

Strategy or Tragedy

- How ready are you to make winning choices?

Perhaps one of the most overused words in business, much time and effort is made in the name of strategy. But how well is the concept understood? To what extent are leaders and senior managers making the most of what they have available to them? Too often the reality is more akin to highly reactionary crisis management than we would like to admit. In **Strategy or Tragedy** we explore why this is the case and what can be done to increase the likelihood of success.

On a cold, wet day last week in Northampton, I was sat with Nigel Doran, a former Pharmaceutical Executive and now Leadership Coach. We had invested the morning in a

reflective conversation to learn and challenge one another's thinking. And then, unsolicited, up popped the topic of strategy. As a former Marketing VP of his organisation, Nigel was frequently tasked with reviewing strategic plans. He reflected on how hard it is for any businesses to pick out the absolutely critical priorities. So what is strategy? I reflected that in the autumn I had addressed a room full of IT Directors from the country's leading charities. In that speech I used the work of Bob Williams. In trying to define strategy, he used a matrix to simply map two dimensions together; the level of predictability of the environment against the approach style taken to that environment.

	Proactive Approach	Reactive Approach
Incremental Change (High Predictability)	Planning	Tactics
Discontinuous Change (Low Predictability)	Strategy	Guesswork

What is Strategy?

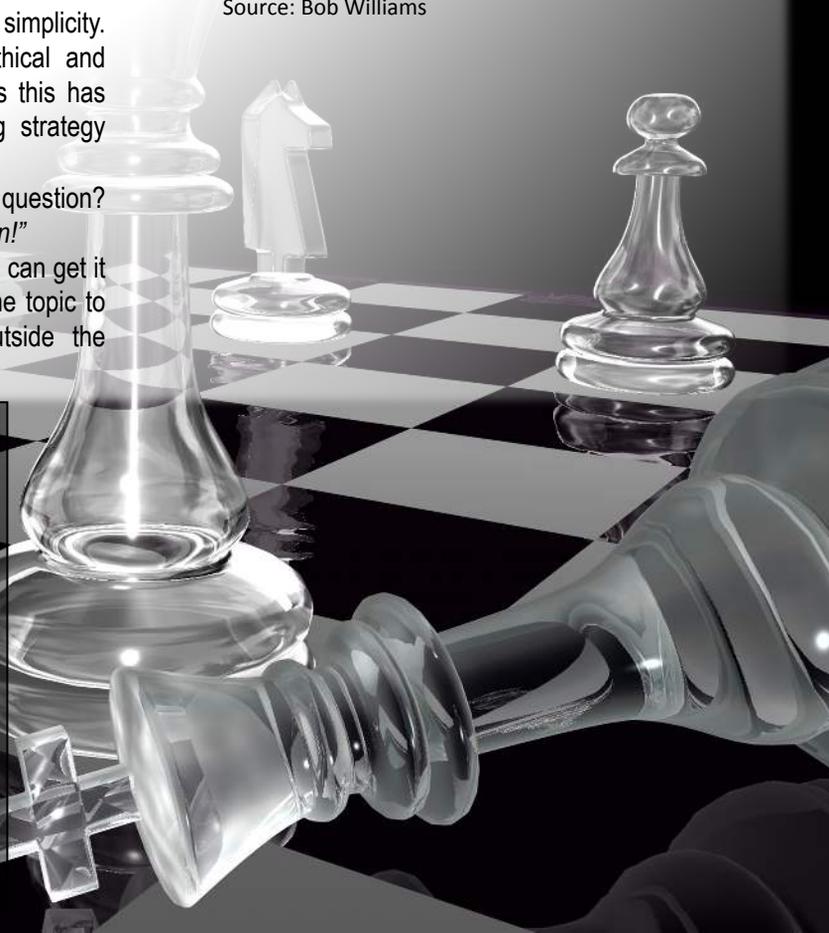
Source: Bob Williams

I like this work and theoretical underpinning for its simplicity. Far too often today strategy has become mythical and seemingly complex to even understand. Perhaps this has been fuelled by the fashion for MBAs and big strategy teams.

