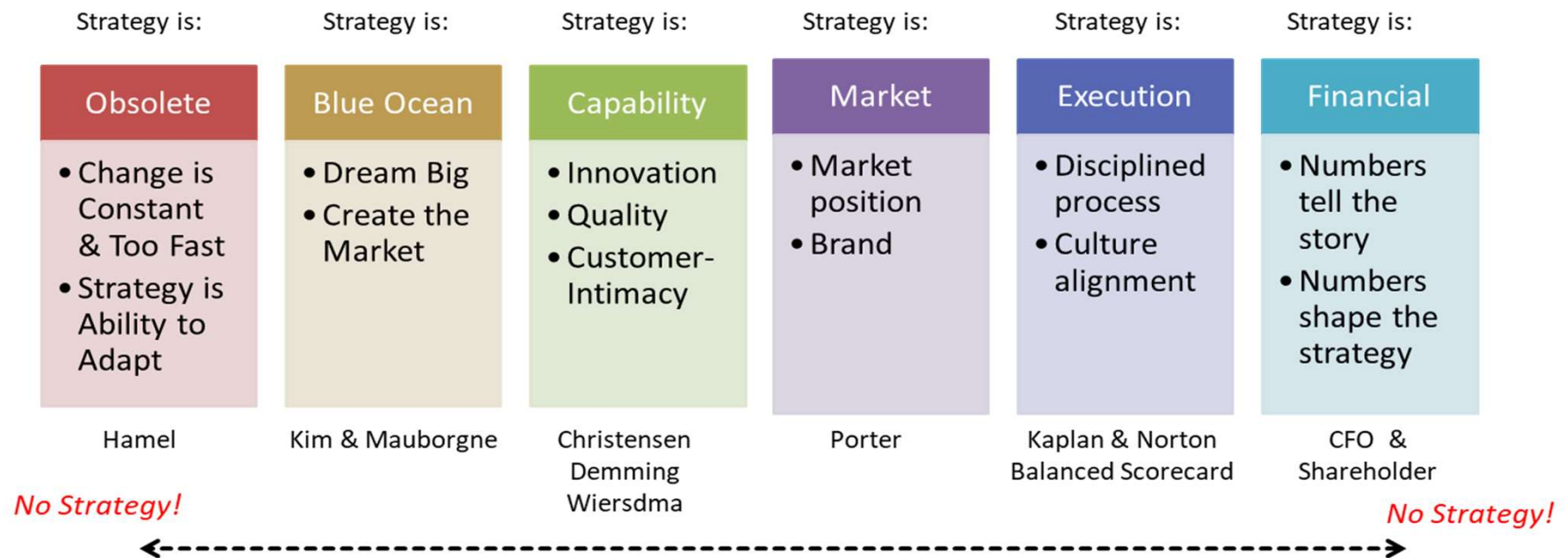# The Strategy-Making Process

What is Strategy?

What is Strategy?

