

FROM GRAND STRATEGY TO AGILE EXECUTION: NAVIGATE THE NEW OIL AND GAS LANDSCAPE WITH LEAN

Amid unprecedented change and uncertainty in the oil and gas industry, traditional strategy frameworks are proving inadequate. To thrive, organizations must shift toward agile execution, fostering a culture that embraces ambition, adaptability, and seamless integration of planning and execution. This holistic approach is key to unlocking long-term success in this dynamic landscape.

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From Stability to Agility: The Imperative for a Strategic Reboot in Oil and Gas



The oil and gas industry, once characterized by long-term planning and predictable markets, now navigates a landscape of unprecedented complexity and volatility. Fluctuating prices, stringent regulations, and growing pressure to prioritize sustainability are disrupting traditional business models, exposing a critical vulnerability: many companies struggle to effectively execute their strategies.



Recent examples of this struggle are abundant: ExxonMobil's lagging investment in renewable energy,¹ Shell's setbacks with the Cambo oil field project due to environmental concerns,² Chevron's massive cost overruns and delays in the Gorgon LNG project,³ and BP's difficulties divesting from fossil fuel assets.⁴ These instances underscore the pervasive challenge of strategy execution within the industry. This issue isn't unique to the oil and gas sector; a staggering 75% of companies across all industries grapple with this, according to a *Harvard Business Review* study.⁵

Historically, oil and gas companies have focused intently on perfecting their operations and maintenance ("run and maintain") practices. However, the industry landscape is undergoing rapid transformation, demanding a shift in focus toward mastering strategy execution. To flourish in this new reality, oil and gas organizations must embrace strategic agility, shifting from rigid planning to a more adaptive, responsive approach. Lean principles—with their emphasis on distributed leadership, alignment, experimentation, disciplined execution, and continuous improvement—offer a proven roadmap for achieving this agility.

¹ "Assessment of Oil and Gas Companies' Climate Strategy," Reclaim Finance, <https://reclaimfinance.org/site/en/assessment-of-oil-and-gas-companies-climate-strategy/>,
² Steve Hanley, "Shell Pulls Out of Cambo Oil Field Project," *CleanTechnica*, Dec. 6, 2021, <https://cleantechnica.com/2021/12/06/shell-pulls-out-of-cambo-oil-field-project/>,
³ Lauren Barrett, "Chevron Flags Gorgon Gas Delay," *Hart Energy*, Aug. 3, 2015, <https://www.hartenergy.com/exclusives/chevron-flags-gorgon-gas-delay-27422>.

Lean principles can help oil and gas companies overcome challenges to effective strategy delivery in this complex and uncertain business environment:



Navigating Uncertainty:

The constant flux of market conditions, regulations, and technological advancements demands agility and adaptability.



Balancing Risk and Reward:

Companies must strike a delicate balance between taking calculated risks to innovating and managing the potential downsides.



Achieving Sustainability:

Integrating sustainability goals with financial objectives necessitates innovative solutions, cross-company collaboration, and overcoming significant cost and regulatory hurdles.

Beneath these surface-level challenges lies an opportunity to establish improved internal practices for strategy excellence—how strategy is effectively developed, communicated, and executed. While traditional approaches may have sufficed in the past, the energy transition has highlighted the need for more dynamic and responsive frameworks.

Strategic Planning and Execution Pitfalls

For oil and gas executives to develop and lead agile strategies going forward, they'll need to first recognize the common strategic planning and execution pitfalls that to date have resulted in wasted resources and missed opportunities:

⁴ Shadia Nasralla, "BP Gambles Big on Fast Transition from Oil to Renewables," *Reuters*, September 20, 2021, <https://www.reuters.com/business/sustainable-business/bp-gambles-big-fast-transition-oil-renewables-2021-09-20/>.

⁵ Donald Sull, "Why Strategy Execution Unravels—and What to Do About It," *Harvard Business Review*, March 2015, <https://hbr.org/2015/03/why-strategy-execution-unravels-and-what-to-do-about-it>.



Strategic planning issues include:	Strategic execution issues include:
<ul style="list-style-type: none"> • <i>Unfocused goals:</i> Setting arbitrary goals without clear ties to organizational needs, resources, or feasibility can lead to discouragement and lack of progress. • <i>Mission overload:</i> Taking on too many initiatives can spread resources thin, resulting in minimal progress and hindering employee engagement. • <i>Ineffective planning mindset:</i> Viewing planning as a one-time event rather than an ongoing process limits its effectiveness. Cultivating a "planning mentality" that fosters continuous improvement is essential. • <i>Data mismanagement:</i> A lack of accurate data on key factors such as customer needs or process success, impedes planning. On the other hand, over-analyzing data leads to paralysis, and a focus on the wrong data can generate a flawed plan. • <i>Outdated management practices:</i> Resisting honest assessments of organizational strengths and weaknesses can lead to clinging to ineffective legacy methods. • <i>Hitting numbers deters performance:</i> When managers prioritize meeting targets over all else, they may make conservative commitments that help them achieve personal rewards but limit growth potential for the company. • <i>Ineffective communication:</i> Measuring communication by quantity (emails sent or town halls hosted) rather than quality can hinder collaborative dialogue and deep understanding. 	<ul style="list-style-type: none"> • <i>Misdirected efforts:</i> Without a clear link between strategic goals and operational activities, teams may work in silos, wasting time and effort on low-impact tasks. • <i>Neglected plans:</i> Failing to regularly review and adjust plans can lead to missed opportunities for improvement and a lack of learning. • <i>Punitive reviews:</i> Blame-focused strategy reviews stifle honest feedback, hindering adaptation and innovation. • <i>Disconnected planning and execution:</i> When a separate department creates plans to be implemented by others, a lack of ownership and buy-in can impede successful implementation. • <i>Top-driven execution:</i> Frequent and direct intervention from higher management encourages middle managers to escalate conflicts rather than resolve them. • <i>Misalignment during execution:</i> When teams cannot rely on colleagues in other functions or units for support, they compensate with a host of dysfunctional behaviors like duplication of effort, rework, and missed deadlines.