So what was Nigel's answer to the definition question? Simply: *"The ability to make the right choices to win!"*

In order to understand why so many organisations can get it so badly wrong, it is important to look 'around' the topic to examine the environment both inside and outside the organisation.

The Strategy Director: In a privately owned FMCG company we have worked with, the Strategy Director title fell to a very talented executive. She was actually an extremely talented Customer Insight Director, who really understood the market, the customers and the industry. By hanging on to a 'false title' of Strategy Director it gave the board permission to both abdicate their responsibility and to also lay 'blame' at one person's door when things went wrong. The arrival of a new MD uncovered her true potential and put her to work on higher value initiatives.



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Role Clarity – In our model of High Performing Teams we spend a lot of time talking to clients about the ‘root system’ of a team, where the strength and the foundation comes from. Alongside ‘Purpose’, role clarity is essential for a healthy functioning team. Too often the contribution of people around the table is vague or even unknown. Instead their presence is based on a list of tasks or duties they perform or simply what their colleagues see when they are together. The two dangers that can poison performance are the Minister without Portfolio Syndrome and the Hagglng – Discount Store. Senior Managers hate not understanding the role / contribution of colleagues to the point of feeling resentful. This is exactly what can happen in the Minister without Portfolio Syndrome. Hagglng – Discount Store: Here it’s open season to knock down and discount or ignore the arguments and contributions of others. Let’s be clear that this is about winning – personally!

We’ve also come across some very strange organisational design. In large organisations there can often be a significant disconnect between the Group HQ and the Senior Teams that are closest to the reality of customers, costs and commercial climate. In one notable example, the Group Operations Director stated that Regional Leadership Teams should simply deploy the strategy / plan and not contribute to the debate nor provide feedback. Needless to say it is not a healthy business and it has significant cultural problems. The result of hiring / retaining talented leaders and then affording them no strategic input is at best going to be a lottery, at worst a journey of huge resistance and wasted time / opportunity.

Externally, there are a plethora of tools, theories and models to choose from. Michael Porter’s Forces Model remains popular. What we’ve witnessed however is the poor execution of competitive analysis or simply an overly protracted debate about key information and who is right and who is not. You can hear the cries of “But I know strategy better!”

So how do you increase the ability to make the right choices to win?

Here are x4 areas of team / leadership capability to start with:

Team Dynamics: Invest regular time and effort to nourish the team dynamic with the right kind of behaviours and ethos. Yes, that’s what the company values are actually for! The foundation of strong and healthy, winning teams is trust. Teams that are built on trust / strong relationships are significantly more likely to have healthy, challenging dialogue and debates. What’s important here is that all voices / inputs are heard to create a greater diversity of thought.

Clarity: The simple act of a role review or restating roles and responsibilities can be powerful. Often in the midst of time or after a period of fire fighting the details of roles, contribution and therefore collaborative interfaces can be lost. What does make a valuable contribution to strategy from any given function? Ultimately if it’s about making choices, who has the authority on key decisions and why? As an MD, VP or CEO, it’s useful to remember your personal style and what that means in terms of your need to communicate and flex that style.

Vision / Strategy: Every strategy needs to be an anchor and must be founded on something. Sounds simple but make sure your organisation or division understands its Raison D’etre. A common trap many senior managers fall into is their ability to forget the importance of constantly stating and restating the answer to the ‘why’ question. Make sure everyone in your business understands why you exist not just the next cost reduction target or missed metric. Leadership is about enabling extraordinary results from your followers. That’s a pretty tough ask without the ability to inspire through vision.

Organise to execute: If you understand your roots (role clarity and interrelationships) and you work together effectively (behaviours) there is every opportunity to execute for amazing results. Remember the basics around retaining sight of the overall picture, i.e. Project list / review, quality of data, flow of information around the team / wider business. Healthy team practices avoid controlling behaviours and conflict.

Another thing Nigel told me; strategy originates from the Greeks and planning to win wars in the face of adversity or uncertainty. Ironically the message here is that if you want to make war on the market and win, you first have to make peace with your team and leadership community!

By Steve Bernard