For such an important factor, required by every organization, surprisingly few people can answer this question with any confidence – with good reason.   It is Tower of Babel on this topic, and here's why: it can mean many different things, and often does, illustrated below.
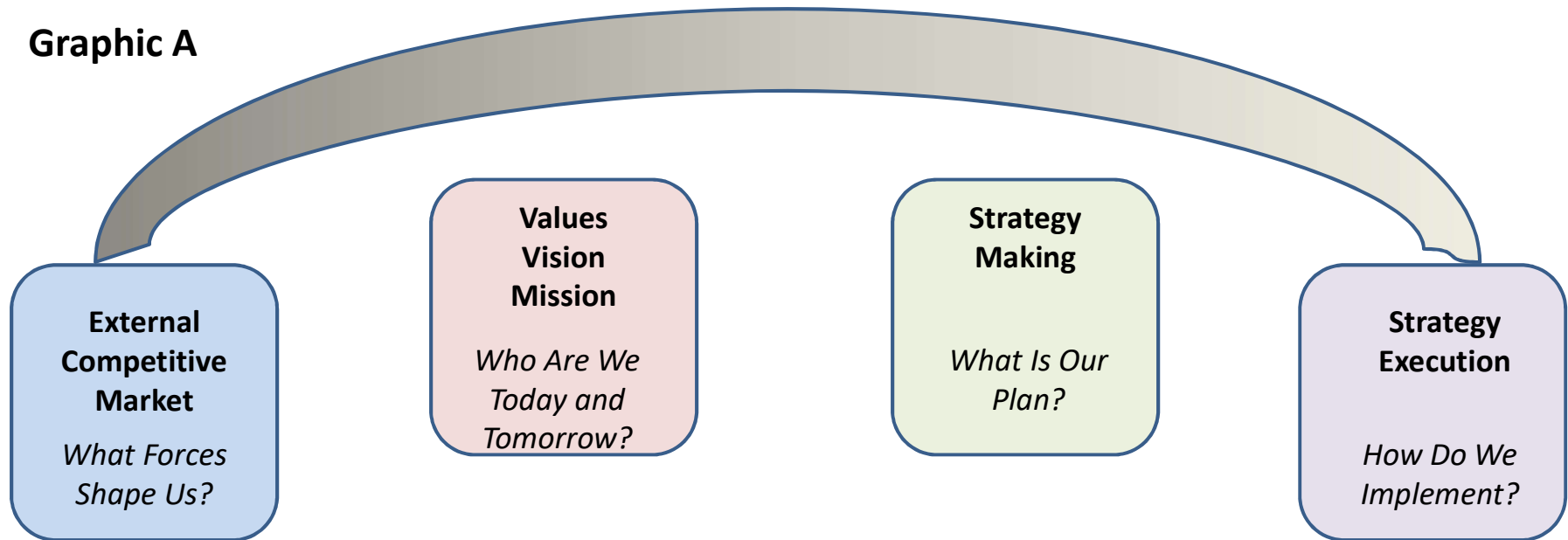
Strategy is:	Strategy is:	Strategy is:	Strategy is:	Strategy is:	Strategy is:
Obsolete	**Blue Ocean**	**Capability**	**Market**	**Execution**	**Financial**
• Change is Constant & Too Fast • Strategy is Ability to Adapt	• Dream Big • Create the Market	• Innovation • Quality • Customer-Intimacy	• Market position • Brand	• Disciplined process • Culture alignment	• Numbers tell the story • Numbers shape the strategy
Hamel	Kim & Mauborgne	Christensen Demming Wiersdma	Porter	Kaplan & Norton Balanced Scorecard	CFO & Shareholder

No Strategy!   <-->   *No Strategy!*

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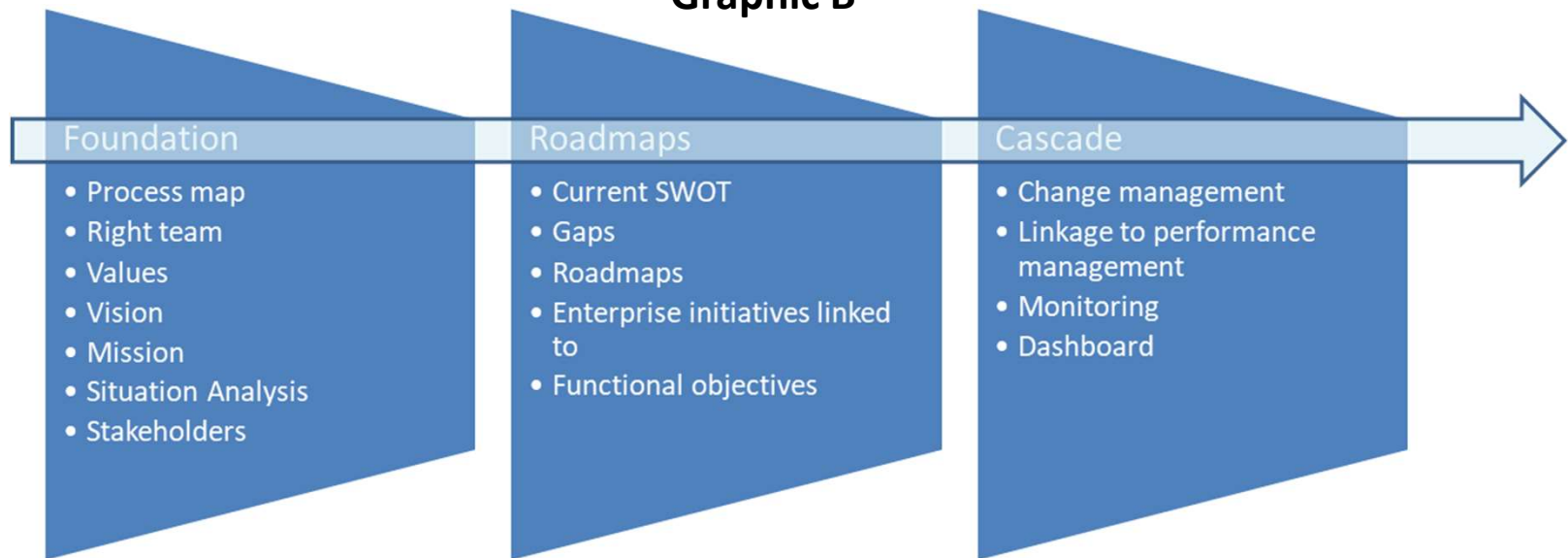
A Pragmatic & Eclectic Approach

