

The Strategy Endgame

A Pragmatic Discourse on *Strategic Planning*

Rhonda Robinson, Principal & Corporate Strategist for Robinson Enterprises, LLC, has been researching, teaching about, participating in and consulting on business and corporate strategy for over 30 years. In her research work, Rhonda has discovered significant changes in how executives, managers and companies as a whole, view and make connections to long-term planning. Not surprisingly, research results indicate many executives feel they are wasting a lot of valuable time on strategic planning and are either fundamentally dissatisfied with the outcomes or strongly disinclined to engage in the process.

Rhonda has evaluated and identified the most compelling reasons behind this apparent dissatisfaction, and has summarized the most common constituent components driving the aversive mindset. "It's a multidimensional paradox involving two predominating factors: a fundamental misperception of the dynamics behind the planning processes relative to the strategy endgame, coupled with a lack of knowledge about the role and requisite competencies of the strategist or consultant selected to facilitate the entire process." In an effort to increase understanding of what strategic planning is all about, Rhonda writes about her "prospect" interviews with executives in a Q&A format; revealing the intrinsic nature and value of strategic planning and offering advice on how to quell aversions and improve satisfaction levels.

Executives are questioning:

- *What exactly is strategic planning and what is the compelling rationale behind engaging in the exercise?*
- *Why would I spend valuable resource dollars on strategic planning in the midst of chaos? The current economic climate is already straining corporate purse strings and with personnel cutbacks and fewer resources, it's a day-to-day crisis just surviving the press of business.*
- *Why do some executives feel compelled to opt in and take their company through the strategic planning exercise, while others opt out?*
- *If the endgame boils down to leveraging speculation, what changes are you recommending?*
- *So you're saying the real "strategic work" starts with "strategic thinking" about where an organization wants to be positioned in the marketplace, and you build on that from the inside out?*
- *What specifically do you mean when you refer to fundamentally distinguishing dynamics?*
- *What are the requisite competencies of a strategist or consultant who facilitates a strategic planning process, and what role do they play in executing a long-range strategy?*

Q&As:

Prospect: What exactly is strategic planning and what is the compelling rationale behind engaging in the exercise?

Robinson: Strategic planning is about making choices to affect better outcomes. A well-designed strategy produces clear correlations between economic outcomes relative to your chosen brand position, and represents a clear departure from status quo in setting out a long-range plan of action designed to achieve a particular goal. Properly authored and orchestrated, a strategic plan

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RHONDA ROBINSON, PRINCIPAL & CORPORATE STRATEGIST

provides a pathway to achieving optimized and measurably *higher* business performances that successfully differentiate clients in their market. When properly implemented and executed, a strategic plan affords favorable and suitable circumstances for an organization to take advantage of opportunities that can ultimately result in maximizing shareholder and stakeholder return on investment (ROI). It really boils down to knowing “how” to connect the dots and “when” to exploit opportunities. It’s an entrepreneurial mindset with a clear focus on winning that permeates the ranks, and it is rooted in “ownership thinking”—the flipside of hierarchal entrenchment in maintaining status quo.

In many instances, executives and managers are better able to assimilate and define what strategic planning is by first understanding what it is not. A strategic plan is not about developing a five-year budget predicated on resource allocations that are somehow tied to a nebulous market share projection goal. Developing a strategy starts with identifying changes that are born out of a desired brand position and rooted in a “living process” for dealing with ambiguity and uncertainty—an opportunities-driven mindset for leveraging speculation in the marketplace. Although budgeting does play a relational role in strategic planning, the relationship is demystified as simply this: Budgeting is an annual event and strategic planning is an evolutionary process. The point where the two intersect involves budgeting to the plan, not planning to the budget!

Prospect: Why would I spend valuable resource dollars on strategic planning in the midst of chaos? The current economic climate is already straining corporate purse strings and with personnel cutbacks and fewer resources, it's a day-to-day crisis just surviving the press of business.

Robinson: Over the years I’ve developed a “Top Ten List” of the most prevalent challenges executives face on a daily basis. The number one item on the list is “being buried by the press of day-to-day business.” In essence, it’s a self-fulfilling prophecy that propagates the “chicken & the egg” dynamic, and that dynamic will continue to perpetuate itself, until executives make conscious choices to stop the cycle. A strategic plan is a tool that provides you with opportunities to greatly reduce your vulnerability to the prevailing conditions you’ve described. Don’t get me wrong; I’m not saying that having a strategic plan makes you bulletproof to economic instability and environmental turbulence. What I’m hearing you say, though, is that you’re feeling trapped and without options on how to effectively manage the hand that’s been dealt. Having viable strategies provides avenues for continuous evaluation and nimble repositioning, so you’re better able to exploit innovative ideas and opportunities along the way. As you develop your opportunities, you’re afforded occasions to get a jump on your competitors, which makes you less likely to become trapped to begin with. Although circumstances might dictate everyone feels the pinch to some degree or another, the endgame is a matter of who is able to reach high ground and stake their claim first. It’s also prudent to clarify that a strategic plan is not designed to sit on the shelf and be used occasionally as a manual to bail you out of crises; but rather, it’s a tool designed to enable refitting the ship at sea with a well-trained crew that’s innovative, flexible and nimble, instead of having to continually pull into dry-dock to repair your vessel.

