

What Does Strategy Mean To You - The Unspoken Secret?

Most effective strategy processes begin with a stock-take: a review and assessment of the organization's current products, markets and customers. This is an essential first step to kicking off a good strategy-setting exercise.

Yet no strategy process that I have come across conducts an even more crucial preliminary activity - even before the one described above. This is to ask what the sponsor of the strategy process thinks of when he or she thinks about strategy. What, in effect, does strategy mean to you?

Everyone leading or facilitating a strategy review should ask this question. The answers may amaze you. And they may make the sponsor quite uncomfortable.

The reason is that most people in business have a very different idea of what strategy really means. Unless a facilitator unpacks the organization's perception about what a strategy means to them, then success is unlikely. It becomes impossible to determine what must be delivered.

For some executives, a strategy will be the way they hope to increase the share price over the next year. For others, it will mean sorting out which take-over candidates it should approach. One of my clients saw strategy as determining how to negotiate a management buy-out from the majority shareholder. Still others will see strategy in a purer light: what is the long term future that we can envision for the company, and what is the best route to get there?

None of these different perceptions of strategy is wrong. They are the sponsor's genuinely held beliefs. But each represents a starting point in the sponsor's mind about why a strategy was seen to be required. And a facilitator of strategy needs to understand these at the start.

But there's even more to it than this.

As well as understanding what has precipitated the need for strategy, we need to unpick what the sponsor sees as its essential components. Is its emphasis a vision, and if so what is the timescale? Is the focus more towards medium or short-term action - more of a tactical plan in fact? Does it need to focus more on people and the internal culture? Or is the driving issue to do with fast-changing markets?

One organization I worked with realized after the strategy was complete that the real objective was to educate the Board and executive team.

The unspoken secret in all strategy-setting exercises is that strategy means different things to different people. Each different understanding of strategy is valid, because each organization and its strategy team are different. But these different views of strategy mean that quite radically different approaches to strategy development need to be taken.

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