1. This confusion has spawned a book "You Need a Strategy for Your Strategy" – which is absolutely true. Despite the widely varying definition of what a good strategy should achieve, there is a commonsense, pragmatic process – outlined in the two graphics on the next slide.
    a. Graphic A is a bird's eye view of the essential elements of any strategy.
    b. Graphic B drops down to specific deliverables at each phase in the strategy process.

2. There are some critical 'rules' that should frame the strategy process:
    a. Not every organization should spend the same amount of time on each phase. However, every organization should make a 'stop' at each phase, even if only to agree that 'We are clear, and in full agreement, about that strategy topic'. Some organizations are crystal clear about their values and mission, but have never fleshed out their vision; other's have a clear mission and vision, but are not in agreement about their ability to deliver that mission and vision.
    b. Our approach is to design the strategy process so that it spends scarce leadership time and attention on those issues that are unresolved, perhaps only spending a very brief time on high-consensus issues.
    c. Having the right people in the room for the right topic is another critical design element. There is a time to solicit wide input, and a time for top leadership to 'make the decision'.
        a. There is a time to brainstorm new ideas, and a time to translate new ideas into feasible implementation plans – not the same.

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Graphic A

External Competitive Market	Values Vision Mission	Strategy Making	Strategy Execution
What Forces Shape Us?	*Who Are We Today and Tomorrow?*	*What Is Our Plan?*	*How Do We Implement?*

Graphic B

Foundation
- Process map
- Right team
- Values
- Vision
- Mission
- Situation Analysis
- Stakeholders

Roadmaps
- Current SWOT
- Gaps
- Roadmaps
- Enterprise initiatives linked to
- Functional objectives

Cascade
- Change management
- Linkage to performance management
- Monitoring
- Dashboard

Big Picture Planning

Priority Actions

Execution

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4

The Eclectic Pragmatist

- Setting the Table for Success:
  - Important to have a 'template' of what expected roles, stages, and outcomes are – translated to a realistic process for this organization, at this time. There is no 'right way' – but someone with the authority to do so, needs to make that decision.
  - Strategy-making is a leadership team capability – make sure the right people are involved

- Avoiding Predictable Failure Points:
  - Wandering discussion with no closure, no action plan
  - Wrong balance of flexibility versus discipline process steps
  - Wrong people in the room for the topic or the task
  - Team dynamic or personalities unmanaged – public versus private discussions – no ground rules and norms
  - Wrong balance of quantitative and qualitative inputs
  - Drilling holes in the sky and counting blades of grass

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A Repeating Cycle for Every Topic

Whatever the topic – External Market, Vision, Financial Targets, SWOT, or Priority Initiatives – the effective strategy-making team goes through the same cycle:

1. **Frame It**: *What's the issue and our challenge?*
2. **Discuss It**: *Surface differing views*
3. **Differences**: *Identify agreement & disagreement*
4. **Ratify**: *Ratify closure*
5. **Roadmap**: *Action roadmaps*