Ultimately, successful strategy execution necessitates a holistic approach that addresses both external business environment challenges and the enhancement of internal strategic planning and execution practices. Lean Strategy Deployment offers a comprehensive solution to this multifaceted challenge.

Strategy Deployment: A Lean Approach to Navigating a Volatile Energy Landscape

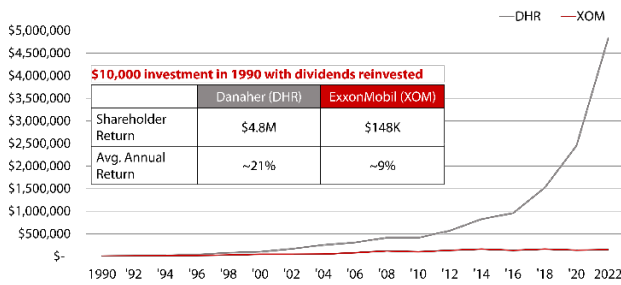
Lean, a renowned management philosophy, prioritizes maximizing customer value while fostering growth for both employees and shareholders. It champions efficiency, value creation, and adaptable problem-solving, recognizing that

fully empowered people are the key to optimizing processes and driving continuous improvement.

At the heart of Lean lies Strategy Deployment (also known as Hoshin Kanri), a dynamic planning and execution system. It strategically aligns actions across all organizational levels with overarching corporate objectives, fostering a cohesive approach where the entire business acts as a unified entity, capable of navigating even the most complex challenges.

This approach bridges the gap between high-level aspirations and ground-level execution, promoting transparency and shared understanding throughout the company. Rooted in management principles from pioneers like Peter Drucker, Joseph Juran, and W. Edwards Deming, and refined by industry leaders like Toyota and Danaher, Strategy Deployment has a proven track record of success.

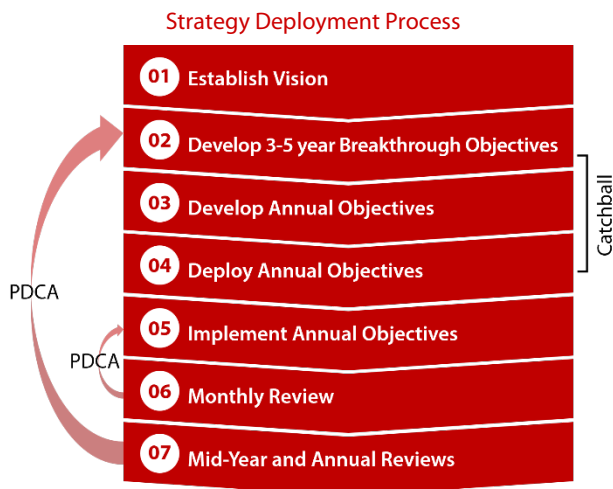
32-Year Total Shareholder Return⁶



Unlocking Strategic Potential

While Strategy Deployment (SD) enhances strategy execution across all phases, from scenario planning and strategy formulation to execution, this article focuses on its most immediate value for oil and gas companies today: translating strategic intent into tangible action.

SD equips organizations to confront their most pressing challenges head-on, stimulate innovation from the bottom-up, and achieve strategic objectives. By focusing on key strategic priorities, encouraging collaborative dialogue, and aligning actions across the organization, it gets everyone moving in the same direction. Rooted in scientific thinking, this approach ensures goals are not just aspirational but well-defined, actionable, and resourced—empowering cross-functional teams to take ownership and deliver tangible results.



SD goes beyond simply charting a course; it establishes a robust management system for repeated SD and execution. This alignment to a shared purpose, coupled with delegation of authority, empowers organizations to swiftly achieve targets and nimbly adapt to unexpected challenges. The structured Plan-Do-Check-Act (PDCA) cycle creates a closed-loop system, ensuring corrections to the plan through continuous learning based on actual outcomes and adaptation in the face of change. This approach reduces the fear of the unknown and fosters a culture of agility and resilience, replacing the traditional

linear planning model common in most oil and gas companies with a dynamic cycle of thinking, doing, learning, and adapting.

At its core, SD empowers a network of semi-autonomous teams to become information processors, driving organizational learning and transformation. By breaking down complex problems into manageable chunks, the lean enterprise facilitates company-wide information sharing and accelerates problem-solving. Teams, chartered by contracts and guided by scientific methods, conduct experiments, adhere to self-enforcing practices, and share results transparently.

Beyond its problem-solving capabilities, SD serves as a control system designed for the radically decentralized organizations of today. It empowers a network of problem-solvers, enabling the collaborative and autonomous structures that characterize successful companies in the 21st century.

The Strategy Deployment PDCA process is closed-loop, where feedback from execution and environmental changes drive on-going course-correction, and, if needed, strategy refinement. It seamlessly integrates strategy development and execution into one circular process, overcoming a common obstacle to strategic excellence.

Guiding Principles and Mechanisms

Strategy Deployment is founded on principles of fact-based decision-making, directed opportunism, inclusivity, high agreement, disciplined execution, continuous learning, and mutual trust. It aims to create a culture where everyone, from the C-suite to the front-lines, actively participates in shaping and executing the strategy. This collaborative approach ensures that the strategy is not only well-defined but also deeply understood and owned by all. It transforms employees from passive participants to empowered agents, driving collective success.

The PDCA framework, rooted in scientific thinking, transforms the traditional "plan-and-implement" strategy model into a dynamic "do-and-adapt" approach. This iterative process guides Strategy Deployment through three key mechanisms:

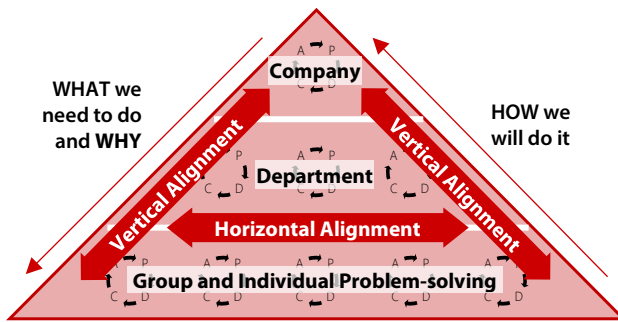
Planning—P: This phase involves setting clear, ambitious goals, defining strategies, controls, and detailed action plans. It brings together both alignment and autonomous methods to close the gap between strategic intent and tangible actions.

