

Strategy happens all the time

John Lennon put it perfectly when he said that “Life is what happens when you’re busy making other plans”. The market and your competitors won’t wait until you have your latest business plan ready or have completed your research or latest re-organisation. You either deal with things as they occur, or you get swept away by the tide of events.

Strategy is not an annual activity undertaken to complete your business plan. It is an ongoing process of understanding your environment and determining the best way to act.

So, while strategy is not rocket science, many businesses fail at it. Unfortunately, the management “know-how” industry carries a fair portion of the blame as they continually bombard managers with the latest fad or breakthrough. Many of these are recycled or repackaged old ideas that are vigorously marketed and promoted – and the result is like trying to drink from a fire hydrant!

Strategy connects your business with customers and the environment

Strategy is the process of connecting your business with the needs of customers and the environment. It is the process of creating value for your customers – and thereby creating value for the business and its various stakeholders.

Along the way, we need to ensure that the business grows and / or develops new capabilities to deal with changing conditions in the market and shifting customer needs.

Because of this, strategy is also about “change management”. Traditionally, people think of strategy and implementation as separate issues. First you *think*, then you *do*. However, this has promoted an unhealthy disconnect between the *thinkers* and the *doers*, with all the problems that go with it.

We can close this gap by thinking of strategy as *change management* – ie the process that causes the change necessary to keep your business relevant to customers and changing conditions.

Strategy as change management¹

If we think of strategy in this way, there are several key principles that apply to the practice of strategy:

1. Strategy is about aligning your organisation with customer needs and market conditions. This implies an ongoing conversation and learning about customers, conditions and organisation capability. People need to be equipped to think and act effectively.
2. Strategy is a process – not a plan. While the annual plan that is produced may be a useful document, the real benefit lies in the ongoing process of planning and learning.
3. Strategy embraces the principles of business competition; ie:
 - The organisation must focus its efforts and resources into a number of defined arenas
 - The business must address the issue of creating value for it's customers
 - The business must manage its costs so that it makes an acceptable return on its efforts.

¹ A number of these principles were developed in a series of conversations with Tony Manning some years ago. Tony is a advertising and marketing consultant based in South Africa.

4. Real performance is driven by people's imagination and human spirit. Command and control will ensure some conformity, but successful change management relies on engaging people and getting them to volunteer their ideas and spirit. It's not about telling or selling the strategy – it's about engaging people through a process of conversation and learning.
5. Strategy is about creating a compelling story that brings the threads together in a coherent way. Strategy creates meaning through synthesis – the “pulling together” of all the important facts and actions. In this way, strategy may be understood as a pattern of actions and decisions, rather than simply a collection of initiatives.
6. Strategy is talking about what you want measured and managed. Your strategic conversation must be carefully crafted and well communicated to focus people's attention on what is important and what you want them to do. And you need to keep at it on a continuous basis to maintain the momentum and ongoing learning.

How to get going

So, what do you have to do to get going? Space won't permit a full discussion of the strategy process, but there are five key questions you can begin to answer and talk about in your business. They will help you shape the ultimate conversation and learning process that needs to occur.

1. What is our purpose?

- What customer groups do we serve?
- What value do we deliver to these customers?
- Why should they deal with us?
- What are our goals / ambitions with regard to this purpose?

2. What is the business idea?

- What is the value proposition – how are we creating value for customers?
- What is the business model we use?
- What is our point of differentiation / competitive advantage?

3. What is our culture and style?

- What are our key assumptions about the way we operate?
- What is not negotiable?
- How do we want to behave towards our customers?
- How do we want to behave towards each other?

4. What are our key goals and priorities

- What are the key areas in which we seek results (KRAs)?
- What are the key priorities within these KRAs?
- What are the key actions we need to take in these KRAs?
- Who is accountable for them and in what time frame?

5. What is the strategic conversation we need to have?

- Who do we need to talk to?
- How can we best reach them and engage them?
- What do we want them to know?
- How do we want them to respond?

Once you are clear about these questions, start the conversation. You won't have all the answers yourself. But the conversation will yield the clarity, the understanding and the insights that are necessary to answer them all. Remember, it's a learning process, so things will emerge iteratively, and you may change your views several times during the process.

Good luck on the change journey. And remember, keep an open mind. You are as likely to change as your colleagues and staff.

About the Author

Dr Norman Chorn is a strategy and organisation development practitioner with some 20 years experience in Australia, UK, New Zealand and South Africa.

His work has three primary areas of focus:

- Creating strategy for competitive advantage
- Developing effective organisations and structures – organisational change
- Developing leadership skills, with particular reference to strategic leadership.

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