Prospect: Why do some executives feel compelled to opt in and take their company through the strategic planning exercise, while others opt out?

Robinson: First, it’s important to understand the fundamental derivatives of strategic planning. A strategic plan consists of various emergent strategies, which are fluid and arise or occur as a consequence of strategic thinking. Strategic plans are generated by combining the structure of an organization with the types of resources available, and connecting the nature of that relativity to various economic environments and the strategic objectives being pursued, i.e., emergent strategies are adaptable by nature, rather than being written around a rigid set of rules; therein providing the flexibility that’s necessary for businesses to act upon opportunities and take a good position quickly when the industry fluctuates and economic environments change.

Common knowledge dictates that most organizations are able to survive and do fairly well during times of relative economic stability, low environmental turbulence and little competition for resources. That being said, the executives who choose to opt in are those who realize none of these conditions prevail for great lengths of time, and they understand how strategic planning provides opportunities for an organization to greatly reduce its vulnerability in these areas. Conversely, the executives who choose to opt out are generally those who view their businesses from a more narrow perspective, focusing primarily on the comforts of maintaining status quo.

Secondly, it's a matter of appreciating the fact that every organization, regardless of the nature of the enterprise, functions within three fundamental areas: Strategy, People & Operations; however, people comprise an organization's culture and culture drives bottom line (ROI). Therefore, constructing a congruent and meaningful strategic plan is predicated on whether an organization is willing and able to foster and promote a corporate culture of "ownership thinking" that serves in formulating expectations and providing clarity about the organization's strategic work. In my estimation, many executives who opt out are doing so either because of a fundamental misperception about the value of strategic planning or, more to the point, a fundamental lack of understanding about how it directly correlates to corporate culture and therefore, their bottom line profitability.

Prospect: If the endgame boils down to leveraging speculation, what changes are you recommending?

Robinson: Leveraging speculation through change is really about understanding how to effectively exploit strategic opportunities within your market; and moreover, it's about understanding and directly correlating the dynamics of a strategy, as it relates to your competitive environment, corporate culture and branding. The strategic planning process requires that you first have an established infrastructure built around identifying and developing savvy and committed leadership. Then, it's about acquiring fundamental know-how in fostering and promoting innovation through human assets, and increasing the organizational wingspan by capturing knowledge through recruiting and retaining talent and skill. The combination of all those things is the cultural cornerstone that ultimately ties together the tangibles and intangibles within the organization's *performance culture*. In essence, you brand your culture, which is a multidimensional process that takes shape on the inside and is leveraged on the outside. The true endgame is to *create certain perceptions* in the mind and emotions in the heart, both internally and externally, that enable your capabilities of driving, achieving and sustaining organizational change, which ultimately serves in establishing and leveraging your desired brand position in the market. It's probably important to point out, though, that every company has established a brand position the minute the doors open. It is very pointedly a matter of whether you're functioning *by design* or *by default*, which will dictate how well you're able to leverage your brand position and achieve true market differentiation.

Prospect: So you're saying the real "strategic work" starts with "strategic thinking" about where an organization wants to be positioned in the marketplace, and you build on that from the inside out?

Robinson: Exactly. In essence, you cannot leverage something you don't have and it's inconceivable to think waving a magic wand can bring it about. Business strategies must include a means whereby the people doing the work are part of the process, and it really boils down to incorporating and instituting methods that allow people to have a voice—it's the key to achieving buy-in and the cornerstone in reaching higher performance levels. It creates conditions that are favorable for achieving better focus and sets the expectation of execution, because it's built on a designed culture of cooperation, self-management and disciplined accountability. Quite frankly, some executives are uncomfortable with that scenario, largely because, to them, it represents a foreign thought process that ignites a very human reaction—fear. Some executives sense they

will lose control if they invite innovation and introduce the unknown. Fear of the unknown is precisely what cripples, or in some instances paralyzes, the ability to stimulate and invite change. The fundamentally distinguishing dynamics of enduring *great* companies is that they preserve a cherished core ideology while simultaneously stimulating change. In truly great companies, change is a constant.

