

Why culture eats strategy for breakfast: A wake-up call for C-suite and VPs



When driving towards your goals and objectives, it's easy to get caught up in the day-to-day grind of execution. Laying out a strategy and planning undoubtedly plays a pivotal role in the success of any organization. However, the efficacy of a business strategy will be greatly diminished without a complementary and reinforcing corporate culture. Don't get me wrong. Strategy is vital. Without it, we're navigating in the dark. But culture is essential to make it work, it can either fuel your strategy or douse it like torrential rain on a beach day.

Research and practical experience increasingly point toward culture as an often-overlooked factor that can either propel or impede strategic objectives. As Peter Drucker famously put it: "Culture eats strategy for breakfast."

Here are some thoughts on the importance of culture and actionable insights for leaders.

The critical nature of culture

While often categorized as a 'soft' element of business, culture is the foundational layer upon which all organizational activities rest. Think of your corporate strategy as a seed—no matter how much sun or water it gets,

its success ultimately depends on the soil conditions, i.e., the organizational [culture](#), in which it is planted.

Skepticism around the influence of culture is often rooted in its intangible nature. There is quantitative evidence for culture's impact. For example, a Harvard Business Review analysis demonstrated that companies with strong cultures experienced up to a [4X increase in revenue growth](#). Clearly, culture is not just a morale booster but a significant business driver.

The disconnect between culture and strategy

Strategies often fall short when the workforce does not understand the purpose behind them, leading to poor execution. In such instances, the gap between strategic vision and operational reality can often be attributed to a cultural misalignment.

Here's a hypothetical scenario near and dear to my heart that I've encountered at many B2B companies. Imagine an intricately crafted account-based experience (ABX) strategy, backed by high-quality software, detailed planning, a savvy marketing team, and even the support of the executive team—well planned out and ready to blast off. But it doesn't even reach orbit on the first attempt to launch. Why? Lack of interdepartmental collaboration led to implementation failures and a blame game. Sales folks trying to close late-stage pipeline are perplexed and insulted as to why top of funnel activity training is being asked of them in the midst of fiscal period deadlines. Marketing, who sees the sales team's lack of pipeline coverage, feels dejected because sales doesn't seem to appreciate the marketing team's efforts to support sales achieving their own goals. Sound familiar? Even a well-formulated strategy can falter if the organizational culture isn't aligned. In this case, the culture at the B2B enterprise effectively "ate" its ABX strategy for breakfast.

The Marketing/Sales Collusion



Imagine the same scenario in a collaborative culture, the same ABX strategy not only succeeds—but excels. The difference is the mindset of the team and the culture that stems from that mindset. The [ripple effect of culture](#) has a bigger impact on success than the soundness of the strategy.

Focusing on culture doesn't mean taking your eyes off strategy or results. Rather, it's about creating an environment where strategies are more effectively implemented and where both employees and the organization can thrive. It's the backdrop that allows for enhanced performance, making the company not just a great place to work, but a place that works great.

[This research report](#) shares that 47% of organizations that have very successful company cultures saw significant revenue increases in the past year compared to just 9% of those with less successful or unsuccessful company cultures. On top of that, 75% of those with very successful company cultures have extremely positive outlooks on business success compared to just 21% of those without very successful company cultures.

Three principles for aligning culture and strategy

1. Strategic alignment through shared vision

A company's vision serves as its North Star, guiding both strategy and culture. Ensure that employees at all levels understand the larger purpose of the organization. This can be achieved through regular communication, town halls, and workshops. When strategy and culture are aligned under the umbrella of a shared vision, the whole organization moves in a synchronized manner.

		CAPABILITY	IMPACT	EFFORT
		3	A	+
		2	B	
		1	C	-

1. Roles	2. Recent Efforts and Results			
1				
2				
3				
4				

4. Action Plan:

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Arbinger's [3A+ Development Framework](#) opens up the lines of communication between leaders and employees by providing a framework for regular effort and impact check-ins.

2. Employee empowerment

How would I/we do this with an Inward Mindset?	How would I/we do this with an Outward Mindset?

Empower your team members to take ownership of their projects. When employees feel a sense of autonomy and are provided the resources and guidance to execute, they are more likely to engage deeply with both the strategy and the culture of the organization. Empowerment acts as the grease in a well-oiled machine, helping to smoothly implement strategic plans.

Try Arbinger's [Start in the Right Way tool](#) to give employees a leg up when kicking off a new project or initiative.

3. Open feedback channels

An organization should have open and transparent channels for feedback, where employees can voice their concerns, suggestions, or even disagreements with the strategy or elements of the culture. This not only fosters a culture of openness but also enables real-time adjustments to strategies that may not be working as intended.

