

Strategy Tip #4

Always define a couple of strategic options

As you go about defining your corporate strategy, avoid the trap of too quickly honing into one single strategy

Make sure you define a few (quite different) strategic options to present to your shareholders or board, or for internal analysis and discussion

This helps you think out of the box and helps **focus your analysis** (don't boil the ocean)



1: Defining the Options



When defining strategic options, try hard to look at multiple angles to generate options that are both different and fresh

Think in terms of where to play and how to win, combining various aspects, e.g., geography, market segment, steps in value chain, target industries with various differentiation approaches



2: Allocate time



Implementation requires work so it is essential to create **room** for the new strategy.

Begin by discarding activities that are no longer relevant, and subsequently direct **resources** toward what truly matters.



3: Create focus



In 80% of the cases we've seen, teams allocate 80% of their strategic initiatives within the initial 5 months of a 5-year plan, creating **gridlock**.

It is crucial to require that each sponsor commits to handling max **two** projects **at a time**.



4: Engage leaders



Often the most successful managers are the **least committed**, as they tend to feel invulnerable.

Engaging them begins by involvement in crafting the new strategy. Then, as CNN founder Ted Turner famously said, they must either "lead, follow, or get out of the way".



5: Reward all

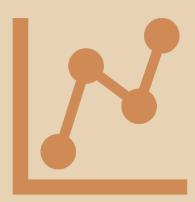


The saying "you get what you measure" is equally applicable to the execution of strategy.

We recommend incorporating the results of strategic initiatives into the **annual objectives** for all participants and assessing and rewarding based on those outcomes.



6: Be real



Ultimately, it is essential to foster a sense of realism within the team. The future is unpredictable, and **challenges** are inevitable.

Therefore, evaluate progress every quarter, reassess your assumptions once a year, and readjust as needed. People will appreciate **honesty** if there is a bright future for them.



Above all, remember...

"The great tactician is capable of winning difficult battles that the great strategist knows how to avoid entirely" - Visakan Veerasamy

Are you facing challenges are with strategy formulation? Share **your thoughts** in the comments.