Execution—D,C,A (Doing, Checking and Adjusting): This phase focuses on mobilizing resources, implementing action plans, evaluating results against planned targets, and making fact-based adjustments to stay on track. It embeds management and control by using cause-and-effect methods designed to close the gap between actions and outcomes.

Coaching: This ongoing process develops leaders' abilities to effectively coach and mentor others in problem-solving techniques, fostering a culture of continuous improvement.

⁶ Data source: <https://dqyvj.com/stock-return-calculator/>

Breaking Down Company Problems and Solving Them at Each Level



Strategy Deployment—Planning: A Path to Overcome Common Planning Challenges

Strategy Deployment Planning (SDP), deeply rooted in Lean principles of continuous improvement and respect for people, provides a robust framework to overcome the common pitfalls of traditional strategic planning.

By viewing the organization as an interconnected system and prioritizing collaboration, SDP aligns business goals with a shared purpose, ensuring they are both ambitious and achievable. To enhance the planning process, SDP utilizes tools like voice-of-customer analysis, benchmarking, and visual-mapping techniques (relations diagrams, tree diagrams, affinity diagrams, matrix diagrams, radar charts).

SDP fosters meaningful change by connecting individual efforts to the collective purpose. Visual tools like strategy maps and X-matrices simplify complex plans, making them easier to grasp and creating the internal predictability necessary to navigate complex and rapidly changing environments.

Furthermore, this alignment, coupled with a culture of open communication and reduced fear of failure, significantly boosts the chances of reaching ambitious targets. By promoting a "planning mentality" of continuous evaluation and adjustment, SDP enables ongoing improvement, empowering organizations to set stretch goals and think beyond conventional limits.

The Annual Planning Process: A Framework for Continuous Improvement

A clear and comprehensive mid-range plan, easily visualized, provides top management with the framework to guide annual planning. It also directs managers in planning the process improvement actions needed to achieve the three- to five-year plan. The annual planning process systematically outlines which value streams require improvement, the necessary pace of that improvement, and how to allocate resources effectively within a twelve-month period. This ensures alignment between long-term strategic direction and short-term operational priorities, ensuring daily activities contribute to the overall vision and resources are strategically invested for maximum impact.

Planning is an ongoing process, incorporating regular monthly checks and more formal semi-annual and year-end reviews,

which include presentations to senior management. Even during execution, plans are reviewed monthly and adjusted based on real-time data. In addition to a year-end review, a mid-year review provides a comprehensive understanding of progress on both process improvement projects and overall business performance. Some organizations opt for quarterly reviews to enable even more frequent adjustments.

During the annual review, managers complete a "Year-End Review" of their actions to achieve the current year's objectives. The emphasis is on documenting lessons learned and identifying remaining problems to inform the next year's plan. A non-blaming, humble approach focused on self-reflection and continuous improvement is crucial for organizational learning.

The planning review process serves three critical purposes:

1. It acts as a mechanism to keep the strategic plan on track.
2. It provides a platform for identifying and implementing improvements to the organization's overall effectiveness by enhancing the management system and processes.
3. It serves as the foundation for the organization's learning process.

The Challenge: Igniting Transformation and Breakthrough Performance

At the core of SDP lies the identification of a central challenge—a clear, concise statement that encapsulates the company's most pressing need. This challenge is more than a mere goal; it's a vision or guiding principle, a rallying cry, propelling the organization toward significant advancement—a level of advancement that transcends its current capabilities, maximizing growth, learning, innovation, and resilience.

By focusing on a crucial challenge, SDP avoids scattered goals and overwhelming missions, allowing for a laser-focused effort on what truly matters. For example, instead of simply increasing production, SDP might challenge an organization to become the undisputed industry leader in sustainable energy. This shift instills a profound sense of purpose, inspiring employees to pursue ambitious goals that redefine what's possible.

These challenges act as catalysts for transformation, motivating teams to surpass expectations. They foster a culture of continuous learning, where employees are empowered to experiment, innovate, and relentlessly pursue stretch goals. This resonates with the core of Lean principles, promoting honest self-assessment and an unwavering commitment to ongoing improvement.

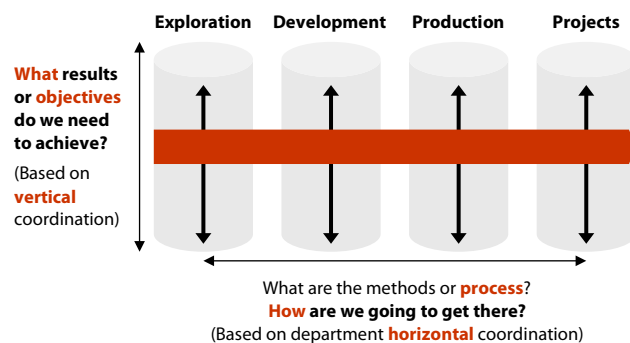
Leaders are often highly motivated and driven to achieve great things. However, focusing on too many things at once can hinder progress and often masks a lack of effective action. To achieve true excellence, it's essential to concentrate and prioritize efforts.

Catchball: A Collaborative Engine for Alignment, Ownership, and Collective Wisdom

Catchball, a pivotal element of SDP, translates overarching challenges into actionable plans through dynamic, iterative dialogue across functions. It cascades goals from the corporate strategy down to the value-adding level, with managers and frontline staff providing real-world feedback. This ensures plans are not only aligned with the strategy but also grounded in operational reality.

