the end is the
beginning

by stuart wilkinson

Imagine a writer from The Wall Street Journal walks into your organisation and asks a director, senior executive, middle manager and staff member to give a clear, concise outline of the business strategy.

Would you be confident that everyone would readily give coherent, consistent and accurate responses? And if the director and senior executive cannot readily provide a concise, coherent and accurate outline, what chance the middle manager or staff member can do so? An old saying is that in the end is the beginning. In this context, how a strategy ends up, successfully or otherwise, can usually be sourced back to the beginnings.

Crucial at the beginnings of strategy development are the most senior players. Which is why, in any strategic work, we engage in particular with the chair and the board, as well as the CEO and senior executives.

Right Lane is well cognisant from a wide-range of strategic engagements with diverse organisations that there are three basic foundations for getting started with strategy:

1. Understand the role the board can play and use a process that generates a strategy that is widely supported

2. Develop a common understanding and articulation of the strategy

3. Develop commonly used and understood language

1. Understand the role of the board and use a process that generates a strategy that is widely supported

Organisations, just like individuals, will execute best what they are engaged with, and they will engage best in what excites them.

For boards, amid all the onerous responsibilities of governance and compliance, strategy is perhaps the most exciting and challenging role. Boards, and their chairs, need to embrace the tasks associated with strategy as substantial and challenging, tasks that can allow them to truly demonstrate leadership through their thinking, attitudes, advocacy and endorsement.

And it can be challenging, especially if there is any rivalry, resentment or discontentment among directors.

In initial strategy development, boards might focus more on perspectives, setting priorities and boundaries, testing management's thinking; management might focus more on providing quality information and discussion papers, advising risks and rewards. But they are not limited to those roles, and a good process will challenge and draw the best out of each group.

The best, and most sustainable, strategies are widely supported. A co-development approach between executive team

Right thinking

- The best, and most sustainable, strategies are widely supported, which means appropriately involving not only the executive and staff in developing strategy, but also the board

- We have found there are three basic foundations for getting started with strategy

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  2. Develop a common understanding and articulation of the strategy

  3. Develop commonly used and understood language

and board can provide great benefit, maximising the upsides of a team approach and minimising the risks of derailing through individual personality bias, or knowledge assymetry.

A common element of a co-development approach is a board and executive workshop. At such a workshop, utilising an expert facilitator, teams of directors and executives can time-efficiently get to a shared understanding and view, and identify where more work or thought is required.

As with meetings, workshops require effort to make them work and to achieve objectives. Death by (bad) meetings and death by (bad) workshops are destinations to be avoided. No one wants to take last year's strategic decisions and simply change the calendar dates; equally no one wants to re-invent the wheel every year. Which means boards, and executives, make the time (usually outside normal board meeting schedules and topics) to do the thinking, focus on the 'we' rather than 'me', engage openly, and ensure there is robust discussion and analysis. A mutuality of engagement, understanding and confidence can provide a powerful momentum.

And they need to be prepared to deal with questions that might cause some discomfort. The facilitator, for example, might test some self-awareness issues: the strengths and capabilities of the board and the executive team; the capacity and willingness of the organisation to engage with and meet the objectives; the time it will take to meet the objectives.

Effective strategy development will allow boards, executives and staff to have input, so there are no hidden fault-lines; participants will feel they were genuinely part of the process, have been heard and valued; and the outcomes will be seen as having emerged from within the organisation not as stone tablets from on high.

2. Develop a common understanding and articulation of the strategy

The resulting outcome should be a strategy that looks desirable and viable from any angle, through any prism. And it needs to be easily articulated to, and understood by, all those looking through those prisms. Which means board members and executives ought to be crystal clear on the business strategy and be able to articulate that strategy simply and concisely.

'If you don't know where you are going, any road will get you there.'
Carroll, 1865

This is one of many sayings that make a similar point: an unclear sense of what you are trying to achieve reduces the hope of attaining the goal. But making something look and sound simple or easy is the outcome of considerable dissection, understanding, development and practice. Making the complex simple is a real challenge.

As the late Mike Rukstad identified with David Collis some years ago (Collis & Rukstad 2008), there are three critical components of a good strategy: objective, scope and advantage. These elements are simple yet sufficient for any strategy that addresses competitive interaction over unbounded terrain.

Objectives need to describe an end point, within a timeframe. A simple and current example: a strategy to get all foreign troops out of the Middle East at some point would be very different from an exit within three years, or by Christmas.

The second critical component is the scope or space for the business. This might be the sector, or the type of business within the sector. It might be geographical. It might be bricks and mortar or virtual. What are the boundaries of activity, past which the organisation would not tread?

With these two elements in place, the third leg of this stool is the question of competitive advantage. How is your business going to do this better than the plethora of existing and emerging alternatives? Why will your customers come to and stay with you?

Defining objective, scope and advantage requires trade-offs, depending on whether the priority is rapid growth rather than profit maximisation, scale economies rather than product diversification, mass appeal rather than niche.

Base questions for early consideration in workshops might include:

- What are the exact objectives that will drive the business: profit, growth, market share, innovation, sector leadership?

- When is the point in time that we expect to meet those objectives?

- Where is the field of endeavour: geographic, demographic, psychographic, virtual, or vertical? What is the territory we most want to compete in and avoid?

- Who is the customer we most want or need? Why will those customers see us as providing unique solutions or value?

- What is the clear differentiation of our offering versus the rest of the world?

- How will we ensure the organisation has the capacity and the means (skills, finance, technology, data, processes, systems, measures, incentives, rewards) to best facilitate prospects of success?

Simple 'who', 'what', 'when', 'where', 'why' and 'how' questions are invariably the start of robust conversations, more questions and data-based analysis. This leads to clarity and simplification of the complex, and the beginning of conversations that ultimately ensure the whole organisation understands the objectives and how their daily activities contribute to reaching them.

3. Develop commonly used and understood language

If the board and senior executives get the strategic simplicity and clarity among themselves, the parallel challenge is to develop and inculcate a language that best captures and communicates the strategy throughout the organisation, and to other stakeholders. There is often challenging, even heated and passionate discussions about which is the right language: Are we using the words that say what we mean? Do we really mean what we say? Is this going to mean what we want it to mean to the shopfloor and our suppliers?

Words, meanings and interpretations for different audiences can make or break a strategic plan. 'Chinese whispers', and a plethora of variations on a theme or the objective, are a recipe for sub-optimal outcomes.

Music buffs will talk about a 'wall of sound' developed in the Motown heydays of the 1960s, with lots of diverse musical input filling all the space and creating powerful and uplifting sound. When it comes to strategy development, the challenge for business is similar. What sound are you making?

While there can be significant differences in strategic priorities for different organisations (for example, between a start-up and a well-established business) there is a common need for inclusion and engagement, clarity, simplicity and consistency from the start of a strategy development or strategic planning process. And there is a need to have logical steps or building blocks, to meet the desired objectives, whether that is fast build-fast exit mode or long and lasting legacy mode.

When it comes to strategy development, the challenge for business is similar. What sound are you making?

References

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Collis D & Rukstad M, 2008, 'Can you say what your strategy is?', *Harvard Business Review,* pp. 63-73

want to know more?

If you want to know more about Right Lane's approach to strategy development – and getting started on the right foot – contact **Stuart Wilkinson:**

stuart@rightlane.com.au