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A Personal Journey Through Strategy: An Insider's Humble Insights

Abstract

In an era marked by unprecedented change, this purple paper focuses on a dynamic approach to strategy formulation and execution, underpinned by a strong organisational culture. It draws on personal insights and observations from the Purple Ocean Advisory team spanning a diverse set of organisations. These include large advisory bodies and start-ups, wellness organisations, NGOs, renewable energy and biopharma both large and small. This breadth of interaction allows us to dissect the complex interplay between strategic planning and implementation. This exploration delves into the perils of short-term thinking, the dichotomy of strategy, the imperative of balancing strategic flexibility “optionality” with consistency, and the critical role of understanding stakeholders through different phases of organizational maturity. It underscores the necessity of avoiding common traps such as unactionable strategies, poor communication, and an overreliance on forecasts and KPIs to foster strategic clarity, adaptability, and alignment with corporate culture. The paper introduces reflective questions tied to each identified pitfall and challenge, inviting readers to integrate their organisation’s strategic narrative and approach.

Introduction

The concept of strategy, often revered as the cornerstone of organisational success, is frequently misunderstood and misapplied. This paper explores the essence of effective strategy and the critical role of culture in its execution, drawing on experiences from a diverse set of organisations. The discourse navigates through the common misconceptions about strategy, the importance of clarity and optionality, and the imperative of embedding strategy within the organisational fabric.

The Pitfalls and Misinterpretations of Strategy

Non-Actionable Strategies, Short-Termism & Strategic dichotomy



The Issues: The prevalence of short-term thinking among senior leaders and lack of time often leads to strategic development being neglected, resulting in vague and non-actionable strategies. The challenge is that strategy is abstract and often it is difficult to grasp, leaders need to hold two opposing ideas the 'strategic dichotomy' of balancing near-term growth with funding for longer-term ambitions, a challenge that requires significant neuroplasticity due to the conflict between these two horizons.

Personal Reflection: The challenge lies in overcoming "short-termism" to dedicate sufficient time and resources to crafting and executing strategies that encompass both immediate objectives and long-term ambitions. Consider splitting your leadership team into two work groups one focusing on the near-term and one focusing on the long-term ambition then drive an active decision between the two often opposing views.

Reflective Questions:

- *Are we allocating enough time to develop and refine our strategy beyond immediate goals?*
- *How can we better balance the need for near-term achievements with our long-term ambitions?*



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The Forecast, KPI Quagmire & Strategic Drift



The Issue: The wrong application of metrics, due to misunderstandings of their role in strategy, can lead organisations away from their strategic intent.

Personal Reflection: Observing the misinterpretation of metrics as a strategy rather than an outcome, or the fact that a KPI may conflict with your strategic intent, can lead to strategic drift. As we know “what you measure is what you get” thus it is paramount to understand what behaviours will be driven by a KPI. I believe there is a common misrepresentation of Peter Drucker’s maxim, “If you can’t measure it, you can’t manage it,” which should underscore the importance of aligning metrics with strategic goals rather than confusing them with the strategy itself.

Reflective Questions:

- *How do we ensure our chosen metrics reinforce, rather than dictate, our strategic direction?*
- *Do we understand how different parts of the organisation will respond to these KPIs?*
- *Are we critically evaluating the relevance of our forecasts and KPIs to our true strategic objectives?*

The Need for Optionality

The Issue: A rigid approach to strategy limits an organization's ability to innovate and adapt to changing environments. Plans are often set with limited consideration for competitive responses,

legislative changes, and other shifts in the operational environment.

Personal Reflection: Witnessing the stifling effect of limited strategic paths has reinforced the value of incorporating flexibility and multiple options into strategic planning. It is important to map out an optional matrix and relevant choices and periodically review key inflexion points. This needs to be coupled with the final ambition or North Star to ensure that you stay true to your final ambition.

Reflective Questions:

- *Have we explored a sufficient range of strategic options to remain agile and responsive?*
- *Have we understood the risk and opportunity cost of each option?*
- *How do we foster a culture of innovation that embraces diverse strategic pathways?*

The Essence of Real Strategy

The Issue: Strategies often fail to specify actionable steps, leading to a lack of direction and mediocrity. I have observed that broad strategies often result in a lack of focus and an excess of options, lacking a true guiding star to drive decisions. In addition, I have observed weak aspiration which results in an organisation's inability to make deliberate choices in areas of differentiation or markets to compete, all resulting in mediocracy.

Personal Reflection: The differentiation between real strategy and mere aspirational goals is critical for setting a clear direction and a cascade of deliberate choices on the path to achieving excellence. A genuine strategy distinguishes between what an organisation will do and what it will avoid. This clarity is foundational for steering efforts towards achieving long-term ambitions.

Reflective Questions:

- *Does our strategy have a clear aspiration that can guide the organisation's choices?*
- *Does our strategy articulate clear, actionable objectives and the means to achieve them?*
- *Are we avoiding the trap of trying to be all things to all people?*



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Effective Communication and Resistance to Openness



The Issue: Resistance to transparent communication about strategy often stems from a fear of revealing too much. Transparent communication throughout the organisation is crucial for the successful execution of a strategy.

Personal Reflection: Encountering resistance to open communication about strategy has highlighted the necessity of fostering a culture where strategic directions are openly shared and discussed. Strategic success is contingent on clear communication across all organisational levels. I emphasize the need for transparency in conveying the strategy's rationale, ensuring alignment and effective implementation. The strategy should be an open dialogue within the organisation, fostering collective ownership and alignment.

Reflective Questions:

- *How can we improve transparency and communication of our strategic vision?*
- *What steps can we take to ensure the strategy is a collective endeavour, embraced by all levels of the organisation?*

Cultural Impediments and the Role of Organizational Culture

The issue: Developing a strategy in isolation of the organisational personality and culture will mean that culture will consume strategy for breakfast, lunch, and dinner. Thus, you need to ensure that the culture will be conducive to your strategy

Personal Reflection: The ultimate execution of any strategy is inextricably linked to the prevailing organisational culture. A culture that embraces change, supports strategic initiatives and aligns with the overarching vision is crucial for successful strategy implementation.

Reflective Questions:

- *How aligned is our strategy with our culture?*
- *How aligned is our culture with our strategy?*
- *What cultural adjustments are necessary to support the effective execution of our strategy?*

Conclusion

The intricate dance between strategic planning and execution requires a profound understanding of strategy's true nature and an appreciation for the dynamic context in which organisations operate. This paper reflects a journey through the strategic landscapes of various organisations, offering insights into overcoming common challenges and fostering a culture conducive to strategic success. The lessons learned underscore the indispensable role of clarity, adaptability, and open communication in achieving sustained organisational success.



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About the Purple Ocean Advisory

Purple Ocean Advisory is a boutique advisory organisation which brings a wealth of experience from engaging with a variety of organisations, offering a unique perspective on the challenges and intricacies of strategic planning and execution. Let Purple Ocean Advisory be your partner in navigating the complexities of the business landscape. Together, we can turn challenges into opportunities for innovation and success. Reach out to us today info@purpleocean-advisory.com to begin your journey towards strategic excellence.

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