



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

A 
B 
C 

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 with strategy formulation? Share **your thoughts** in the comments.

