Why executives try to do too much

The biggest flaws I see in most executive teams is their desire to do too much.

In the current economic climate the temptation to add a few more projects to the agenda, in a bid to offset declining sales and profits, is understandable but mistaken. Too many initiatives simply lead to confusion across the organisation, sapping momentum and stalling progress.

In my experience there are five main reasons underpinning executives' unwillingness to prioritise:

1. **A lack of strategic clarity**. It's difficult for business managers to make real choices if the organisation's leaders are unable to clearly articulate their key areas of focus. Last year, for example, an executive director proudly told me his executive team had identified 20 strategic priorities. Unfortunately he was unable to name more than half of them.

2. **A fear of missing out**. If you don't know which port you're heading for, you'll always feel that you're missing the boat. Conversely, McDonalds have delivered 70 months of consecutive sales and profit growth. Their success is primarily due to improving what they already do well. As they say at McDonalds, they *“kept their eyes on the fries!”*

3. **Corporate ego exceeding organisational capability**. In his book, *Execution*, Larry Bossidy tells how Xerox, in the late 1990s, simultaneously tried to consolidate 90 customer administration centres into four and reorganise the company's 30,000-strong sales team from a geographical structure to an industry focus. Within a year Xerox was in crisis. Invoices were regularly lost, service levels slumped and sales representatives were so busy focusing on the internal issues they didn't have the time to build relationships with their reassigned customers. Performance plummeted and the share price fell by over 80%! As Bossidy (obviously a master of understatement) notes, *"Launching two such enormous initiatives at the same time was an execution error"*.

4. **Misguided risk management**. When you are trying something new it is tempting to be prudent and give the initiative a low performance improvement target. The problem with this approach is that you then need to take on more initiatives in order to hit your overall targets. It is far better for you to keep the bar raised high and then identify the real winners. Tesco’s directors, for example, have consistently set themselves stretching goals and then sought to drive the few, big initiatives that will help them achieve their ambitions.

5. **An inability to close failing projects**. Failure is not a concept many executives are comfortable with. A project that is not succeeding is therefore covered up and continues its ineffective course until there is a change of executive sponsor. But this is precisely the wrong attitude. At a recent Strategy Directors' Forum I hosted, our guest speaker was Mike Harris, the founding CEO of both First Direct and Egg. As Mike argued in the session, *"Innovation is built on the learning that comes from failure. Be happy to fail - most ideas will fail, so fail quickly and cheaply."*