

# EXECUTION

## The Discipline of Getting Things Done

LARRY BOSSIDY and RAM CHARAN

**LARRY BOSSIDY** is chairman and CEO of Honeywell International, Inc., a \$25 billion diversified technology and manufacturing business. He joined Honeywell when it merged with AlliedSignal where Mr. Bossidy was serving as chairman and CEO. Under Mr. Bossidy's leadership, AlliedSignal achieved 31 consecutive quarters of earnings-per-share growth exceeding 13-percent. Prior to joining AlliedSignal, Mr. Bossidy had a 42-year career with General Electric where he rose to serve as vice chairman and executive officer.

**RAM CHARAN** is an author and business consultant. In addition to writing numerous articles for *Fortune* magazine and the *Harvard Business Review*, Dr. Charan is the author of *What the CEO Wants You to Know* and *Boards That Work*. He is also a coauthor of *Every Business Is a Growth Business*. Dr. Charan has also taught at Northwestern University and the Harvard Business School.

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**MAIN IDEA**

Execution – or more frequently, the lack of execution – is the biggest issue facing businesses today.

Execution is the gap between what a company promises and the results it actually achieves. Those companies which have a habit of executing well earn a substantial market value premium over firms that fail to meet expectations. There is always a significant financial premium attached to the ability to execute. Furthermore, companies that excel at execution are more robust and more favorably positioned to respond to rapid changes in the marketplace.

Importantly, however, execution is not simply a result. Execution is actually a discipline in its own right which links together three core processes: people, strategy and operations. To be able to execute consistently well, a business needs to have in place three key building blocks: leaders who are hands-on and who understand execution, a corporate culture which values execution highly and the right people in the right places.

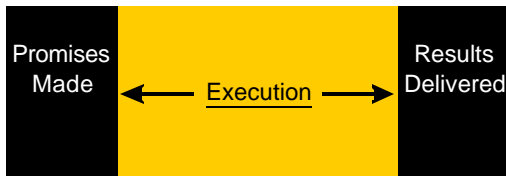
In all, execution never just happens by chance. Unless the right people focus on the right details at the right time, execution just won't happen. Great leaders always know how to execute. They expound a corporate vision which is grounded squarely in reality rather than wishes.

*“When companies fail to deliver on their promises, the most frequent explanation is that the CEO’s strategy was wrong. But the strategy by itself is not the cause. Strategies most often fail because they aren’t executed well. Things that are supposed to happen don’t happen. Either the organizations aren’t capable of making them happen, or the leaders of the business misjudge the challenges their companies face in the business environment, or both. No company can deliver on its commitments or adapt well to change unless all leaders practice the discipline of execution at all levels. Execution has to be a part of a company’s strategy and its goals. It is the missing link between aspirations and results. As such, it is a major – indeed, the major – job of a business leader. If you don’t know how to execute, the whole of your effort as a leader will always be less than the sum of its parts.”*

– Larry Bossidy and Ram Charan

**1. The Importance of Execution . . . . . Page 2**

Execution, as a concept, is very straightforward. It is quite simply the difference between what a business promises and what it achieves. This ability to deliver results and execute well can be the foundation for a strong and sustainable competitive advantage in the marketplace.



By definition, execution is all about what you actually end up doing, not what you say you're going to do in the future.

**2. The Three Building Blocks of Execution . . . . . Pages 3 - 5**

Execution doesn't just happen by chance or as the result of fortunate circumstances. Instead, the discipline of execution is based around integrating and operating effectively a set of three key building blocks:

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|--|----|--------------------------------------|
| The Three Building Blocks of Execution | #1 | Leaders Who Understand Execution     |
|  | #2 | A Culture Focused on Execution       |
|  | #3 | The Right People in the Right Places |

**3. The Three Key Processes of Execution . . . . . Pages 6 - 8**

To execute consistently well, a business needs to have three processes that work effectively both by themselves and in unison with each other:

- |                                      |    |                        |
|--------------------------------------|----|------------------------|
| The Three Key Processes of Execution | #1 | The People Process     |
|                                      | #2 | The Strategy Process   |
|                                      | #3 | The Operations Process |