

A quarterly publication service
produced by
LIVE Consultants Inc.

October 2000
Number 98

MANAGEMENT PERSPECTIVES

Strategy

From the Editor

Dinner conversations are like dreams: Seemingly meaningful and intriguing at the moment, but later, difficult to construct and odd.

A couple of weeks ago, a group of us were in full flight over bowls of carrot and squash soup — politics moved to defining honesty which moved to the nature of relationships which moved, in turn, to fate. And then somebody — and I'm not quite sure who — said, "The only peace that you take to the top of the mountain is the peace you've already got." For whatever reason someone skittered off to where they had been on vacation and that moved to a heated debate about whether there is a rip in the ozone. See what I mean when I say dinner conversations are like dreams?

I think I got it right: The only peace that you take to the top of the mountain is the peace you've already got. I've thought a lot about what that observation means and have come to the conclusion that most of us already have important insights within us; we just need to find a place to rediscover them.

In large measure, we at LIVE Consultants are your mountain guides. Our programs, workshops, and learning processes are places where you can discover and learn again what you already know.

Marilyn Baetz, editor

About the Author and the Article

The list of leadership responsibilities seems long, if not endless: Know the business, develop bench strength, build credibility, inspire others to give their best, plan, build productive teams, allocate resources to priorities, lead change, and think and plan strategically.

This article concentrates on the last item: Think and plan strategically. However, as the author Stephen Baetz observes, "Strategic thinking and planning is a leadership discipline that too many people have been asked to move on without even the broadest guidelines of what to do and what not to do."

To respond to that deficiency, he has proposed five disciplines for leaders as they take on the task of crafting strategies. In combination, they represent important do's and don'ts for strategic thinkers.

Stephen is a partner in LIVE Consultants Inc., the organization that sponsors this publication.



Stephen Baetz

Crafting Strategy Is A Discipline

I haven't kept an accurate tally of this but my best guess is that at least once every two weeks somebody says to me, "C'mon, let's be honest: You either have what it takes to be a leader or you don't." Given that I've dedicated my working life to being a management educator, my hunch is that they expect me to argue the nurture side of the nature-nurture debate. But I think they're right: At least in part. You either have what it takes to be a leader or you don't. But it's not the genes that make the difference; it's the discipline.

My experience is that there's very little about leadership that comes naturally. Delegation doesn't; listening for the meaning in the white space doesn't; taking time to communicate during the lost-productivity phase of a change doesn't; yielding to the wisdom of a team doesn't; keeping focused on the long-term during a crisis doesn't; and the list goes on. Leadership is about learning not to do what comes naturally; it's about disciplines. Now there's a word that seems old fashioned and out of date. Discipline doesn't have to be connected to punishment. Discipline, in the context I'm using it, has to do with training the mind, with rigour, with focus.

Strategic thinking and planning is a leadership discipline that too many people have been asked to move on without even the broadest guidelines of what to do and what not to do; or, to put it another way, without knowing some of the disciplines.

To help on that front, I offer here — in no particular order — some of the disciplines I think are valuable for leaders as they take on the responsibility of thinking and planning strategically. (And yes, since strategic thinking is about figuring out *how* to get *breakthrough results*, it is a required skill set for both executives and middle managers.)

Discipline 1: Ensure the environmental assessment is accurate and complete.

In most organizations, the environmental assessment is called a SWOT — where strengths, weaknesses, opportunities, and

threats are charted and weighted. Indeed, this is a good place to start. However, there are two shortcomings connected with most assessments.

One is that many individuals and teams "tell themselves stories" by listing hunches, rumours, guesses, suppositions, conjectures, and untested theories. To guard against this, as each item is recorded, ask, "What facts or information do we have to support this assertion?" This question ensures a higher degree of accuracy.

The second is that many SWOTs are too narrow and incomplete; they fail to scan the total environment. Good ones look at primary and secondary stakeholders: Customers, consumers, employees, shareowners, suppliers, technology, resources, as well as regulations, politics, special interests, industry positioning, and the economy. By looking at all the stakeholders, the assessment can be more complete and usable.

Discipline 2: Avoid building strategies on the basis of your strengths.

Strategies should respond to the most important environmental realities. They define how you plan to take advantage of an opportunity, solve a problem, or respond to a seemingly unresolvable issue. Notice I didn't say "improve on your strengths."

The only time you want to exploit a current strength is when the environment is calling for you to do so. A number of organizations have done themselves a disservice by looking inwardly to their strengths and doing better what they've done in the past.

The requirement is to get good at what the environment compels us to be good at.

Discipline 3: Don't focus on your competition.

It is infinitely better to keep your eyes on your customer and what they need or require. Strategies that are developed to respond to a competitive threat create organizations that are

reactive, unsure, and often disconnected from the customer. To be sure, organizations that worry excessively about what the competition is doing relegate themselves to being followers in the marketplace and not leaders.

Discipline 4: Write fewer.

There's a Mindset among some people who do strategic thinking and planning that if one strategy is good then 20 must be 20 times better. Nothing could be farther from the truth.

No organization, no department, no team has enough resources to fund more than two or three strategies. Consider what is included in a complete plan: Each strategy has supporting tactics ... and each tactic has a detailed plan of who is going to do what and by when ... and each plan will consume budget and resources to execute ... so go with a few.

Strategy-crafting is about making choices, it is about focusing the time, energy, and talent you have available to get the breakthrough results you need.

If you end up with more than three strategies, ask yourself whether you are framing the problems, opportunities, and challenges at the right level. You may have a series of tactical statements that support a broader strategy. If that is the case, look at the statements and determine what the broader strategic statement might be. Strategy should be a few, simple, high-level declarations.

Discipline 5: Follow a formula for writing clear statements.

There are a set of formulae that will help you craft a clear strategy statement and keep you connected to the realities defined in your environmental assessment:

Opportunity + by + how

Problem + by + how

Unresolvable issue + by + how

Here are a couple of examples to illustrate how the formulae would work.

Let's say a brand manager had the following consumer insight: Young adults want detailed information on product functionality. The resulting strategy statement might read like this: Exploit the desire of young adults to have product functionality information by providing multi-channel support documentation. The opportunity is defined — the desire of young adults to have product functionality information and a simple how-statement follows — providing multi-channel support documentation.

A retail chain did an environmental assessment and discovered that consumers wanted staff who could help them solve their home renovation problems and not merely sell products. This was not an area of expertise for the chain. The strategy statement might read like this: Respond to the need of customers to have solutions by training staff in consultative selling.

A financial institution is faced with a seemingly unresolvable dilemma: On the one hand they must manage transaction costs and on the other they must be perceived as open and warm. The strategy statement might look like this: Respond to the need for friendly efficiency by ensuring every point of contact in all channels is perceived as both friendly and efficient.

Of course for each of these strategy statements, a set of tactics and plans would be developed.

The other thing to notice in the examples is that strategy formation exists at all levels — with a Brand Manager, with an Operations Manager, or with a Vice President. Strategic thinking is not just an activity that happens at the top of the house: Leadership at all levels has to have the abilities to read the environment, determine which opportunities, problems, and issues are most important, and decide how. This observation, in turn, should encourage us to write fewer statements — because they all have to be funded — and to ensure they are aligned with each other and with the end that is to be achieved.

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