By breaking down silos and promoting simultaneous collaboration, catchball fosters a systems-thinking approach essential for effective execution. It enables faster decision-making, sharper focus, and more agile responses. Ultimately, catchball aligns the organization, promotes shared ownership, and harnesses collective wisdom to drive strategic success.

Systems Thinking Requires Horizontal Coordination⁷



Department and operational leaders collaborate to develop objectives and plans that directly address the organization's central challenge. They receive guidance from senior leadership to ensure these plans align with the broader strategic vision. This collaborative approach replaces top-down directives with a shared understanding of the organization's goals and each individual's role in achieving them.

Catchball transcends departmental silos, promoting collaboration and a scientific, data-driven approach to problem-solving. Tools like A3 reports and strategy tables enhance communication and transparency, making problem-solving efforts visible and fostering continuous learning and improvement. A3s, in particular, support "mission analysis," helping team members unpack the implications of their objectives and identify potential obstacles. Final decisions, reached through rigorous back-and-forth dialogue or backbriefings, and analysis are then documented on strategy tables.

The catchball process cascades throughout the organization, sparking in-depth discussions about the gaps that stand in the way of achieving the challenge. These

conversations encompass performance and capability gaps, process improvements, problem-solving activities, required support, timelines, and key performance indicators. Multiple rounds of dialogue are crucial for the organization to progress through the stages of being heard, developing understanding, building belief, becoming advocates, taking action, and, ultimately, seeing initiatives through to completion.

This comprehensive dialogue culminates in clear agreements on individual contributions to the strategic plan, ensuring laser-sharp focus and alignment on what will—and will not—be done to achieve the breakthrough objective. These commitments are the bedrock of a culture of accountability, where plans translate into action and results. The extensive dialogue inherent in catchball underscores its importance in ensuring that plans are not mere aspirations, but concrete roadmaps to success.

By maximizing the organization's collective efforts, catchball empowers the entire workforce to contribute meaningfully to strategic success. The result is not only a plan that is robust and executable but also one that enjoys a high degree of buy-in and belief throughout the organization.

Empowering the Board

Strategy Deployment Planning (SDP) not only strengthens the entire organization but also significantly enhances the effectiveness of a company's board. The structured framework of SDP enables the board to offer high-level guidance and oversight, ensuring risk management is integrated into strategic planning from the start. The board:

- Actively shapes the company's vision and long-term objectives prior to the Strategy Deployment process.
- Reviews and approves annual objectives as Strategy Deployment progresses to ensure ongoing alignment with the overarching vision.
- Collaborates with senior leaders in defining key metrics that clearly measure progress and determine if strategic priorities and operational plans are in sync.
- Engages with cross-functional proposals from senior leaders, questioning assumptions and fostering a risk-aware culture that embeds risk assessments into every strategic initiative and the organization's overall plans.

As Stephen Bungay articulates in "The Art of Action," the journey doesn't end with the initial plan.⁸ The lack of integration, even with a sound business strategy, can lead to disappointment or even failure. Catchball is the ongoing conversation that cascades direction and enables the next level to respond with alignment on how to turn strategic intent into tangible outcomes.

⁷ M. Hoseus, Center for Quality People & Organizations.

⁸ Bungay, Stephen. *The Art of Action: How Leaders Close the Gaps Between Plans, Actions, and Results*. John Murray Press, 2011.

Strategy Deployment—Execution: From Plans to Tangible Results

Strategy Deployment Execution (SDE) focuses on driving systematic execution of the plan that was formulated in the organization-wide planning stage. It seamlessly builds upon the collaborative spirit and shared understanding fostered during the SDP process. By employing specific tools and behaviors to enhance disciplined problem-solving, SDE effectively addresses the common challenges of strategic execution. Through fostering employee empowerment, ownership, and accountability at all levels, SDE promotes adaptability and agility, treating plans as dynamic blueprints rather than rigid mandates.

Undesirable execution behaviors are systematically eliminated through the SDE process, aided by a suite of powerful tools that promote visibility and problem-solving. These tools include visual management centers, value-stream maps, bowling charts, rapid issue-response sheets, and A3 problem-solving reports.

The Obeya: The Hub of Strategic Alignment

The "obeya" (big room) serves as the nerve center of SDE. This dedicated space facilitates dynamic team huddles and visual management of strategy execution progress. Regular progress review meetings within the obeya, aligned with the business cadence, facilitate a continuous "check and adjust" process. This allows teams to test and refine strategies, track progress toward key outcomes, understand deviations from targets, and adapt strategies to ensure the successful achievement of objectives at all organizational levels. Cross-functional collaboration is paramount, bridging the gap between planning and execution and fostering ongoing shared ownership and a deep understanding of strategic goals.

Obeya "Big Room"



This regular review process ensures that improvement activities directly support strategic objectives, and that plans remain adaptable to the ever-changing business landscape. Visualizing SDE outcomes allows organizations to quickly identify areas where goals are not being met, enabling targeted support and root-cause analysis. This proactive approach keeps teams engaged and accountable while reinforcing SDE principles, ensuring that corrective actions are timely, effective, and sustainable. Problem-solving tools like A3 reports further promote a systematic

approach that addresses underlying causes rather than merely treating symptoms.

Leadership's Role in SDE

Senior managers play a crucial role in SDE. Their active participation in collaborative review meetings demonstrates a commitment to understanding challenges firsthand and developing team members' SDE capabilities. Their leadership is instrumental in cultivating a growth-oriented organizational culture, where setbacks are viewed as valuable learning opportunities, not occasions for blame. By creating a psychologically safe environment where experimentation and learning from mistakes are encouraged, senior managers drive continuous improvement. This ensures that strategies remain adaptable and effective in the face of evolving challenges.

Beyond senior management, the board also plays a crucial role in Strategy Deployment Execution. The board maintains active oversight of potential risks through regular (monthly or quarterly) reviews of strategic measures linked to the plan. This ongoing engagement enables the board to identify and address any areas of concern promptly. By participating in these reviews, the board gains a deeper understanding of the organization's progress and challenges, enabling them to provide more informed guidance.

