page into something the whole organization is living and breathing.

[1] *Harvard Business Review, "4 Common Reasons Strategies Fail," https://hbr.org/2022/06/4-common-reasons-strategies-fail*

THREE MISTAKES THAT BLOCK EXECUTION

Mistake 1: Strategy in a silo.

All too often purpose, strategy, culture, and structure are designed and owned separately, with no one accountable for how they align. Rather than a single system clarifying direction and empowering people to drive it, you get an incoherent mess that no one can make sense of.

Instead you need the executive to own and align all four elements:

1. A purpose that stretches the business and defines the impact it wants to have;
2. A strategy that the whole organization understands and cares about;
3. Culture defined through three or four behaviors that will accelerate the strategy;
4. And a handful of structural changes that will accelerate how the rest of this happens.

The real work isn't writing a better strategy, but building one that's aligned with the other critical elements that make a humming performance system.

Mistake 2: Mistaking communication for commitment.

Comprehension and belief are different things. People can nod along in a town hall, but usually people go back to working exactly as they did before because nobody has addressed what that change means for them. People need to feel compelled by the future direction, and they need to know exactly where to focus their energy. **If they're having to refer to a deck when the pressure is highest, they're not clear or committed enough.**

Mistake 3: Reaching solely for a new plan instead of new belief.

We see this all the time when a CEO has delivered the current strategy so well that the business has become complacent. Getting people to care about going again is a bigger test than getting them to understand what "again" looks like. Often if the strategy isn't being executed, the assumption is that the strategy must be wrong. Far more often, the strategy is sound but no one has had the chance to believe in it.

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WHAT BUILDING TOTAL COMMITMENT TO STRATEGY LOOKS LIKE

M&G, the 170-year-old FTSE 100 savings and investment business, had a proud heritage but by 2022 had lost clarity, belief and momentum. To get back to sustainable growth their CEO's first job was clear: to unify and mobilize the whole business behind a clear new strategic direction.

The executive started with itself—working through what a genuinely differentiated direction actually was, then distilling it into an iconic "Blueprint" articulating the business's why, what and how in 35 words—simple enough for anyone in the business to repeat back unprompted.

The direction wasn't handed down as the new CEO's alone: it was launched at a global series of large-scale events reaching 170 leaders and 800 people managers—**a chance for M&G's leaders to really feel the case for change and commit to the behavioral shift required to deliver on the strategy.**

From there, a "conversations everywhere" program carried the Blueprint to 6,500 colleagues across 22 countries, backed by 12 team ignition sessions with the layer below the executive to translate direction into clear execution priorities. Then came 36 behavior-change sessions run with cross-functional teams, embedding the shift into how those teams actually worked—resetting decision-making norms, collaboration habits, and accountability so the new strategy showed up in real choices, not just in slides.

All of this work to galvanize M&G's teams around the new strategy was squarely focused on ensuring everyone was crystal clear on what the business was trying to achieve and how they needed to show up and behave in the work to get there. The internal impact was immediate: a 15-point jump in engagement survey scores straight after the launch.

That step-change in commitment was followed by a sustained performance lift and a return to growth versus competitors: M&G beat its three-year operating capital target ahead of schedule, grew two-year operating profit by 34%, and delivered total shareholder return of 54% in 2025 against a FTSE 100 sector peer average of 25%.

FOUR SHIFTS TO MOVE YOUR STRATEGY'S EXECUTION OUT OF FIRST GEAR

1 Ruthlessly align the whole Executive. A plan that reads as "the CEO's" burns out fast. Instead, when the strategy is owned by the whole executive, they can show up with an alignment and conviction that's infectious, building real belief across the business rather than top-down instruction.

2 Design for commitment, not just comprehension. Earn commitment by painting a compelling picture of the business's future direction and giving people the space to explore what it means for them—rather than assuming it will follow automatically.

3 Build the coalition through ownership. Give people the autonomy and scope to roll around in what the strategy means for them, then come back with decisions and trade-offs of their own—that way you build real ownership.

4 Treat behaviors as performance levers, not decorative fluff. Wire the one or two behaviors that will actually drive the execution of strategy into how decisions get approved, what gets prioritized, and how people are rewarded. Without that, culture stays an abstraction.

"Treat commitment as something to be earned by painting a compelling picture of the business's future direction and the impact it can create, not something that follows automatically from a good explanation."

For a CEO whose strategy has stalled, its tempting to keep rewriting the plan rather than confront the harder, more human work of mobilizing people behind it. The CEOs who get this right—whether on day one or five years in—have something far more valuable than a clever strategy: they have an organization that runs through walls to deliver it.