Situation		
See Others	Adujust Efforts	Measure Impact
	a)	
	b)	
	c)	

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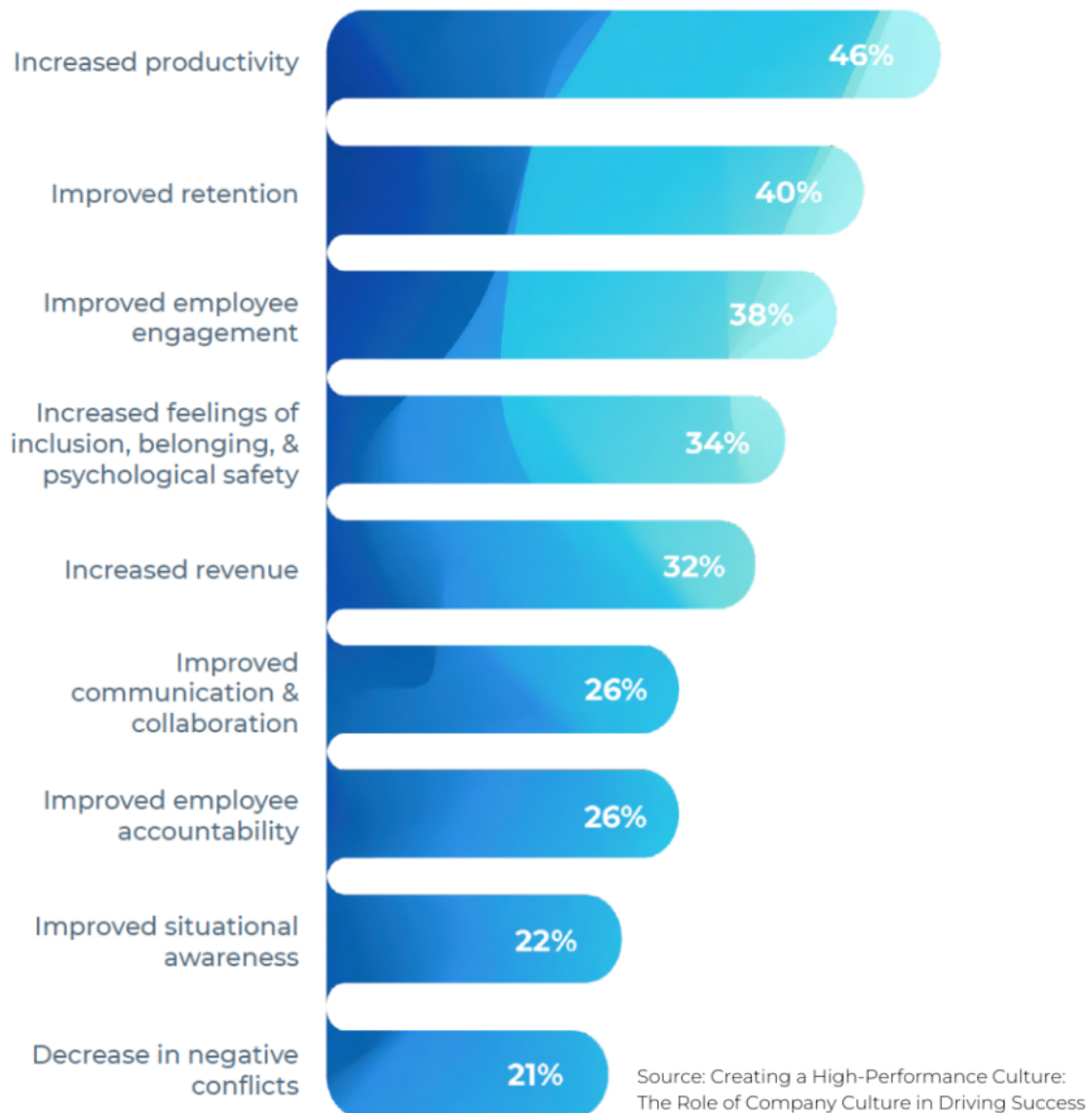
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Arbinger's [Apply S.A.M. tool](#) empowers employees to see others, adjust their efforts, and measure impact. It helps reframe challenges by focusing on others, rather than just ourselves.

Conclusion

Focusing on organizational culture leads to multiple business benefits that improve results. These include higher employee engagement and productivity, lower staff turnover, easier talent attraction, and better collaboration and innovation. A strong culture also enhances customer satisfaction, streamlines decision-making, and makes the company more adaptable to market changes.

What are the greatest benefits of improving the culture of an organization?



Source: [Arbinger](#)

Ultimately, a culture-centric approach not only complements strategic objectives but also ensures long-term sustainability and profitability. It's not an either-or situation; a strong culture can actually amplify the effectiveness of your business strategies.

Leaders play a critical role. Good (or bad) leadership sets the tone for everyone and everything within a company, and we can consider culture to be a ripple effect of that.

As you assess and refine your strategic plans, consider the cultural aspects that underpin successful strategy execution.

Ignoring culture can lead to discord that can significantly undermine even the most well-thought-out strategic plan.

Leadership is not merely about crafting intelligent strategies but also about creating an environment where those strategies can be effectively implemented. Thus, it becomes imperative for C-Suite executives and VPs to prioritize culture alongside strategic planning

[To learn more about the top qualities of a good company culture, read this blog.](#)