From Performance Maintenance to Strategic Advancement

SDE execution reviews shift the focus from merely maintaining current performance to actively pursuing strategic continuous improvement. These meetings bring leadership together to assess progress, share insights, and accelerate organizational learning. This collective approach propels the company toward industry leadership by fostering a shared understanding of challenges and solutions.

SDE's collaborative nature and emphasis on problem-solving at all levels mitigate the risks associated with traditional top-down execution. Rather than relying solely on directives, teams are empowered to identify and resolve issues independently, promoting autonomy and accountability. This reduces organizational friction and fosters a proactive, solution-oriented culture.

Empowerment, Collaboration, and Results

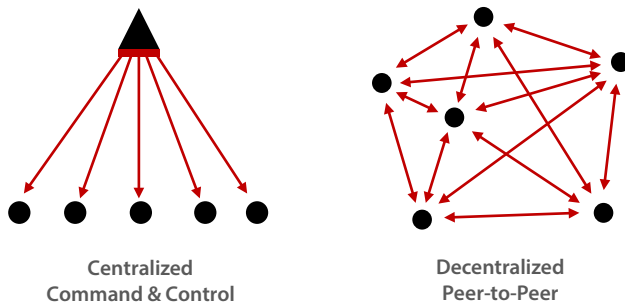
By integrating strategy into the fabric of daily work, SDE cultivates an environment where strategic thinking is second nature. Execution becomes an ongoing process of learning and improvement, leading to measurable outcomes and sustainable, long-term success.

As Dwight D. Eisenhower aptly stated, "Plans are worthless, but planning is everything." The true value lies not in the plan itself, but in the continuous process of planning and adaptation during execution that drives success.

Coaching: Cultivating Leadership and Unleashing Strategy Excellence Potential

Coaching is a cornerstone of successful Strategy Deployment. It not only guides current execution but also develops future leaders. Transitioning from a traditional, top-down leadership style to a coaching-centric approach, organizations cultivate a collaborative environment. Within this environment, teams are empowered to not only solve problems but also contribute innovative ideas and take true ownership of their work. This transformation paves the way for decentralization, enabling self-directed teams to adapt swiftly to challenges and achieve ambitious goals. The ultimate objective is to develop leaders who can confidently guide their teams with a healthy degree of autonomy, nurturing a culture of initiative and accountability.

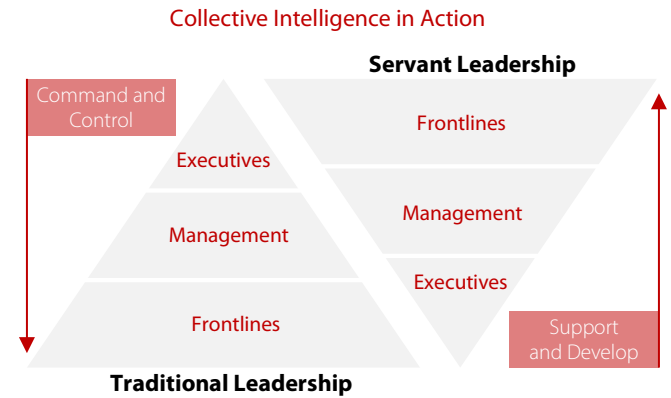
Types of Social Structures



A New Leadership Paradigm

Strategy Deployment fundamentally reshapes how leaders lead and teams operate. The focus shifts from simply completing tasks to building capabilities and systems that drive collective results. Through coaching, leaders develop and empower team members to deeply understand the customer's perspective and the "why" behind their work, fostering alignment with company objectives across all levels.

This shift from a directive to a creative, empowering servant leadership style builds trust and deepens engagement. It cultivates a greater sense of meaning, purpose, and contribution, transforming employees into active contributors to the company's achievements. The visual check-and-adjust approach further reinforces this autonomy, providing clear visibility when team members need support while allowing them to problem-solve independently. This empowers the coach to intervene strategically, offering guidance and development precisely when and where needed.



The Coach as a Strategic Enabler

In the realm of Strategy Deployment, the coach assumes a multifaceted role, balancing the responsibilities of both a manager and a leader. It's a delicate act of overseeing daily operations and strategic improvement systems, while simultaneously fostering the growth and engagement of their team.

This approach embodies the core tenets of Lean, which emphasize respect for people and continuous improvement. By recognizing and leveraging employee expertise, organizations tap into a wellspring of innovation and problem-solving. The coaching mindset, fundamental to this approach, goes beyond delegation; it's a commitment to developing people and trusting their ability to learn and grow, even from mistakes. This respect-driven philosophy encourages managers to boldly delegate authority, recognizing that, as the adage goes, "It is better to make mistakes than not try to solve customers' problems."

This cultural shift toward empowerment is built on a foundation of mutual trust. The company and its leaders trust employees to drive results, while employees trust the company and leadership to invest in their development. This creates a sense of ownership, empowering individuals to make decisions that contribute to the organization's success.

Regular meetings remain crucial for maintaining alignment and tracking progress, but in a Strategy Deployment environment, their purpose evolves. Instead of focusing solely on reporting, these meetings evolve into dynamic forums for collaborative problem-solving and the open exchange of ideas. It's a shift toward distributed leadership, where leaders actively nurture the next generation, fostering a proactive approach to overcoming obstacles and ensuring the company meets strategic goals.

The core purpose of coaching within Strategy Deployment is to cultivate capability and empower individuals to become self-sufficient.

Developing Coaching Skills: Igniting Strategic Agility

While coaching may not come naturally to all leaders, Strategy Deployment presents an ideal opportunity to develop this essential skill. It establishes a working environment that allows leaders to transform, shifting from a directive style to one that actively engages teams in collaborative problem-solving and continuous improvement. This aligns seamlessly with the Lean principle of "developing people," where leaders mentor and empower their teams to reach their full potential.