Frame it

Discuss It

Agree & Disagree

Resolve & Ratify

Roadmap

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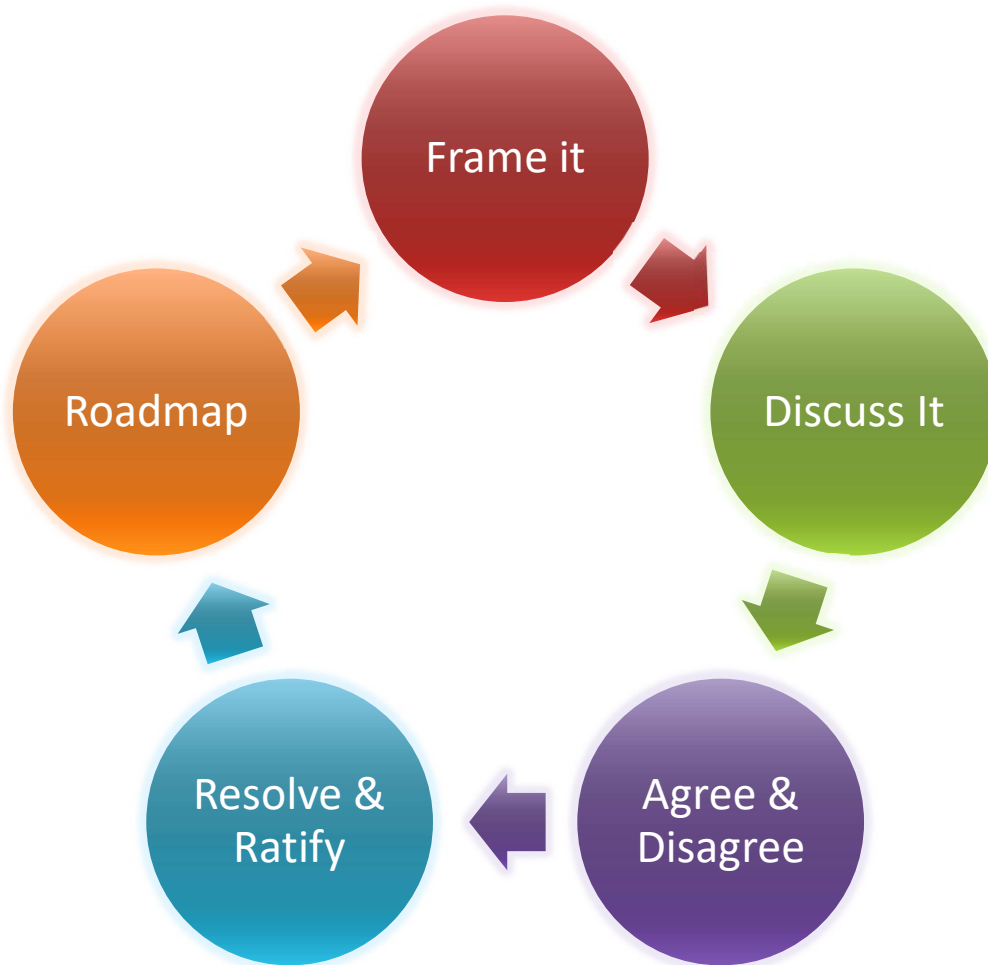
Practical Starting Challenges

- Bring in a strategy model and process that fits your organization – for this time and place. That could be weeks, months or days.

- Make sure that the strategy team can finalize decisions – not just discuss and make recommendations.

- Make sure the right people are involved at the right time in the process and that there is a leadership team capable of making strategy

- Engage an expert to customize and facilitate the right process:
  - Focus the team at the right level on the right issues – avoid 'drilling holes in the sky' or 'counting blades of grass'
  - Facilitate different team modalities: ratify vs explore, finalize decisions vs 'chew' on them
  - Manage deliverables so something concrete is accomplished
  - Ensure effective communication of the strategy by the right sponsors
  - Ensure robust, explicit linkage to performance management

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