

**OPINION**

# TAKE IT UP A NOTCH!

## UPGRADE YOUR STRATEGIC THINKING AND IMPLEMENTATION CAPABILITIES

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In this competitive marketplace, many companies are focusing on creating strategies to gain an edge over their competitors. However, companies need to have the right strategic tools in place to create a robust strategy that best serves the company and its customers.

But, using the right strategic tool is still just part of the puzzle. Implementing the strategy is just as important and this is where many companies have faltered. Understanding the approach to effectively implement key strategic decisions internally and externally can determine the course for success or failure.

In this essay, we'll explore the various strategic tools companies can use and the value of developing a strong internal implementation plan.

### STRATEGY FORMULATION'S ROLE VS. MARKET DYNAMICS.

Strategic Formulation and Strategic Planning have been commonly associated with each other for a number of years. However, these two approaches are very different.

Strategy Formulation, defined as allocating available resources to create optimal value for customers and competitive differentiation, remains the pivotal responsibility of executives and managers.

Strategic Planning is a term that often invokes visions of long, drawn out activities that stretch several months and the involvement of tens to hundreds of staff members to produce documents.

Indeed, a decade or two ago, Strategic Planning was a common approach to Strategy Formulation in certain industries.

In large global industrial markets where change occurs gradually, the slower and methodical Strategic Planning route is still frequently taken. This is primarily because deployment of large capital projects usually requires having all the details laid out and analyzed prior to making investment decisions.

However, in other markets highly influenced by the speed of communication and financial interdependencies, a more nimble and agile approach to Strategic Formulation is needed<sup>1</sup> to be able to respond to increased levels of uncertainty and market volatility. Speed is of the upmost importance in these lightning fast markets and the classical Strategic Planning approach tend to be rigid and lengthy. This is where Strategic Thinking comes to play.

## SHIFTING TOWARDS STRATEGIC THINKING

In a world where global supply chains, online business models are lowering barriers to entry in many industry segments<sup>2</sup>, executives need to practice Strategic Thinking in an efficient and impactful manner that result in implementable strategic actions. They need to ask, "How will the customer of today buy two or more years from now?"

A number of agile strategy approaches are available for management to use to develop their Strategic Thinking: VUCA (Volatile, Uncertain, Complex, Ambiguous), Scenario Planning, Futures Research<sup>4</sup>.

One new approach Haig Barrett has developed is called "Strategy Scans".

"STRATEGY SCANS" ARE AGILE STRATEGIC THINKING TOOLS, THAT MANAGEMENT TEAMS CAN USE TO ASSESS THE POTENTIALITY OF DISRUPTION AND INNOVATION ON A HIGH LEVEL AT HIGH FREQUENCY. WHEN PERIODIC STRATEGY SCANS IDENTIFY CRITICAL CHANGES IN THE STRATEGIC ENVIRONMENT, IT WILL TRIGGER A DEEPER ANALYSIS AS NEEDED.

Think of Strategy Scans as routine medical check ups for the company. The scans are used to determine if anything has changed externally—with competitors, market place, customers, technology, and internally—organizational changes, that would impact the company negatively. If any critical changes are identified, the company can begin to immediately develop a strategy to mitigate risk and better position themselves in the new environment.

The benefit of doing periodic Strategic Scans for companies is to help the management team keep an eye on their core market and be able to quickly react to any disruptions. Strategy Scans do not take a long time to complete or need the amount of resources as a complete Strategic Planning process; therefore it can be performed more frequently and quickly.

Once a strategy or strategies have emerged from these activities, the next even more daunting challenge awaits: implementation.

## THE ISSUE WITH IMPLEMENTATION

Even today, and after decades of academic and business scholarly studies, the actual success of implementing a defined strategy remains disappointingly low<sup>5</sup>.

One reason is that organizations often follow a one-stop solution or process approach to implementation. It's also become evident that the reasons for poor implementation are predominantly related to internal organizational factors, mostly cultural and behavioral dimensions<sup>6,7,8</sup>.

Unless you are already known in the business world for being great at strategy implementation, chances are you are currently under communicating your strategy to employees, stakeholders, suppliers, etc.—the very people that have to support and make the strategy work! Often time companies are focused on outwardly implementing their new strategy and very little time integrating the new strategy within the company culture leading to misinterpretation and confusion.

Other critical factors in successful implementation are the sustained progress monitoring and the continued dialogue between executive leadership and management during the period of implementation.

So what can be done to boost the success of your strategy implementation efforts?

## PRACTICAL ACTIONS TO BOOST YOUR STRATEGY IMPLEMENTATION EFFORTS

From a big picture perspective, and depending on your unique business situation, here is a list of three initiatives that will greatly boost your chances if you are not practicing them yet:

- **Rigorously monitor** the progress of project plans that drive the implementation and provide feedback to executives and managers on the progress
- **Be disciplined** in communicating the why, what, and how of your strategy through multiple delivery channels, and communicate as often as possible over the implementation period.
- **Maintain a dialogue** between executive leadership, management and staff over a multi-year period to solidify and adjust for any contingencies

What matters most is you get the overall implementation design right and are committed to making the multi-year implementation effort a success. The specific tools and methods from project management, human performance, communication practices, etc. are secondary to that. Your best chances are to deploy a team that can complement you in this area, as success rates for "first-timers" trying to get it right are very low.

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