Embracing a coaching style can be challenging at first, as leaders initially grapple with coaching techniques, the necessary time commitment, and a desire to hold on to their command-and-control ways. However, when leaders embrace the process and actively participate in collaborative efforts fostered via coaching, organizations can achieve remarkable and lasting change.

The Master Coach: Guiding the Transformation

Cultivating effective coaching skills among leaders requires a dedicated focus and a unique set of capabilities distinct from those typically found in traditional strategy roles. Strategy roles often prioritize "strategy definers," individuals who excel at crafting corporate strategies.

However, while strategy definers play a vital role, a different skill set and experience are essential for developing leaders

as coaches and establishing a robust Strategy Deployment system across the enterprise. This often necessitates a new role—the "Strategy Deployment coach." Strategy Deployment coaches act as catalysts for change and capability building.

The Dynamic Partnership: Strategy Definers and Coaches

A powerful approach to developing the next generation of leaders involves leveraging high-performing individuals in both the Strategy Definer and Strategy Deployment coach roles. By having them shadow and learn, you foster a cross-pollination of skills and experiences that can:

- *Cultivate a holistic understanding:* Equip aspiring leaders with a comprehensive grasp of strategy, from its initial conception to its successful implementation.
- *Develop essential leadership skills:* Enhance their abilities in both strategic thinking and people development, two critical pillars of effective leadership.
- *Build a leadership pipeline:* Create a pipeline of future leaders who embody the principles of Lean and Strategy Deployment, ensuring the sustainability of the organization's strategic planning process and its ongoing transformation.

	Strategy Definer	Strategy Deployment Coach
Primary Focus	Crafting and defining the corporate strategy	Enabling leaders as coaches and establishing a robust Strategy Deployment system
Key Skills	Analytical skills, strategic thinking, decisive decision-making	Expertise in Lean principles, Strategy Deployment, coaching, and change management
Typical Background	Industry experience, functional expertise (finance, economics, marketing), advanced education	Lean implementation, culture change, and leadership development experience
Key Strengths	Synthesizing complex information, identifying opportunities, formulating strategic plans	Empowering teams, fostering collaboration, ensuring effective strategy planning and execution
Role in Organization	Architects of strategy; focus is on the "what" of strategy	Catalysts for change and capability building; focus is on the "how" of strategy
Approach	Top-down strategy formulation	Bottom-up strategy implementation and refinement
Key Outcomes	Strategic plans and initiatives	Organizational alignment, improved execution, and continuous improvement

Cultivating a Culture of Strategy Excellence: The Path to Strategy Deployment Success



Beyond coaching and mindset shifts, building organizational capability for Strategy Deployment requires a holistic approach, fusing Lean expertise with advanced change leadership. This integration is essential because Strategy Deployment isn't simply a new tool—it represents a paradigm shift in how an organization is structured and operates. It necessitates changes in tools, behaviors, senior executive engagement, and enterprise-wide practices.

Strategy Deployment demands a profound operational and cultural shift, essentially rewiring deeply ingrained behaviors and mental models. This transformation, much like a pianist's journey to orchestral mastery, requires consistent, deliberate practice under expert guidance. Coaching is vital, not just beneficial, as it facilitates the adoption of new work methods, preventing a regression to previous, less effective habits. Without the right mindset and a deep understanding of Lean SD principles, the tools and techniques themselves are ineffective. It is through coaching that these principles become embedded in the very fabric of the organization.

Key Strategies for Successful Change

Beyond coaching and mindset shifts, several other strategies are crucial for ensuring a successful transition:

	<p>Understand the existing landscape: To ensure a smooth transition, Lean experts must thoroughly understand the organization's existing strategy and practices. By building on strengths and tailoring the introduction of Strategy Deployment, organizations can simplify change, foster consistency, and avoid disruption.</p>
	<p>Leverage a change framework: Supported by Lean expertise, a change framework facilitates behavioral shifts. This approach defines the opportunity, fosters desire for change, and channels momentum toward desired outcomes, mitigating resistance. A framework guides individuals through learning, application, and reflection, reinforcing new behaviors crucial for success.</p>
	<p>Strategically phase implementation: Carefully plan the initial rollout, considering scope, organizational levels, and areas of readiness and highest need to optimize resource allocation and maximize impact. Scenario modeling can provide valuable insights for this strategic planning.</p>

	<p>Prioritize transparent communication: Regular progress updates, success stories, and open feedback channels are vital to demonstrate the value of Strategy Deployment and sustain buy-in. Concrete results serve as the most compelling evidence.</p>
	<p>Utilize a business canvas: A business model canvas tool is essential for strategically planning the journey. It helps design, test, and adapt the business model, ensuring Strategy Deployment becomes an integral part of the culture.</p>
	<p>Establish a center of excellence: Form a central team of Lean, change, and strategy experts to spearhead the initial transformation. This team collaborates with change champions across the organization to assess progress, reinforce positive behaviors, and ensure alignment with the new culture. It eventually evolves into a Center of Excellence, maintaining the strategy management system and supporting continuous improvement.</p>

Culture possesses a powerful immune system, resisting change with surprising tenacity. Deploying these comprehensive strategies for successful change, along with sufficient resources, is essential to overcome this resistance and create an opening for transformation. Without such a concerted effort, the culture will fiercely defend the status quo.



Embrace Lean Strategy Deployment and Unleash Your Organization's Full Potential



The oil and gas industry finds itself at a pivotal moment. While recent record profits may offer a temporary sense of security, they shouldn't obscure the pressing need to enhance strategic capabilities. The challenges are unprecedented, and traditional strategy frameworks are no longer adequate to ensure long-term success. Lean Strategy Deployment emerges as a transformative solution, providing the strategic agility needed to navigate today's volatile landscape and secure a thriving future.

The most formidable obstacle to achieving strategic goals often lies in shifting behaviors necessary for superior planning and execution. Strategy Deployment simplifies this transformation by offering a structured system for success. It empowers organizations to focus on high-impact goals, eliminating wasted effort on less critical initiatives. Through precise, organization-wide communication, it cultivates deep understanding, alignment, and unwavering commitment to strategic priorities. This process fuels organizational learning, enabling companies to rapidly adapt to unforeseen challenges and seize emerging opportunities.