If you're interested in seeing an example of an organization that's really "nailed it" when it comes to forward-thinking strategies, planning and positioning, and a principled approach to business surrounding a designed corporate culture, take a moment to visit the website of Mars, Incorporated and its Affiliates at: mars.com.

Prospect: What specifically do you mean when you refer to fundamentally distinguishing dynamics?

Robinson: The faster your business grows the simpler you need to keep things. My experiences working with executives has revealed that, all too often, they're focused solely on increasing market share and raising the bottom line without really dissecting how to go about generating new business and creating customer loyalty—the keys to building and sustaining market share. Strategy dynamics involves studying how innovation creates changes in what the consumer values and therefore desires, and how those particular changes might impact the dimensions of your industry. It's a matter of whether you take opportunity to get aboard and roll with the changes or entrench yourself in status quo and fight those changes. Understanding and appreciating the dynamics of strategy—knowing which changes are important and which resources to combine—assists in establishing dynamic rules you use in making key organizational decisions and developing and embracing core disciplines that build and maintain a healthy organization. In my estimation, many executives are missing the mark, because they simply fail to grasp the importance of establishing and preserving a core ideology rooted in Vision and Values, and are unable or unwilling to comprehensively connect the dots to effectively engage change, in order to enable the Mission.

Prospect: What are the requisite competencies of a strategist or consultant who facilitates a strategic planning process, and what role do they play in executing a long-range strategy?

Robinson: I'll offer an abbreviated overview of what I recommend you look for in a strategists or consultant: A Corporate Strategist is able to assist organizations in setting a direction, establishing a formal decision-making process, and defining the scope of the organization over the long-term; and through proper alignment of resources, facilitate the organization's ability to achieve a competitive edge within challenging markets, in order to meet customer needs and fulfill stakeholder expectations. A skilled strategist facilitates "strategic thinking" processes that assist an organization in designing plausible views of the "strategic work" it might undertake in building possible futures for the business.

Business strategies involve strategic analysis and strategic choices that serve to create conditions favorable for exploiting new opportunities. Strategic implementation is about innovative ways to engineer and enhance a businesses ability to compete successfully in a particular market. Robinson Enterprises, for example, engages scenario-planning techniques and integrates performance matrix analyses that measure an organization's product & service leadership, customer intimacy and operational excellence. These integrated techniques serve to summarize key issues arising from the businesses internal position and external environmental influences, and correlate the organization's relative market positioning to its overall performance within the corporate culture.

Recently, I ran across an article written by, Penelope Trunk, Columnist for the Boston Globe and writer of syndicated column, Brazen Careerist, which has run more than 200 publications around

the world. In her January 10, 2008 article entitled, “Do you think you’re a strategist? You’re probably wrong” Ms. Trunk states that, “Many who call themselves a strategist need to get a reality check”; the article goes further in outlining a number of poignantly relevant ideas which, in my estimation, summarize very simply and directly who is and who isn’t a strategist:

- “The reason everyone thinks they’re a strategist is because they don’t know what a strategist does”
- “Strategy requires thinking conceptually and creating something from nothing. So, for the most part, if you need to see something in order to do strategy then you are not doing strategy, you’re doing editing”
- “A strategist thinks very big picture and also thinks ahead in time”

Lastly, the essence of defining the role an *outside* strategist or consultant might play in the execution of strategies is encapsulated in this: The strategist or consultant does not lead the organization; but rather, skillfully engages and enables the leadership within the organization to be responsive to change in ways that yield competitive advantages. Aside from facilitating the initial strategic planning session, the strategist might work in a consulting capacity for a period of time assisting when and where needed during the strategic implementation period; and on occasion, offering and engaging executives and managers in coaching sessions and leadership training to help build their managerial “toolkits” (i.e., building the requisite disciplines, skills, systems and processes executives and managers need to see to it the organization stays focused on its highest-priority goals and objectives, and that they are able to provide the guidance, information, tools and support the organization’s membership needs to get the work done).

In essence, a strategic consultant’s job is to work himself or herself out of a job! Too many times consultants create a situation where the organization becomes dependent on the consultant’s strategic abilities and skills, which winds-up crippling the organization’s ability to move ahead with tackling the work at hand independently. Instead of becoming a permanent fixture within an organization, a reputable consultant will assist the organization’s executives, leaders and members in developing the disciplines, tools and strategic thinking skills necessary to continue on with the organization’s strategic work of seeking out viable opportunities that will build and sustain top-line organizational growth, while being ever mindful of keeping reasonable pace and staying vigilant about keeping change alive.