Strategy Deployment transcends mere objective-setting. It empowers employees at every level to actively contribute their knowledge and creativity, dismantling silos and fostering cross-functional collaboration. This ensures that every action, from the boardroom to the field, harmonizes with the overarching strategic vision. It functions as a powerful direction-setting system that unites your entire workforce, enabling excellence in realizing strategic intent.

At the core of successful Strategy Deployment lies coaching. By fostering a coaching culture, leaders empower their teams to take ownership, solve problems, and innovate. This cultivates a self-organizing network where individuals leverage collective knowledge and make autonomous decisions that align with a shared purpose. This is the key to unlocking your organization's full potential, enabling the agility and adaptability essential for navigating the dynamic energy landscape.

"What's dangerous is not to evolve,"
Jeff Bezos, CEO Amazon.com⁹

The Path Forward: Strategic Leadership

The choice is clear: Cling to outdated practices and risk being left behind or embrace Lean Strategy Deployment to unlock a future of agility, innovation, and sustainable growth. This transformative approach, fueled by a coaching mindset, empowers oil and gas companies to not just survive but thrive. It enables them to create long-term value while addressing pressing challenges such as achieving net-zero emissions and balancing energy demand with environmental stewardship.

A superior Strategy Deployment system, underpinned by effective coaching, provides a distinct competitive advantage. It allows organizations to outmaneuver rivals, optimize resource allocation, and respond decisively to market shifts. By embracing Lean Strategy Deployment today, you are not just planning for the future, you are actively shaping a future where your organization leads the way.



⁹ Bezos, Jeff. "What's Dangerous Is Not to Evolve." YouTube video, 4:09. Posted December 14, 2011. <https://www.youtube.com/watch?v=2rEW4KfGZc>.



Case Study: Strategy Deployment in Action

The New Strategy: "Becoming a Digital Leader in the Energy Sector"

An oil and gas company is embracing digital transformation to lead in a changing energy landscape. This strategic shift necessitates developing new skills and capabilities across the organization, from data analytics and AI to renewable energy technologies.

Collaborative Strategy Deployment

The company utilizes catchball, a collaborative approach deployed both vertically and horizontally, to foster shared understanding and commitment to the company's digital transformation. This empowers employees and ensures alignment toward common goals.

Agile Execution

Recognizing the dynamic nature of the energy sector, the company has embraced an adaptive approach that ensures flexibility amid annual planning. Regular checks and formal reviews enable the company to learn and adapt quickly, remaining true to the strategic vision while nimbly responding to the ever-changing environment.

The Catchball Process

Top Management "Throws" the Ball	The executive team initiates catchball by presenting the new digital strategy, including three- to five-year objectives and first-year tactics and targets, to middle management, emphasizing key support areas.
Middle Management "Catches" and "Throws" Back	Middle managers, after discussions with their teams, break down the top-level plan into departmental objectives and provide feedback, including challenges, opportunities, and questions, to the executive team, such as: <ul style="list-style-type: none"> How will we upskill our workforce for digital transformation? Which technologies should we prioritize? What's the impact on our current operations? Are the annual targets feasible for our department?
Top Management "Catches" and Responds	The executive team addresses feedback, providing clarifications, guidance, and potential solutions (training programs, technology partners, integration roadmaps). They also refine annual targets to ensure they are both challenging and attainable.
The Ball is "Thrown" Further Down	Middle managers cascade the refined strategy, adjusted targets, and executive feedback to their teams, facilitating discussions to ensure clarity on individual roles and objectives to support the broader strategy.
Teams "Catch" and Develop Action Plans	Teams brainstorm specific actions to contribute to the digital transformation and achieve objectives. This includes: <ul style="list-style-type: none"> Leveraging data analytics for improved decision-making Proposing pilot projects for new technologies Developing training plans for digital upskilling
The Ball is "Thrown" Back Up	Teams present action plans to middle management, who consolidate them and ensure strategic alignment. These consolidated plans are then presented to the executive team for final approval.

The Execution Process

The Plan in Motion	Teams actively work their action plans, aiming to develop digital skills, implement pilot projects, and leverage data analytics.
Monthly Checks: Staying on Track	Teams hold check-ins to track progress and address challenges. One team's AI pilot faced data-quality issues. Their check-in facilitated collaboration to find solutions like data cleansing and improved collection.
Quarterly Review: Deeper Dive and Course Correction	Teams present impactful successes and challenges to senior management, fostering data-driven insights. The data analytics team showcases AI's efficiency gains, inspiring accelerated AI adoption and strategic annual plan adjustments.
Mid-Year Review: Strategic Refresh	A review of project progress and business performance prompts reflection and adjustments to the annual plan. The need for more realistic digital-skills training timelines is identified, leading to updated training plans.
Annual Review: Learning and Future Planning	Teams' in-depth reflection and presentation of final results, learnings, and challenges inform future planning. A successful pilot project's unexpected positive outcomes lead to project expansion and further innovation exploration.

About Ultimate Performance



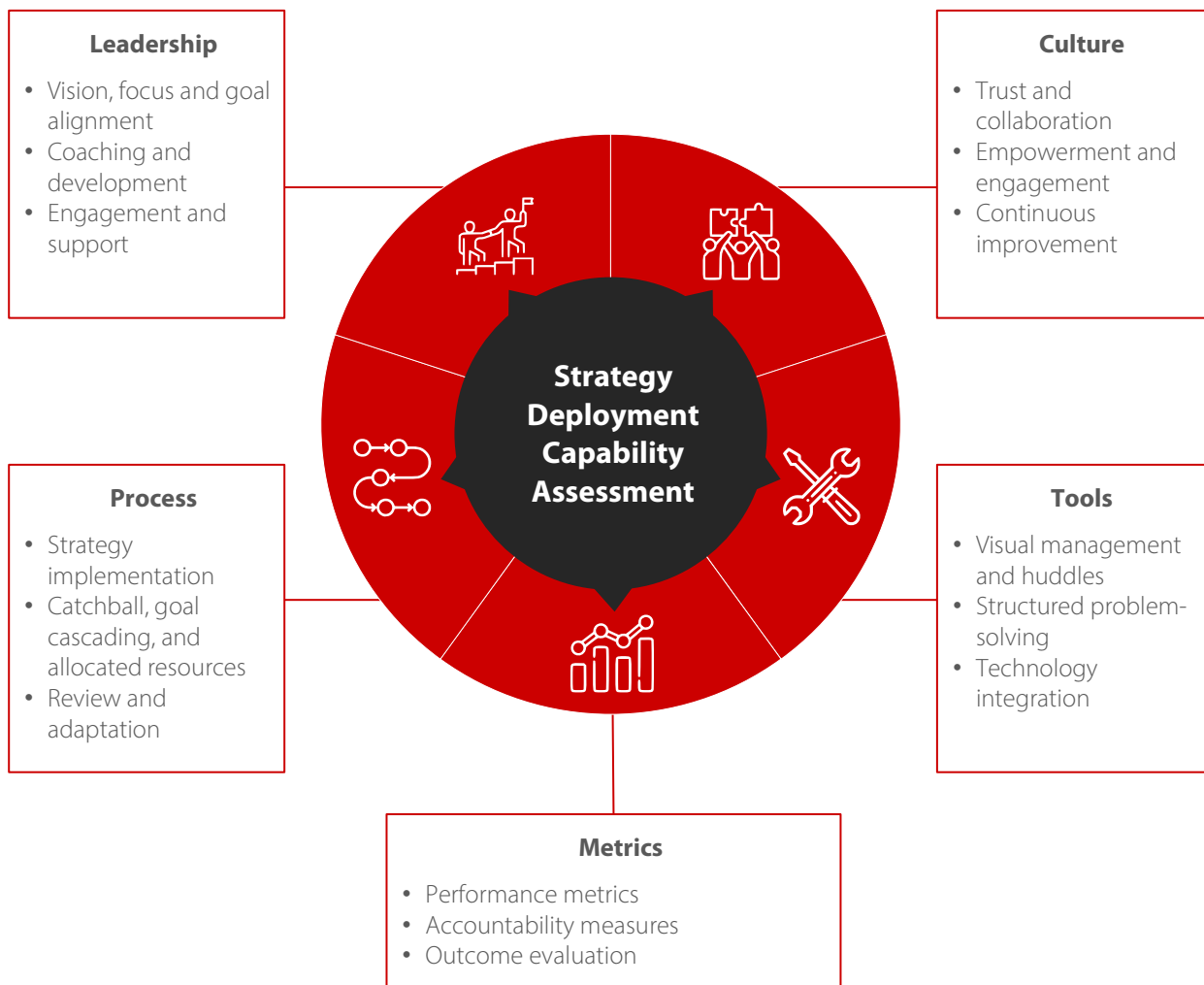
Ultimate Performance understands that achieving enterprise-wide strategy excellence requires a unique blend of skills. Our team combines deep Lean expertise, change management proficiency, and strategic acumen, all tailored to the oil and gas industry's unique challenges and opportunities.

Our results-driven methodology, honed through extensive change leadership experience, goes beyond mere capability building, directly impacting business performance and ensuring accelerated adoption, scalability, and sustainable success.

Assessing Your Strategy Deployment Maturity

Our Strategy Deployment Capability Assessment benchmarks your practices against the best, empowering you to achieve greater agility and superior outcomes.

Our assessment framework focuses on five key pillars:



Author Bios:



Nathan Holt

Nathan Holt is a seasoned expert in company turnarounds, having successfully transformed more than 25 businesses across various industries. He leverages his skills in strategy, culture transformation, continuous improvement, and leadership development to unlock billions in growth and hidden savings for his clients. He started his career at Accenture and Lean Horizons, where he learned how to deliver efficiency and stability for Fortune 500 companies facing growth and change challenges. He also worked closely with former Toyota and Danaher executives for 15 years, learning from their Lean business systems that are world-renowned for their success.

Nathan's in-house leadership roles at Avery Dennison and Office Depot in the mid-2000s helped restore their fiscal health, boost their workforce resilience, and reverse their declining stock trends. Since 2011, he has focused his expertise on the energy sector, working as a continuous improvement executive at Shell. In 2022, he founded Ultimate Performance (www.UltimatePerformance.biz), a consultancy that empowers energy companies to build operational excellence capability and high-performance cultures.

Nathan holds an MBA in international business and a bachelor's in industrial engineering. He is also a Shingo organizational excellence examiner and an M&A post-merger integration advisor, further demonstrating his credentials as a champion of lean excellence.

Tom Jackson

Tom Jackson is a recognized expert in Lean transformation and Strategy Deployment. He is a Lean leader and coach with experience on shopfloors and in board rooms of businesses all over the world. Tom has published ten books about Lean and Strategy Deployment. A couple of Tom's books have been translated into multiple languages. His book, *Hoshin Kanri for the Lean Enterprise*, won the Shingo Prize for Research Excellence in 2006.

Tom began his career in an international joint venture with lean impresario Norman Bodek. Later, after joining Bodek's consulting firm, Productivity Inc., in the U.S., Tom designed lean leadership development programs for Ford, Whirlpool, Emerson, and Adidas. After Bodek retired in 1998, Tom was appointed CEO and President of Productivity Inc. and its sister company, Productivity Press.

In 2002, Tom cofounded taktX, a boutique consulting firm concentrating on the lean turnaround of distressed companies and focused improvement for multinational corporations. In 2008, Tom cofounded the Rona Consulting Group, a lean consulting firm serving large medical centers and healthcare systems. In 2023, Tom joined Ultimate Performance as a Senior Lean Advisor.

Tom holds a JD in commercial and tax law and a PhD and MBA in business economics.